



STATE OF NORTH CAROLINA  
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER  
GOVERNOR

CHARLES PERUSSE  
STATE BUDGET DIRECTOR

February 7, 2022

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers  
All State Departments, Institutions and Agencies

FROM: Charles Perusse *Charles Perusse*

SUBJECT: Change and Capital Budget Instructions for FY 2022-23

The Office of State Budget and Management (OSBM) is beginning the process for preparing the Governor's FY 2022-23 Recommended Budget Adjustments to the 2022 General Assembly. Governor Cooper's budget priorities will focus on:

1. Positioning North Carolina to create new jobs and foster economic growth and recovery;
2. Strengthening our education and workforce development systems to ensure students and jobseekers are prepared for the jobs of today and tomorrow;
3. Promoting healthier and safer communities;
4. Advancing equity; and
5. Ensuring an effective, accountable, well-run state government.

Governor Cooper requests that agencies focus budget proposals on the common elements of these priorities and the mission and strategic plan of each agency. The result will be recommended budget adjustments for FY 2022-23 that effectively uses state resources to deliver programs and services that meet the needs of North Carolinians and empower people and businesses to realize their full potential.

Since implementation of S.L. 2021-180 only recently began, agency requests should be limited in scope. Agencies should prioritize requests to those that deliver critical services, meet operational needs, and achieve high agency and administration priorities. All requests should link clearly to the agency's strategic plan and include data and/or evidence to ensure the request has a strong justification.

All agencies should engage internally and with OSBM and Governor's policy staff in a collaborative effort to develop change budget requests. For agencies, the process includes budget and financial staff, program directors, policy staff, chief information officers, and other members of agency senior leadership. With OSBM's increased focus on evidence-based budgeting, data-driven decisions, and strategic management of the state's resources, we are continuing the two-step budget submission process – using the Agency Budget Change (ABC) List prior to submitting Worksheet IIs and IIIs in IBIS.

Please note that OSBM is implementing a new process for IT requests this year. All agencies submitting IT requests will be required to complete an IT Project Survey to provide extra detail on each prospective project. The General Assembly, the Administrative Office of the Courts, and the University System will be exempt from this requirement. For more information, please see the budget instructions and job aids on OSBM’s website, linked below.

OSBM is hosting a FY 2022-23 Budget Development Kick-off on **February 9, 2022 from 2:00–3:00pm via Microsoft Teams**. Details are available on OSBM’s website available [here](#).

The timeline for the 2022-23 budget development process includes:

<b>2022-23 Budget Preparation Key Dates/Deadlines</b>	
<u>Date</u>	<u>Action</u>
February 7, 2022	OSBM issues 2022-23 Short Session Budget Instructions
February 9, 2022	OSBM hosts Change Budget Instructions Training, 2-3pm, via Microsoft Teams
February 25, 2022	Agencies submit Agency Budget Change (ABC) Lists to OSBM
March 23, 2022	Agencies submit Final Worksheet II’s, Worksheet II EZ’s, Worksheet IIIs, and Special Provisions

Please contact your OSBM budget development analyst if you have any questions about the information in this memorandum or the instructions and job aids provided on [the OSBM website](#).

We look forward to seeing you on February 9.