

# 2025-27 Biennium Change Budget Instructions

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## I. Introduction/Overview

This document instructs agencies how to prepare recommended adjustments to the biennial appropriations act. Agencies can find these instructions – as well as job aids explaining the different types of budget requests (operational, information technology, capital, and repair and renovation) and how to use of evidence – on [OSBM’s website](#).

### Budget Kick-Off and Trainings

OSBM will host a virtual training to review the 2025-27 budget instructions for agency staff on **October 10<sup>th</sup>**. [Please RSVP using this form](#). We invite all budget staff involved in developing your agency’s change budget to attend.

OSBM will host a virtual training with agency capital staff on the capital budget request process on **October 11<sup>th</sup> at 10am**. Capital staff may [RSVP using this form](#).

### Critical Document Due Dates

1. **December 6<sup>th</sup>**:
  - a. Justification Documentation Forms (JDF) for operational requests (including IT requests)
  - b. IT Request Survey for all IT requests
  - c. Capital ABC Lists
2. **January 17<sup>th</sup>**:
  - a. Final Worksheet-IIIs (WSII), with updated JDFs, for operational requests
  - b. Worksheet-IIIs (WSIII), OC-25s for capital requests

- c. OC-25s for R&R requests set to start in FY 2025-26
  - d. Special provision forms for all provision requests
  - e. Enrollment cost data for any enrollment/population change requests (DHHS, DPI, NCCCS, and UNC only)
3. **February 17<sup>th</sup>**: Final special provision language for operational and capital requests.

**\*Note:** All agencies should submit a final JDF with each WSII.

### Agency Meetings

Between December 6<sup>th</sup> and January 17<sup>th</sup>, OSBM analysts will meet with all agencies to discuss budget requests, supporting evidence, and prioritization.

OSBM will schedule meetings between agency leadership and OSBM leadership to discuss budgetary needs during the month of January. OSBM will review best practices for these meetings during the October 10<sup>th</sup> budget kick-off.

## II. How OSBM Will Evaluate Budget Requests

### Evidence

OSBM compares requests within and across agencies to recommend the best allocation of limited state resources. Requests with the strongest business case, including evidence that speaks to how likely the program or service is to achieve desired outputs or outcomes, have the best chance of inclusion in the Governor's Recommended Budget. Agencies should clearly and succinctly describe the problem being addressed, how the request will address the problem, and the expected impact in the JDF for each request. For more detail, see the [Evidence Resources](#) page on the OSBM website and in the JDF Completion Guide.

### Agency Strategic Plan

Agencies should ensure their budget requests align with their mission and goals as found in their strategic plans. OSBM analysts will evaluate budget proposals with the agency's strategic plan in mind.

## III. Agency Submissions

In contrast to recent years, state revenues have stabilized, and our tax structure will limit growth going forward. Agencies should keep these constraints in mind when developing and submitting requests. With limited resources, we want to invest in delivering critical services and in those programs with the greatest likelihood of success. Programs with strong evidence and/or strong evaluation plans that are clearly linked to strategic plans will be prioritized during the budget development process.

This year we are streamlining the process and reducing the number of documents required. In lieu of operational ABC Lists, agencies will submit operational requests via the JDF as the first step in the operational change budget process. Agencies will continue to use the capital ABC list for capital and R&R requests. Since the WSII now includes fewer questions than were on the WSII-EZ, OSBM has eliminated the WSII-EZ.

In addition to General Fund net appropriation-supported requests, agencies must also submit requests 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.

## 1. Justification Documentation Form (JDF)

The [Justification Documentation Form](#) is intended to foster agency and OSBM collaboration as well as support the integration of evidence into requests to build the best possible business case.

**OSBM recommends that agency budget staff delegate completion of the JDF to divisions and/or program staff.** Staff completing the JDF should be those most familiar with the request and able to describe in detail the problem, outcomes, and supporting evidence for the request. OSBM's [JDF Completion Job Aid](#) provides guidance for agency staff on how to complete the form.

OSBM is hosting several trainings in October 2024 that are designed to help explain evidence and how it should be used in budget requests. This training is appropriate for both budget and division staff. [Register for a session here.](#)

**OSBM asks that agency budget staff closely review JDFs for completeness** and to provide any additional information and context required. OSBM developed a new job aid, [JDF Review and Submission Job Aid](#), to assist in this review process.

Budget staff should also ensure the priority order field in each JDF is appropriately completed. Agencies should give each JDF a unique priority ranking, and the list should be inclusive of all divisions; that is, priority should not be done by division and no JDFs should have the same priority rank.

Draft JDFs are due to your Budget Development Analyst by **December 6<sup>th</sup>, 2024**.

## 2. Operations Change Budget Requests – WSIIIs

After discussing draft JDFs with your OSBM analyst, agencies must submit operational requests via the WSII, with final JDF attached, in IBIS. See the [Change Budget Request Job Aid](#).

### 2.1 Information Technology (IT) Requests

OSBM will jointly review the business cases for all IT requests, regardless of funding source, with the State CIO to ensure that the proposal is technically sound. As with all change budget requests, the JDF is the first step in creating an IT request. Agencies must document each IT request in a corresponding JDF. Agency CIOs then complete the IT Request Survey in coordination with CFOs to provide detail on the request before ultimately incorporating the final request into a WSII. Each IT Request Survey item must also appear in a JDF, and vice versa. For more detail, see the [IT Request Job Aid](#).

*\*Note: The General Assembly, the Administrative Office of the Courts, and the University System are exempt from the IT Request Survey requirement.*

## 3. Capital Project and Repairs and Renovations Requests – WSIIIs

Capital project requests, such as land acquisitions, new construction, and rehabilitation of existing facilities, and R&R requests are submitted as part of the Capital Improvement Budget.

Agencies are encouraged to fill out a [Capital and R&R ABC List](#) detailing their priorities. After discussing Capital and R&R ABC Lists with OSBM, agencies must request capital projects, including General Fund and non-General Fund (receipts) requests, in IBIS through the WSIII. **Agencies should not submit WSIIIs for R&R projects.**

OSBM's capital budget development analysts will hold a separate training for agency capital leads on **October 11<sup>th</sup>** to support agencies in developing their capital requests. CFOs should ensure these

instructions are passed on to their capital teams and that capital analysts attend the October 11<sup>th</sup> capital training. For more detail, see the [New Capital Requests Job Aid](#) and [R&R Request Job Aid](#).

#### 4. Special Provisions

Agencies must submit a [Special Provision Form](#) for each requested provision by January 17, 2025. This form does not require the actual language that will be included in the special provision. Final drafted special provisions language, which your agency's General Counsel should approve, is due to OSBM by February 17, 2025. For more detail, see the [Special Provision Job Aid](#).

### IV. Budget Development Checklist

- Attend OSBM Change Budget Kickoff on **October 10th** – *Agency budget staff.*
- Attend Capital Budget Training on **October 11<sup>th</sup>** – *Agency capital staff.*
- Submit the operational request JDFs to OSBM by **December 6<sup>th</sup>** – *Agency budget staff.*
- Submit IT Request Survey by **December 6<sup>th</sup>** – *Agency CIO and budget staff.*
- Submit the Capital and R&R ABC List to OSBM by **December 6<sup>th</sup>** – *Agency budget staff.*
- Meet with OSBM analyst **December 2<sup>nd</sup> to January 10<sup>th</sup>** – *Agency budget staff and division staff as needed.*
- Meet with OSBM leadership in **January** – *Agency leadership.*
- Submit final JDFs, WSIIIs, WSIIIs, OC-25s, Special Provisions forms by **January 17<sup>th</sup>** – *Agency budget staff.*
- Submit enrollment cost data for any Enrollment/Population Change requests to OSBM by **January 17<sup>th</sup>** – *Agency budget staff.*
- Submit final Special Provisions language by **February 17<sup>th</sup>** – *Agency budget staff and General Counsel.*