Justification Documentation Form Completion Guide

The Justification Documentation Form is a tool for describing a budget request and presenting the rationale and supporting evidence behind it.

Evidence is the body of information indicating how likely a belief is true or false. Evidence can be qualitative or quantitative, and it may come from a variety of sources, with varying degrees of credibility.

Who should complete the Justification Documentation Form (JDF)?

OSBM recommends that agency staff who are most familiar with the program or policy related to the budget request complete the form.

Agency budget staff review JDFs, using the Review and Submission Job Aid, before submitting them to OSBM.

The goal is to make the strongest possible case for each of the requests.

How to Complete the JDF

To fill out the JDF, open and complete the form using the **Word desktop app**, not the web browser. The form field functions are not supported by the online version of Word. Do not modify the JDF document outside of the form fields. Each question should be completed.

JDF Questions with Annotations:

1. **Agency/Division**

   Use the drop down to select your agency (or Division, in the case of DHHS). Naming conventions align with the IBIS entries.

2. **Priority rank of request**

   This field will be completed by agency leadership and/or budget staff following review of all budget requests from across the agency.

3. **Title of request**

   Provide a descriptive title. Ideally, include the title in any attachments and (for budget staff) the final Worksheet II submission.

4. **Name of individual(s) who completed the JDF**

   Who are the best contacts for questions about this JDF outside of the budget office, including for OSBM to contact if a consultation is requested (per Questions 11, 12, and 14)? OSBM includes the budget office on all communications involving budget requests.

5. Funding and FTE requested

Enter the total requested ongoing (recurring) and one time (nonrecurring) funding for the upcoming biennium. Contact budget staff if needed to break down total cost estimates by requirements, receipts, and net appropriations. FTE represents full time equivalents for positions.

Include any nonrecurring funds needed for evaluation in these totals (see Questions 12 and 16)

Enter only numbers here; provide detailed explanations of the cost estimates in Question 16.

6. Request summary

Summarize your request in three to five sentences, including information on the specific activities, functions, and services (if any) that will be provided if this request is funded.

Fictional Example:

The Wastewater Division requests $1M recurring for 12 additional Septic System Specialists to complete 120 additional septic system permit reviews and inspections per month. This additional staffing will enable us to:

- *Increase our capacity to provide thorough engineering reviews, site condition analyses, and installation inspections that lower the risk of septic system failures and associated waterborne illnesses, and*
- *Reduce development project delays, decreasing permitting timelines from 60 days to 30 days.*

7. Does this request require an IT survey?

See the IT Survey Job Aid to determine if an IT survey is required.

Certain IT requests require the agency CIO to complete a separate survey to facilitate DIT's review.

8. Problem or opportunity

What problem or opportunity does this request seek to address? What happens if this request is not funded?

Outline the problem for an unfamiliar audience. Include supporting information about its scope and severity. It should be clear how the proposed activities, address the underlying causes of the problem.

Fictional Example:

Over the past decade, the Division's monthly caseload has risen significantly, from 10 to 18 development projects per Specialist (from 1,800 to over 3,200 total annually). This increased demand has extended the average permitting timeline to over 60 days, delaying the construction of housing, schools, and other infrastructure in North Carolina's fastest-growing regions. This has also constrained the time available for thorough engineering reviews and on-site inspections, increasing the likelihood of septic system failures in the future. Such failures can lead to contamination of drinking water wells and recreational water bodies, posing serious health risks. Exposure to harmful bacteria, viruses, and parasites in wastewater can cause illnesses ranging from mild gastrointestinal symptoms to severe infections requiring hospitalization.

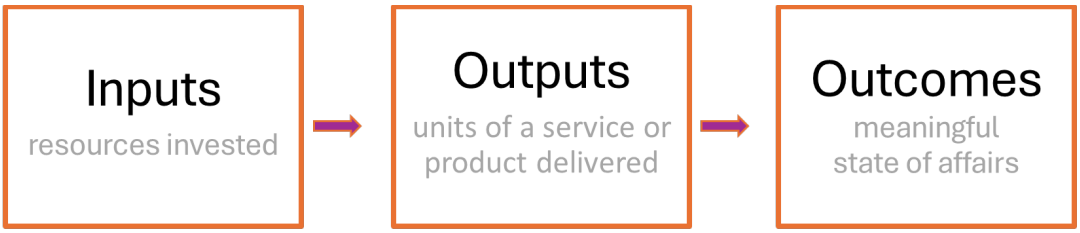
Data on septic system failures reported by local health departments indicate 5% of systems fail annually; this is likely an underestimate as not all failures are detected and reported. Approximately 35% of NC's private and public buildings are on septic systems.

We expect the number of permit requests to continue increasing, based on NC's population projections, as development activity tracks population growth. We expect project delays and risk of septic system failures – and associated health risks – to increase without additional staffing.

Questions 9 and 10: *Inputs* are used to deliver *Outputs*, leading to *Outcomes*

Your justification should clearly explain how the inputs you are requesting will be used to produce outputs, and how and why those outputs will result in better outcomes.

While outputs focus on the agency's activities, outcomes are the deeper reason for doing this work. What meaningful improvements is the agency trying to achieve?



$250K, 2 FTE	600 nurses get XYZ training	infant mortality
$2M ad buy, 1K flyers	8K report seeing ad	# visits to state park
$125M	# free school lunches served	self-reported hunger
$1.2B	2,000 miles highway	traffic reduced X%

9. Expected outputs

What output(s)—that is, units of a service or product (e.g. # trainings delivered, # people served, miles of highway constructed)—does the agency expect to deliver if this request is funded?

Fictional Example:

Our permit tracking data show that experienced Septic System Specialists can handle a caseload of 10 development projects. With 12 additional Specialists, the Division can oversee reviews and inspections for up to 120 additional development project permits per month.

10. Expected outcomes

What improved outcome(s)—that is, improvements in a result(s) relative to if the request was not funded (e.g. 15% increase in customer satisfaction, 5% decrease in unemployment, 10% less peak traffic congestion) does the agency expect?

Fictional Example:

Reduced permitting project delays. 50% reduction in the average permitting turnaround time, from 60 days to 30 days.

Septic systems can fail over time due to poor design and installation, poor site conditions, or age and improper maintenance. While engineering reviews and inspections can't completely prevent failures, additional Specialists to handle the increased volume will help restore our ability to provide thorough design and siting analyses. We aim to decrease the current 5% system failure rate, reducing the risk of waterborne illnesses from exposure to wastewater.

11. Current evaluation methods

If this request is for an existing program or service, what methods do you currently rely on to evaluate this program or service (select all that apply)?

See notes in questions 14 and 15.

Questions 12 and 13: Drawing on *Existing* Evidence

To describe the problem or opportunity, and explain the rationale for the proposal: The agency's existing program and operational data and the state's open data resources can provide insights. Interviews, surveys, and case studies help build further intuition and theories about why something might be happening.

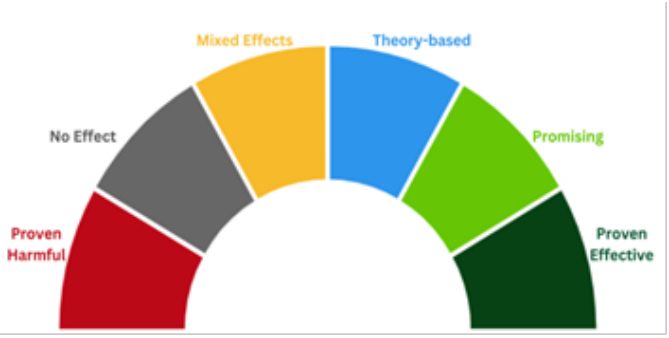
To find evidence on the effectiveness (causal impact) of solutions that have been tried elsewhere, first search research evidence clearinghouses. However, they are typically focused on social programs.

If you are not proposing a program or policy, or your solution is context-specific and thus not found in the clearinghouses, search for individual research studies directly. Google Scholar is a useful resource. See The Policy Lab's 11 Tips for Doing Desk Research.

12. Level of supporting evidence for request

Based on the North Carolina Evidence Scale, rate the level of evidence that supports why the request, if funded, will achieve the expected outcomes. If mixed effects, theory-based, or promising – which will be most programs and services – then strongly consider including a request for funding to evaluate.

North Carolina Evidence Scale Explainer



The purpose of this rating scale is to communicate two things about a program, policy, or service simultaneously:

- What do we *currently* know about its **effectiveness (causal impact)**? More specifically, what does the research evidence say about how much positive or negative change is *caused by the activity* rather than other contributing factors.
- The **strength of the evidence – how confident we can be in the findings -** based on the rigor of the methods used to evaluate it.

Theory-based: Effectiveness unknown; not yet evaluated with RCT or QED methods. Has a sound logic model explaining the theory behind how and why an action might produce the desired result, e.g., "If we do X, contributing factor Y will change, leading to outcome Z."

➡ *Moving from Theory-based to other ratings requires an evaluation using RCT or QED methods to estimate the change caused by the activity, compared to what would have happened otherwise.*

Proven Effective or Proven Harmful: Based on *multiple* evaluations using RCT or QED methods from outside NC, or *one NC-specific* evaluation using RCT or QED methods.

Promising (positive effect) or No Effect: Based on *at least one* evaluation using RCT or QED methods from outside NC.

Mixed Effect: *Multiple* evaluations using RCT or QED have contradictory findings so we cannot make a confident conclusion from the body of evidence.

Randomized Controlled Trial (RCT): The strongest evidence of causal impact comes from evaluations that randomly assign people to receive the program or not and then compare the outcomes between these two groups.

Quasi-experimental designs (QED): These methods statistically construct control groups to approximate randomization as closely as possible. Some common methods are difference-in-difference, propensity score matching, regression discontinuity.

13. Describe why you selected the Evidence Scale rating and provide supporting documentation.

Describe the rationale for your Evidence Scale rating. Unless "unsure" or "theory-based" is selected, please also attach or link to (and briefly describe) at least one report or research paper that best describes the evaluation(s) upon which the rating is based. If you selected "unsure", someone from OSBM will reach out to consult with you.

Theory-based is the most common rating. Two important notes:

1. The strongest proposals include data supporting the rationale for the request. Theory-based proposals that quantify anticipated outcomes and return on investment are compelling.

2. Theory-based does not mean that the activity is ineffective. But it does mean that at this stage, you cannot make confident claims about the proposal's effectiveness, either because the idea is either new and untried, or because it has not been rigorously evaluated yet using RCT or QED methods that compare outcomes against a counterfactual.

   There may be data showing how outcomes improved before and after implementing a program or process change. This can be a useful indicator, but it is not possible to say whether it was that action, or other contributing factors that caused the outcomes to improve. Only well-designed studies can show that the change in outcomes is causal rather than correlational.

Fictional Example:

The Wastewater Division's request for additional Septic System Specialists is Theory-based. Human exposure to wastewater pathogens from failed septic systems that can contaminate wells and water bodies is a serious health risk. We believe the Division's independent review of engineering plans, site conditions, and installation help reduce the risk of system failure and that, with additional staff capacity to meet increased workloads, we can reduce permitting timelines.

The Division's total monthly caseload (all 15 existing Specialists) is 270 projects. An experienced Specialist can handle a caseload of 10 projects per month, or 150 total across all Specialists. The requested 12 Specialists can oversee 120 projects per month, equivalent to the backlog (270-150), enabling the Division to complete thorough reviews and inspections within 30 days.

To designate a proposal as any of the other ratings – Proven Effective, Promising, Mixed Effects, No Effect, or Proven Harmful – the proposed activity must be evaluated using methods that compare outcomes against well-constructed control groups (RCT or QED). Include links or attach the referenced studies.

The strongest studies include a description of the effect size - *how much* did the solution change the outcomes – in meaningful terms. Whenever possible, include return on investment estimates that quantify the benefits of that effect compared to the delivery costs.

Fictional Example:

The Workforce Department's proposed job training program, Empower Now, is directly modeled on the Year Up program (yearup.org), which is currently administered in four states (NJ, GA, IL, & NY). Year Up has been evaluated via one randomized controlled trial involving 1,669 young adults (age 18-29), finding that after six years Year Up alumni were earning over $8,000 more annually (a 30% increase) than the control group (Fein, 2016). An included cost-benefit analysis estimated a societal return of $2.46 for every $1.00 invested in the program.

Move toward Proven: Make a plan – and request funding if needed – to evaluate requests ranked Theory-based, Promising, and Mixed Effects. See questions 14, 15, and 16.

Fictional Example:

We rate Empower Now "Promising" based on the single well-conducted randomized controlled trial (Fein, 2016), and expect similar results in North Carolina; but we also request $250K to conduct a local RCT to confirm results replicate in NC.

Questions 14-16: Planning and Budgeting for Evaluations

OSBM encourages agencies to identify priority questions where additional evidence would sway a future decision, and to plan ahead for data collection and evaluation so that, looking back, we can confidently answer, "what did we do, how well did we do it, and is anyone better off?"

Conducting your own causal impact evaluation (with the help of external partners, if needed) generates the most rigorous evidence about the effectiveness of a program or policy. These studies take time and resources, but the cost is a relatively small fraction of implementing a new program. And with advanced planning, programs can often be implemented in a way that allows you to rigorously measure its effect, establishing a causal impact.

Impact evaluations range from as little as $25,000 to $150,000 or more, depending on the labor intensity of data collection, the complexity of any existing data preparation (e.g., ID matching), and the makeup of the evaluation team, among other factors. A very rough rule of thumb is 5% of the total cost of a new initiative. Feel free to reach out to OSBM to discuss evaluation funding, including help estimating cost.

14. Future evaluation methodology

If funded, what methods do you plan to use to evaluate this program or service?

The list presents a range of metrics and methods for evaluating how well a program or service is implemented, tracking performance, and potentially measuring how much your efforts change outcomes (causal impact).

If you do not currently evaluate the program or service, or if you want to be able to make causal claims about the impact of your activities, make plans for how you can do so in the future. If you need additional resources for data collection and evaluation efforts, include it in your budget request.

15. If you will not evaluate, explain why not; if you will evaluate, describe your evaluation plans.

Outline any planned new or ongoing evaluation efforts. What data will you collect and what methods will you use to evaluate the implementation and effectiveness of your proposal?

If the agency needs additional resources for data collection and evaluation (e.g., staffing, data infrastructure, external partnerships), OSBM strongly encourages the agency to include a request for evaluation funding in your proposal.

16. Cost estimate methodology

Please describe how you calculated the requested amount, including discussion of the key assumptions driving the estimate. Link or attach documentation as needed. If applicable, indicate how much of the total is allocated to evaluate the program or service.