# Operational Budget Request and IBIS Job Aid

This job aid describes the Worksheet II (WSII) process for agencies submitting operating expansion and reduction requests. Agencies must submit WSIIs in IBIS by **January 11th**. Agencies can find job aids for capital requests on OSBM's Change Budget Instructions website.

Reduction options are not required, but agencies should look for opportunities to improve program delivery and agency operational efficiency. For example, agencies may submit change budget requests to decrease funding due to enrollment changes, to propose realignments outside the Base Budget process, or to eliminate inefficient or outdated activities.

Prior to submitting WSIIs, all agencies will submit Justification Documentation Forms (JDFs) and, when required, IT surveys to OSBM for all operational requests.

**For any questions, including which form to use, please contact your OSBM budget development analyst.**

## When to Use a Worksheet II

Agencies must submit all operating and IT change requests in IBIS using the WSII. Each expansion or reduction item must have a separate WSII. If a request has both recurring and non-recurring funding components, two WSII are required – one for the recurring portion, and one for the nonrecurring portion.

Agencies should submit WSIIs for all expansion and reduction requests regardless of funding source, including those supported entirely by non-General Fund sources (federal funds or other receipts), by cash balances in non-reverting funds, and split-funded from multiple sources.

## Guide to Completing the WSII in IBIS

**SELECT THE REQUEST TYPE:**

To begin a Change Budget entry, log in to IBIS and select "Worksheet II" from the "Create New Request" menu. Select one Request Type per WSII.

Selecting **"Increase" (WSII)** from the "Worksheet Type" menu generates the following Request Types:

- **Administrative Adjustment to Program** – For use when requesting adjustments to programs due to an increase in demand or increased costs of inputs required to operate the existing program *rather than a change in program scope*. This includes requests associated with providing the current level of service for a program. Examples:
    - A request for an additional Marine Fisheries law enforcement officer because the number of boats on the water has increased.
    - Requests for programs or activities that federal funds previously supported that other receipts or net General Fund appropriations would now support.
    - A request for funding due to internal services rate changes such as motor fleet management, DIT, or Correction Enterprise (printing, framing, etc.).
    - A request to address inflationary and other cost increases. This includes adjustments for costs related to the provision of direct services, such as lease expenses, expenses related to the care and custody of individuals, such as food, drugs and medical supplies,

library books and periodicals, expenses related to classroom instruction, such as K-12 textbooks and instructional supplies.

- **Compensation and Benefits** – For use when proposing increases to compensation and benefits for positions. These adjustments typically aim to address high turnover, hard-to-fill positions, or positions with salaries significantly below market rates. Agencies should annualize positions and reconcile salaries and benefits in the Base Budget.

- **Enrollment/Population Changes** – For use when proposing increases to respond to changes in enrollment or the population currently served in public schools, community colleges, the University of North Carolina System, prisons, North Carolina's Medicaid and Health Choice programs, State and County Special Assistance, or the Foster Care and Adoption Assistance program. With respect to public school and community college enrollment, this request may include non-ADM and non-FTE mandatory State Aid requirements up to the actual level of expenditure to continue the existing level of service.

    - For the 2027-29 biennium, agencies will submit two separate WSIIs for enrollment/population growth. The first WSII should be based on enrollment/population data supporting FY 2027-29 enrollment/population adjustments. Agencies will enter the 2027-29 adjusting entry for both years of the biennium. The second WSII should estimate the 2029-30 enrollment/population growth above the 2027-29 level based on agency projections for the second year of the biennium.
    - Initial expansion requests are understood to include preliminary projections. To include the most current information in the final budget, agencies should provide OSBM with enrollment/population cost data by January 11th.
    - The State Board of Education and DPI shall issue planning allotments to LEAs after OSBM approves enrollment data.

- **Information Technology** – For use with requests that have a significant IT component. New IT requests should follow the instructions listed in the Information Technology Job Aid.

- **New Program** – For use when proposing new and pilot programs.

- **New Vehicles/Equipment** – For use when proposing new equipment or vehicle acquisition associated with program expansions or new programs or when requesting vehicle or equipment replacements. Requests may include replacement of department-owned licensed motor vehicles, including cars, vans, trucks, jeeps, ambulances, buses, etc. Agencies should refer to the Vehicle Term Contracts on the Division of Purchase and Contract website to determine purchase and trade-in amounts for replacement vehicles based on the vehicle and accessory type. Agencies must include the total vehicle purchase price in the appropriate line item. They must also budget estimated sales proceeds for the used vehicle as "sale of surplus property" receipts. OSBM primarily considers age, purchase year, mechanical condition, and annual repair/maintenance costs for these requests.

- **Operating/Building Reserves** – For use when requesting operating funds for authorized capital projects scheduled for completion during the 2027-29 biennium. Agencies should include any new programs, activities, or expansion of existing programs and activities associated with capital

projects on a separate expansion budget request. Agencies must request the total estimated operating costs for each year in a reserve account (57XXXXXX) and must attach a detailed account breakdown of each reserve to the corresponding WSII. The attachment should include the estimated completion date of the facility that the Office of State Construction provided, the number of positions required, the proposed classification of each position, and other operating costs. Positions requested through reserves follow the same rates listed below in the Positions Tab section.

- **Program Expansion** – For use when expanding existing programs, including continued program phase-in where applicable. This type of request involves expanding the range and quality of services provided through a program, not meeting cost increases necessary to maintain the current level of services.

Selecting **"Decrease"** from the "Worksheet Type" menu generates the following Request Types:

- Change in budgeted receipts/fees or other revenue,
- Enrollment/population served,
- Other reduction,
- Program elimination, and
- Program reduction.

**THE BASIC INFORMATION TAB:**

- **Priority –** Rank the priority of each of your requests.
- **Recurrence** indicates whether the item is recurring or nonrecurring. An item with both a recurring and nonrecurring component requires two WSII entries.
- **Worksheet Type** indicates whether the request is an increase or a decrease. This field is automatically populated based on the selection in the Create Request menu.
- **Request Type** requires an agency to categorize the request using the drop-down menu. This field defaults to the type selected in the Create Request Menu. See above guidance on selecting the request type.
- The **Title** of the Request for which the WSII is prepared should include enough specificity to identify the request. If a request contains both a recurring component and a non-recurring component, please add "-R" or "-NR" to the title of each request, respectively.
- **Capital Improvement Project:** If there is a capital improvement project associated with the change request, you will be prompted for further information regarding the project. Contact oreyane.tate@osbm.nc.gov with questions about the code number. The **Item Number** should be the same as the Item Number on your Capital Improvement Project request.
- Additional **Space Requirements** per G.S. 120-36.7(c): Answering "Yes" will require additional information regarding:
    1) the type of space (office, storage, other) required for the request;
    2) the Additional Square Footage Required for the request for fiscal years 2027-29 through 2030-31; and
    3) the additional annual estimated cost of the space requirements for those years.
- **IT Component Requirements:** Indicate if this request has an IT component.
- **Affects Another State Agency or Local Government:** Indicate if this request impacts another state agency or local government. If "Yes" please list the agency/government.
- **Requires Special Provision**: "Yes" will require a description of the provision and statute or session law references.

- **Ties to Agency Strategic Plan**: If "Yes", you will be prompted to describe which specific goal and objective. If "No" explain why the request is a priority.

**THE POSITIONS TAB:**

The Positions tab summarizes position details including **Budget Fund, Account Group,** Salary **Grade**, State Personnel **Classification**, **Effective Date**, **Retirement Program, Other Information,** the **FTE** (rounded to third decimal) for FY 2027-29, the position **Annual Salary**, and the **Budgeted Salary** for FY 2027-29. The effective date should be July 1 unless extenuating circumstances necessitate a later effective date (such as positions that would support a facility upon the completion of a construction project). Agencies should seek approval from their OSBM budget development analyst before using an effective date other than July 1.

- Requested Salary Levels (Expansion Requests):
  - Positions subject to the State Human Resources Act: The requested salary level should use the midpoint for the appropriate classification or the established market or reference rate for the requested level of the banded class (contributing, journey, or advanced) as authorized by the Office of State Human Resources unless otherwise justified in the narrative.
  - Positions exempt from the State Human Resources Act: the narrative should include a justification of the requested salary.
  - Narrative justifications should thoroughly address market conditions, geographic considerations, and related factors that prohibit the agency from hiring at the midpoint. (If a position is funded from multiple sources, indicate the source and the percentage of funding from each source in the classification column.)
- Annual Salary Levels (Reduction Requests):
  - The annual salary entered for each position proposed for elimination shall reflect the position's current budgeted salary. Reducing the position by less than this amount requires your OSBM budget development analyst's prior approval.

- Include retirement and health benefits for permanent state employees who work at least nine months per year and at least 30 hours per week. Please note that the WSII will roll up the Account Number and title to the Account Group level of detail, so agencies will not enter the different compensation components on the form. Use the following fringe benefits rates when requesting new positions:

| | |
|---|---|
| Federal Insurance Contributions Act (FICA) Social Security & Medicare | 7.65% |
| Social Security (OASDI) up to maximum taxable amount of $168,600 | 6.20% |
| Medicare Portion (HI) on ALL earnings | 1.45% |
| Teachers and State Employees Retirement Rate | 26.10% |
| State Law Enforcement Officers Retirement Rate | 31.10% |
| Optional Retirement Rate | 14.59% |
| Consolidated Judicial Retirement Rate | 49.80% |
| Legislative Retirement System Rate | 27.09% |
| Health Benefits – Active Employees | $8,925 |

**THE BUDGET DETAIL TAB:**

The Budget Detail tab summarizes the total requirements, receipts, and net appropriation for the request.

- **Requirements** menu: The Account Number and Title are the rolled-up NCFS expenditure Account Number and Account Title at the *Account Group level of detail* (e.g., 5XXX). Input the incremental change in funding required to implement the request in the FY 2027-28 and FY 2028-29 columns. Future fiscal year requirement projections should include the incremental change in funding required to continue funding. The purpose of this projection is to show where there are increased future costs for the state because of funding the expansion request. (This would not include projecting future legislative salary increases. Include fringe benefits for new positions based on the rates in the table above.

- **Receipts** menu: The Account number and title are the rolled-up NCFS receipt **Account Number** and **Account Title** at the *Account Group level of detail* (e.g., 4XXX). The amounts input in the FY 2027-29 and FY 2029-30 columns should reflect the anticipated incremental receipts increase to implement the expansion request. Whenever possible, agencies should also recommend dedicated receipt or revenue sources that are currently unbudgeted to support their expansion requests. If specific statutory authority is needed, attach recommended statutory or special provision language to the WSII, which can provide authority for dedicated receipt and revenue sources. Agencies should survey and review best practices in other states or government organizations that operate similar programs and analyze the feasibility of dedicated revenue sources other than net General Fund appropriations to support their expansion requests.

  **Note:** Agencies may complete as many lines as necessary for requirements and receipts. IBIS will compile these lines in the Budget Overview tab.

**BUDGET OVERVIEW TAB:**

This tab summarizes all requirements, receipts, and net appropriations entered in the Budget Detail tab.

**ATTACHMENTS/REFERENCES**

A JDF is required for each WSII and must be attached to all entries.

Please attach any additional documents that support your expansion request to WSII. For example, any data cited in your request, supporting documentation identifying data sources, and methodologies for collecting and analyzing the data. Agencies should also attach reports and studies cited as evidence in the JDFs to support the request.