

How to Write an Effective Policy Option Package

A Policy Option Package (POP) is a proposal to change the level of service or funding sources for activities authorized by the Legislature, or to propose new program activities not currently authorized. There are several factors that affect whether a POP will be approved for inclusion in the Governor's Budget, recommended by the CFO or LFO Analyst or included in the budget that the Legislature enacts. Some of these factors are outside of an agency's sphere of influence or control.

A well-written and documented POP may not be approved at even the first stage of the Agency Request Budget. However, a quality POP increases the chances that a Department's proposal will be favorably considered. A poor-quality POP is easy to deny; it may even mask a critical public problem that needs to be addressed.

It is very important that your proposal be timely, complete, informative, concise, and clarity are key factors. If it takes lengthy documentation to identify the public/agency need and justify your solution, provide the detail as clearly cross-referenced attachments. Remember, it is easy to disapprove a proposal which is late or incomplete. The narrative sections of the POP form have been structured to provide answers to most of the commonly asked questions regarding POPs and their justification. All sections may not be relevant to every POP. Departments are encouraged to provide whatever narrative information is necessary to make their best case for the proposal. Much has been written about how to communicate and how to perform completed staff work. Most of the main ideas are equally applicable to preparing POPs.

Consider the following key points when writing your proposals:

Key Points

- Know your audience.
- Have a concise, descriptive title.
- Provide a clear and concise summary.
- Document needs/problems/opportunities, quantitatively, if possible.
- Quantify workload.
- Identify benefits to be achieved, quantitatively, if possible.
- Present and evaluate viable alternatives in terms of costs and benefits.
- Address history, risks, and uncertainties.
- Document the required resources needed.
- Have an independent, skeptical person critically review the proposal before submission.
- Follow the instructions.

Discussion

Know your audience. The primary audience within the executive branch is the Chief Financial Office (CFO) CFO Analyst and Governor's Policy Advisor. The primary audience within the Legislature is your Legislative Fiscal Office (LFO) Legislative Fiscal Analyst, and in some cases, fiscal committee staff. These are the people who must read and understand your proposal and explain it to others. Write the proposal based upon how much information will be needed to understand the request. Keep in mind that you are primarily trying to persuade the audience of your case.

Give the POP a concise descriptive title. The title and POP number usually are the references to the request. It is helpful to have an easily remembered title for reference purposes for questions and discussions. This name usually becomes the title used in the Oregon Budget Information Tracking System (ORBITS) and the Oregon Position Information Control System (ORPICS), which is used in various levels of in budget meetings and committee sessions.

Provide a clear and concise summary of the request. This should be a brief statement of what is being requested and why. This description should provide the minimum level of detail necessary for POP discussion and decision meetings, and generally would be excerpted into ORBITS and budget narrative documents. For these reasons, it is important that this narrative be brief, yet clear enough so that it can stand alone.

A well-documented request will have self-contained answers in the analysis portion of the POP to such questions and concerns as the following:

Nature of Request

- What is the public/customer need for the request?
- What is being done now by your department and others to address the problem/need?
- What resources are currently being expended in the base budget related to the request?
- Why can the problem not be resolved within existing resources?
- What are the adverse impacts if this proposal is not approved? (Be realistic in this assessment.)
- Why are current efforts insufficient?
- How will the program be coordinated with other similar activities?
- What is the priority of this request versus other program activities in which the department is involved?

Background/History

- What is the authority (state/federal law, regulation, agency, etc.) for this program activity/service?
- What clientele is being served, who benefits?
- What is the history (recent) of similar proposals?
- What have been recent program changes?
- What other (similar) activities, past and present, address this general area and are they effective/efficient?
- Are there examples from other States or institutions where this approach has succeeded?

State Level Considerations

- What is the state policy (Governor, Legislature, stakeholders, etc.) concerning this issue, or a closely related one; and is this proposal consistent with such policy?
- Why should the State assume responsibility for this change? (Why not private, federal, local, etc.?)
- What is the impact on other state departments?

Facility/Capital Outlay Considerations

- What is the impact on facility/capital needs? (Will this program/positions require additional facilities? How will this need be met? Leasing, capital outlay project, other?)

Justification

- How is this proposal consistent with the department's strategic plan? Be as specific as possible. At a minimum, identify the objective(s) this POP will support.
- Will this proposal solve the problem?
- How does the proposal affect the quality of the governmental service being provided?
- Is each component in the proposal essential or just desirable (needs vs. desires)?
- Is this a high priority long-term need, and if so, how does the proposal affect the long-term problem?
- Why is the recommended program level the correct one? Why does this have to be done now? Can it wait?
- Are or can other non-state funding sources be made available?
- Are program/proposal objectives set forth in quantifiable terms?
- What facts and figures support the recommendation?
- What statements/information from authorities and clients support the request?
- What support/opposition is there to the request?
- Any legal considerations?
- Is the proposal technologically sound?
- How does this help stakeholders?

Include quantifiable workload/cost information, i.e., the basis for determining the level of activities that must be performed and the related number of Full Time Equivalent (FTEs) requested, and the dollars requested. If the proposal involves a new program for which actual workload data are unavailable, the workload assumptions, and the basis for those assumptions, should be clearly set forth in the proposal. Provide functional descriptions of what staff or other resources will accomplish.

The POP should identify what goal/objective is to be achieved and include a discussion or provide the criteria by which the success or benefits of the request can be judged. As an example, if a proposal were to establish a pilot or new program, the request should include evaluation criteria. That is, the proposal should set forth a plan including who will evaluate, how and when the evaluation will be conducted, and what will be measured. (NOTE: This may be more relevant in some program areas than others but certainly should be a consideration.)

Analysis of All Feasible Alternatives

Include an analysis of all feasible alternatives to addressing the problem. A position often taken by a department is that there are no other viable/possible alternatives. Such a claim is generally refuted, since DOF/LAO often suggest alternatives. Decisions on POPs very often reflect these "other" alternatives.

A well-documented proposal also provides alternatives and presents an analysis on why the selected recommendation best meets the problem/need and indicates what adverse action would result if the request were denied. Such analysis should incorporate the assumptions/constraints, impact on benefits or quantifiable measures of effectiveness, risks, and uncertainties (probability of success).

Timetable

Include a timetable for implementing the request - steps necessary, FTEs, and costs.

Common Pitfalls to Avoid Include the Following:

- Untimely submission of requests.
- Undefined problem, i.e., proposing a solution to an unspecified, unquantified problem.
- Lack of detail relating to actual needs.
- No/little quantification of needs/benefits.
- Objectives unachievable, of unreasonable dimension, or not feasible.
- Expected results are too general/not specific.
- No/little discussion of viable, alternative solutions.
- Insufficient documentation, workload, and cost justification.
- Unsupportable and unreasonable assumptions.
- Lack of overall planning or coordination.
- No indication of priority for the request.
- Avoid addressing issues related to the request (because you think/hope others will not think of them).
- Case not compelling.
- Budget Details