



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

November 8, 2022

MEMORANDUM

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

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Change Budget Instructions for FY 2023-25

The Office of State Budget and Management (OSBM) is beginning the next phase of Governor Cooper's 2023-25 biennial budget process, the budget recommendations. Governor Cooper's budget recommendations will prioritize:

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, cleaner, and safer communities;
4. Advancing equity and diversity; and
5. Ensuring an effective, accountable, well-run state government.

Governor Cooper requests that agencies focus budget proposals on these priorities within the context of the mission and strategic plan of each agency. The result will be a recommended budget for the 2023-25 fiscal biennium that effectively invests state resources to deliver programs and services that meet the needs of North Carolinians and empower people and businesses to realize their full potential.

With mild uncertainty in the economic forecast, agencies should prioritize requests that deliver critical services, insulate North Carolinians from a potential economic downturn, and achieve top agency and administration priorities. All requests should connect clearly to the agency's strategic plan and be grounded in evidence and/or data.

All agencies should engage internally and with OSBM in a collaborative effort to develop change budget requests. The process involves agency budget and financial staff, program directors, policy staff, chief information officers, and other members of agency senior leadership.

We will once again use a two-step change budget submission process – requiring the submittal of Agency Budget Change (ABC) Lists prior to submitting Worksheet-IIs and IIIs in IBIS. OSBM is sensitive to the many demands on agency time, so we have streamlined this year's process by reducing the number of ABC List questions, eliminating the Worksheet-III requirement for Repairs and Renovations (R&R) requests, and asking for Special Provision outlines rather than final language with Worksheet-II submittal.

We will also follow last year’s information technology (IT) process. All agencies submitting IT requests must complete an IT Request Survey. The General Assembly, the Administrative Office of the Courts, and the University System are exempt from this requirement. For more information, please see the budget instructions and job aids on OSBM’s website, linked below.

OSBM is hosting an in-person Recommended Budget Development Kick-off on **November 10, 2022, 10:00–11:30am**. A virtual option is available via Webex for those unable to attend in-person. Details are available on OSBM’s website [here](#). OSBM will also host separate trainings for IT requests (on Nov. 9) and capital and R&R requests (on Nov 15).

The timeline for the 2023-25 biennium change budget development process follows: 2023-25 Budget Preparation Key Dates/Deadlines	
Date	Action
November 9, 2022	IT Request Survey training at agency Chief Information Officers meeting
November 10, 2022	Change Budget Instructions Training, 10-11:30am, in-person at OSBM
November 15, 2022	Capital Budget Instructions Training, 10:30-11:30am, in-person at OSBM
December 2, 2022	Agency Budget Change (ABC) Lists for operating items and IT Request Surveys due
December 9, 2022	ABC Lists for Capital and Repairs and Renovations items due
January 11, 2023	Final Worksheet-IIs, Worksheet-II-EZs, Worksheet-IIIs, OC-25s, and Special Provision outline forms due
February 13, 2023	Special Provision language due