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# Abbreviations

<b>Abbreviation</b>	<b>Description</b>
3Rs	Recruitment, Relocation and Retention
ACA	Affordable Care Act
AFV	Alternative Fuel Vehicles
ALJ	Administrative Law Judges
AMIS	Acquisition Management Information System
APR	Agency Program Review
APS	Alternative Personnel Systems
ARC	Automated Record Checks
ARRA	American Recovery Reinvestment Act
AVS	Agency and Veterans Support
BFE	Budget Formulation and Execution
BS	Benefits Systems
CAP	Computer/Electronic Accommodations Program
CBIS	Consolidated Business Information System
CBO	Congressional Budget Office
CBP	Center for Budget and Performance
CCS	Cuts, Consolidations, and Savings
CDP	Candidate Development Programs
CFC	Combined Federal Campaign
CFI	Centrally Funded Items
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officer Council
CIO	Chief Information Officer
CIC	Capital Investment Committee
CLA	Congressional and Legislative Affairs
CMS	Center for Medicare and Medicaid Services
CMSA	Center for Merit System Accountability
COG	Continuity of Government
COLA	Cost-of-living Adjustment
COOP	Continuity of Operations Program
COTS	Commercial Off-the-Shelf
CPL	Communications and Public Liaison
CR	Continuing Resolution
CS	Common Services
CSS	Customer Services Specialist
CSRDF	Civil Service Retirement and Disability Fund
CSRS	Civil Service Retirement System
CVS	Central Verification System
DAIP	Disaster Assistance Improvement Program
DCFSA	Dependent Care Flexible Spending Account
DCW	Dual Comp Waivers
DEU	Delegated Examining Unit
DHA	Direct Hire Authority
DI	Diversity and Inclusion
DOD	Department of Defense

<b>Abbreviation</b>	<b>Description</b>
DOJ	Department of Justice
DSS	Defense Security Service (Department of Defense)
E2E	End-To-End Hiring Process
EAP	Employee Assistance Program
EDMS	Electronic Document Management System
EEO	Equal Employment Opportunity
e-Gov	Electronic Government
EHRI	Enterprise Human Resources Integration
EISA	Energy Independence and Security Act
ELR	Employee and Labor Relations
EO	Executive Order
eOPF	Electronic Official Personnel Folders
e-QIP	Electronic Questionnaires for Investigations Processing
ERED	Executive Resources and Employee Development
ERMG	Executive Resource Management Group
ES	Employee Services
ESO	Executive Secretariat & Ombudsman
EVM	Earned Value Management
FCAT	Federal Competency Assessment Tool
FEA	Federal Enterprise Architecture
FEBs	Federal Executive Boards
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees Group Life Insurance
FEHB	Federal Employees Health Benefits
FEHBP	Federal Employees Health Benefits Program
FEIO	Federal Employee Insurance Operations
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FFS	Federal Financial System
FIS	Federal Investigative Services
FLIS	Federal Labor Information System
FLRA	Federal Labor Relations Authority
FLTCIP	Federal Long-Term Care Insurance Program
FMLoB	Financial Management Line of Business
FOIA	Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FSA	Flexible Spending Account
FSAFEDS	Flexible Savings Account Program
FSC	Facilities, Security & Contracting
FSIO	Financial Systems Integration Office
FTE	Full-time Equivalent
FY	Fiscal Year
GAO	Government Accountability Office
GEAR	Goals Engagement Accountability Results
GPO	Government Printing Office
GPRA	Government Performance and Results Act
GSA	General Services Administration

<b>Abbreviation</b>	<b>Description</b>
HBCU	Historically Black Colleges and Universities
HC	Human Capital
HCAAF	Human Capital Assessment and Accountability Framework
HCFSA	Health Care Flexible Spending Account
HCMR	Human Capital Management Report
HHS	Health and Human Services
HI	Healthcare & Insurance
HMO	Health Maintenance Organization
HPDI	HEALTHCARE Program Development and Implementation
HR	Human Resources
HRA	Health Risk Appraisal
HR IT	Human Resources Information Technology
HR LOB	Human Resources Line of Business
HRM	Human Resources Management
HRS	Human Resources Solutions
HRU	Human Resources University
HSPD	Homeland Security Presidential Directive
IDP	Individual Development Plan
IHCIREA	Indian Health Care Improvement Reauthorization and Extension Act
IOC	Office of Internal Oversight & Compliance
IPA	Intergovernmental Personnel Act
IRB	Investment Review Board
IRTPA	Intelligence Reform and Terrorism Prevention Act
IT	Information Technology
JOA	Job Opportunity Announcement
JRE	Joint Reform Effort
KSA	Knowledge, Skill, and Ability
LAIRS	Labor Agreement Information Retrieval System
LAS	Legal Administrative Specialist
LEAD	Leadership Education and Development
LEX HCFSA	Limited Expense Health Care Flexible Spending Account
LFCC	Local Federal Coordinating Committee
LMR	Labor Management Relations
LMS	Learning Management System
LOB	Line of Business
LTC	Long Term Care
MAX HS DB	MAX Homeland Security Database
MCO	Mission Critical Occupations
MSAC	Merit System Audit & Compliance
MSPB	Merit Systems Protection Board
MSP	Multi-State Plan Program
MSPs	Multi-State qualified health plans
NARA	National Archives and Records Administration
NSPS	National Security Personnel System
O&M	Operations and Maintenance
OASDI	Old Age, Survivors and Disability Insurance
OD	Office of the Director
ODI	Office of Diversity and Inclusion

<b>Abbreviation</b>	<b>Description</b>
ODNI	Office of the Director of National Intelligence
OEP	Occupant Emergency Programs
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPIS	OPM PIPS Imaging System
OPM	Office of Personnel Management
OSDBU	Office of Small and Disadvantaged Business Utilization
PIV	Personal Identity Verification
P&L	Pay and Leave
P.L.	Public Law
PAAT	Performance Appraisal Assessment Tool
PALT	Procurement Action Lead Times
PASP	Program Assessment and Special Programs
PBM	Pharmacy Benefits Managers
PCFO	Principal Combined Fund Organization
PCIP	Pre-existing Condition Insurance Plan
PD	Procurement Desktop
PDS	Professional Development Series
PII	Personally Identifiable Information
PIO	Performance Management Integration Boards
PIPS	Personnel Investigations Processing System
PIV	Personal Identity Verification
PLR	Partnership and Labor Relations
PMC	President's Management Council
PMF	Presidential Management Fellows
PMLOB	Performance Management Line of Business
PMP	Planning and Measurement Program
PPA	Planning and Policy Analysis
PSRHBF	Postal Service Retiree Health Benefits Fund
PTO	Patent and Trademark Office
R&D	Research & Development
RAPS	Retirement Application Processing Seminar
REHB	Retired Employees Health Benefits
RF	Revolving Fund
RFI	Request For Information
RIF	Reduction in Force
ROI	Return on Investment
RS	Retirement Services
S&E	Salaries & Expenses
SAT	Strategic Action Team
SCI	Sensitive Compartmented Information
SES	Senior Executive Service
SL	Senior Level
SSC	Shared Service Centers
SSM	Systems/Standards/Metrics
ST	Scientific and Technical
TFA	Trust Fund Annual

<b>Abbreviation</b>	<b>Description</b>
TMO	Telework Manager Officer
T2H	Time to Hire
TRB	Theodore Roosevelt Building
TS	Top Secret
USERRA	Uniformed Services Employment and Reemployment Rights Act
VAV	Variable Air Volume
VERA	Voluntary Early Retirement Authority
VR	Voting Rights
VSIP	Voluntary Separation Incentive Payment
WHF	White House Fellowship

# Executive Summary

<b>FY 2013 Budget Overview</b>	<b>FY 2011 Enacted</b>	<b>FY 2012 Enacted</b>	<b>FY 2013 Request</b>
<b>Appropriations</b>			
Salaries & Expenses	\$97,774,060	\$97,774,000	\$90,541,000
Trust Fund Limitation	\$112,512,524	\$112,516,000	\$114,708,000
<b>Salaries &amp; Expenses Total</b>	<b>\$210,286,584</b>	<b>\$210,290,000</b>	<b>\$205,249,000</b>
OIG Salaries & Expenses	\$3,141,704	\$3,142,000	\$4,232,000
OIG Trust Fund Transfer Limitation	\$21,172,570	\$21,174,000	\$21,172,000
<b>OIG total</b>	<b>\$24,314,274</b>	<b>\$24,316,000</b>	<b>\$25,404,000</b>
<b>Appropriated Total (dollars)</b>	<b>\$234,600,858</b>	<b>\$234,606,000</b>	<b>\$230,653,000</b>
<b>Mandatory Administrative Authorities</b>			
5 USC 8348(a)(1)(B) (Retirement)	\$41,892,000	\$42,934,000	\$43,578,000
FERCCA (P.L. 106-265) (Retirement)	\$2,052,000	\$2,109,000	\$2,109,000
5 USC 9004(f)(B) (Long-Term Care)	\$1,907,000	\$2,048,000	\$2,048,000
5 USC 8958(f) (2) (A) & 5 USC 8988(f) (2) (A) (Dental & Vision Ins.)	\$5,171,000	\$5,299,000	\$5,299,000
<b>Mandatory Authority Total (dollars)</b>	<b>\$51,022,000</b>	<b>\$52,390,000</b>	<b>\$53,034,000</b>
<b>Revolving Fund (Customer Payments from Federal Sources)</b>			
Budgeted Obligations	\$1,923,631,000	\$2,054,476,000	\$1,859,044,000
<b>Total OPM Operating Budget</b>	<b>\$2,209,253,858</b>	<b>\$2,341,472,000</b>	<b>\$2,142,731,000</b>

The U.S. Office of Personnel Management (OPM) is the central human resources agency for the Federal Government and the primary policy agency supporting the President as he carries out his responsibilities for managing the Federal workforce. OPM maintains the American tradition of a merit-based civil service and leads Federal agencies in strategic human resources management. We honor the Government's commitment to its employees by managing the Trust Funds that support the retirement and insurance benefits they earn, and beginning in 2014, we will support the American public by offering health insurance options for individuals and small businesses.

Our Fiscal Year (FY) 2013 budget request is \$230,653,000. It consists of \$205,249,000 for OPM activities and \$25,404,000 for the Office of the Inspector General (OIG). It will permit us to fulfill our responsibilities to the Federal Government, its employees, retirees, and to the American public with emphasis on the improvement of retirement claims processing times and fulfillment of our responsibilities under the Patient Protection and Affordable Care Act (ACA) in a fiscally prudent manner.

Our paramount priority is to improve the retirement claims adjudication process and to address the backlog of retirement claims within the next 18 months. It is likely that the workload will increase as some agencies and the United States Postal Service undertake initiatives to utilize Voluntary Early Retirement Authorities (VERA) and Voluntary Separation Incentive Payments (VSIP) to restructure and resize their workforces to achieve their missions as effectively and efficiently as possible. The FY 2013 President's Budget would permit OPM to increase its retirement claim processing capacity to eliminate existing backlogs, process retirement claims in a timely manner, and react to workload surges caused by Federal restructuring efforts.

OPM is tasked through the ACA to implement and oversee Multi-State plan options. At least two Multi-State plans will be offered on each state Affordable Insurance Exchange (the market-place for health insurance products available to individuals and small businesses) beginning in January 2014. Multi-State plans will be one of several health insurance options from which small employers and individuals will be able to choose. These plans will help ensure that exchanges fulfill their mission of providing a vibrant

healthcare marketplace. FY 2013 will be a pivotal year for the successful implementation of Multi-State plans, as that is when the process of application, approval, negotiation and establishment will occur. The second new task is to implement a provision to allow tribes and tribal organizations to purchase insurance coverage through the Federal Employees Health Benefits Program and Federal Employee Group Life Insurance Program for their employees. This responsibility brings unique challenges as it requires OPM for the first time to interact with up to 600 outside entities. The first enrollments will commence in March with coverage effective in May 2012, and we expect to have additional participation in 2013.

The President's FY 2013 Budget proposes several changes to Federal earned benefit programs managed by OPM. These changes are expected to reduce the cost of providing health insurance benefits, reduce the Civil Service Retirement System's unfunded liability, and reduce the Government's cost of providing future retirement benefits for new employees. In addition, one of the proposals will enable Federal agencies to offer a transition into retirement for key personnel that will improve knowledge transfers to the next generation of the workforce. The Budget also proposes that OPM be given authority to streamline pharmacy benefit contracting within the FEHB program and leverage enrollees' purchasing power to reduce costs and obtain greater value for enrollees. Finally, the budget proposes changes to the financing of the Postal Service Retiree Health Benefit Fund to provide immediate financial relief to the United States Postal Service. Descriptions of these proposals are contained in the Earned Benefit Trust Funds section, and in the President's Budget.



## FY 2013 Request by Fund

OPM's budget request consists of two appropriations, the Office of Personnel Management Salaries and Expenses, and the Office of the Inspector General Salaries and Expenses. OPM's total FY 2013 appropriated request is \$230,653,000. Both contain Salaries and Expenses and limitations on transfers from the earned benefit Trust Funds under OPM management. These Trust Funds are the Civil Service Retirement and Disability Fund, Federal Employees Health Benefits Fund, the Federal Employees Group Life Insurance Fund, Postal Service Retiree Health Benefits Fund and Federal Flexible Spending Risk Reserve Account. Three mandatory appropriation payments provide resources from the Treasury's General Fund to three of the earned benefit Trust Funds, and finance benefits for Federal employees and annuitants. The Trust Funds, and the associated mandatory appropriations are discussed in more detail in the Earned Benefit Trust Fund section of this budget.

In FY 2013, OPM's administrative accounts will support 5,261 full-time-equivalent employees (FTE) as compared to 5,673 FTE in FY 2012. Of these, appropriations and mandatory Trust Fund transfers will support 1,933 FTE, an increase from 1,870 FTE in FY 2012. 3,189 FTE are supported by revolving fund activities and 139 FTE are supported by OIG appropriations.

## Salaries & Expenses (exclusive of OIG)

**Salary and Expenses Funds.** OPM's Salary and Expense Fund request for basic operating expenses totals \$90,541,000, which includes \$83,121,000 in annual budget authority (of which \$642,000 continues to strengthen the capacity and capability of OPM's Acquisition workforce), and \$7,420,000 in no-year funds for the Chief Information Officer's Human Resources Line of Business (HRLOB) and Enterprise Human Resources Integration (EHRI) projects. This reflects a decrease of \$7,233,000 below the FY 2012 enacted level.

**Transfers from Trust Funds.** For the administration of the civil service retirement and insurance programs, OPM requests a total of \$114,708,000 in transfers from the Trust Funds an increase of \$2,192,000 from the FY 2012 enacted limitation.

The Annual Trust Fund resources support Retirement Services, programming and accounting functions within CIO and CFO respectively, as well as administration of the Federal Employees Health Benefits Program (FEHBP) and the Federal Employees Group Life Insurance Program (FEGLI).

## Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies to the Revolving Fund, rather than from OPM's direct appropriation. For Revolving Fund programs, the FY 2013 budget includes an estimated \$1,859,045,000 in new obligations and 3,189 FTE to be financed by other agencies' payments. This represents a decrease of \$195,431,000 and a decrease of 479.8 FTE from estimates for FY 2012. Services are provided through a mixture of qualified Federal and private sector staff.

OPM's services include conducting more than 90 percent of the Federal government's background investigations of Federal employees, contractors, and military members for various Federal agencies. OPM also conducts national agency check and inquiry cases and background security/suitability investigations for Federal agencies on a reimbursable basis. We offer recruitment and applicant assessment services and a web-based automated staffing system for agency use. OPM also provides staffing, technical assistance, and general consultation services on workforce planning, organizational assessments and other facets of human resources management. Further, we provide core mission and customized training services and learning management systems to meet agency knowledge management

needs. OPM also offers personnel record conversion and advanced analytical tools for automated personnel records through the Enterprise Human Resources Initiative.

Agency contributions through the Revolving Fund for the HR LOB in FY 2013 are expected to be approximately \$3,000,000. These funds will be used to further develop enterprise architecture planning and requirements development, governance support, and assistance with the set-up and operation of Shared Service Centers and agency migration to established centers.

## **Organizational Framework**

OPM pursues its goals through 19 organizations and the Office of the Inspector General. Of these, five organizations comprise the executive leadership and support of the agency and six support the internal administration of the agency. Eight deliver on OPM's mission to Federal agencies, employees and the general public. These are as follows:

- Employee Services
- Retirement Services
- Healthcare and Insurance
- Planning and Policy Analysis
- Merit Systems Audit and Compliance
- Federal Investigative Services
- Human Resources Solutions
- Diversity and Inclusion

Organizational descriptions and budgetary resources requested for each can be found in the Budget by Organization section of this budget.

## OPM's Mission, Goals and Priorities

OPM's mission is to recruit, retain, and honor a world-class workforce to serve the American people. To focus our efforts, OPM developed the goals and strategies contained in the Strategic Plan to help other Federal agencies achieve their missions and to produce superior results. OPM's unique Government-wide role provides the opportunity to make the Federal government America's model employer.

### OPM Mission and Strategic Goals

OUR MISSION: Recruit, Retain, and Honor a World-Class Workforce to Serve the American People	
<b>Hire the Best</b>	Recruit and hire the most talented and diverse Federal workforce possible to serve the American people
<b>Respect the Workforce</b>	Provide the training, benefits, and work/life balance necessary for Federal employees to succeed, prosper, and advance in their careers
<b>Expect the Best</b>	Ensure the Federal workforce and its leaders are fully accountable and are fairly appraised while having the tools, systems, and resources to perform at the highest levels to achieve superior results
<b>Honor Service</b>	Ensure comparable recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees
<b>Improve Access to Health Care</b>	Develop and administer programs that provide high quality and affordable health insurance to uninsured Americans through Affordable Insurance Exchanges, uninsured Americans with pre-existing medical conditions who cannot otherwise purchase coverage, and employees of tribes or tribal organizations

In the summer of 2011, OPM's leadership assessed the agency's progress in implementing our strategic plan. OPM is making progress towards meeting each strategic goal, some more successfully than others. Based on the assessment, OPM's leadership decided to augment the strategies that underlie each of the strategic goals. In addition, OPM is adding a strategic goal to reflect the new agency responsibilities created by enactment of the Affordable Care Act. The Budget by Strategy section of this document contains a detailed discussion of each of the five goals, 22 strategies and the respective resources budgeted in FY 2013. OPM's progress against each goal is as follows:

- Hire the Best:** OPM has had success in removing barriers in the hiring process. For example, over 94 percent of job announcements have eliminated Knowledge, Skill, and Ability statements, and the vast majority of background investigations are completed in fewer than 40 days. To focus on the quality of employees hired, we are developing a new strategy to increase the engagement of managers into the hiring process, and are developing and piloting methods to improve the assessment process to identify the best candidates. OPM is making notable strides in hiring veterans into its own workforce, and is actively engaged in coordinating the Veterans Employment Initiative created by Executive Order 13518. OPM has established a new office to focus on increasing diversity and inclusion in the Federal workforce. The office is actively promoting the issue and instituting training and tools to assist agencies in their hiring efforts, but will expand efforts to institutionalize and sustain the process.
- Respect the Workforce:** OPM is making progress in improving training opportunities for Federal employees, including expanding the course offerings on HR University, our on-line training portal. OPM is placing an emphasis on improving the Senior Executive Service selection, entrance, and leadership development process. We have also provided guidance and tools to agencies on what constitutes an effective health and wellness program. Employee satisfaction is being measured in the Employee Viewpoint Survey. OPM continues to offer competitive employee benefits to the Federal workforce, and we are paying close attention to the

cost of pharmacy benefits within health insurance offerings. New data tools are being developed to better inform policy development in this arena. Legislative changes to the Federal Employees Health Benefit Program are proposed in the President's Budget to afford OPM greater flexibility to contract for pharmacy benefits.

- **Expect the Best:** OPM's efforts to establish standards for effective performance management systems and to guide agencies in their utilization are driving improvement. During FY 2011, the Government Accountability Office (GAO) removed most human capital issues from their High Risk Report. We will continue to collaborate with Federal agencies through periodic workshops and reviews to sustain achievements and make continued improvements. OPM continues to hold agencies accountable for human resources activities that are carried out in accordance with merit system principles and OPM standards. As more agencies are utilizing shared service centers for human resource services, OPM has started to audit these centers. The Telework Enhancement Act identifies OPM's role in Government-wide implementation of the Act. We published *A Guide to Telework in the Federal Government* during FY 2011 to assist agencies in implementing the Act, and have developed web-based training to assist agencies in the implementation of the Telework Enhancement Act. We will utilize the Employee Viewpoint Survey and an annual data call to fulfill our reporting requirements under the Act.
- **Honor Service:** The quality of retirement claims received by OPM, and the time it takes us to adjudicate those claims continues to be a challenge. We are instituting a process to assess and report on the completeness of incoming claims, as well as to track the timeliness of processing. We are working with benefit officers across the Federal government to identify gaps in application packages, to increase the delivery of benefit officer training, and to improve our processing. There has been improvement, but there is more to be achieved. In FY 2011, we hired additional claims processing staff to increase our processing capacity. OPM is also addressing existing backlogs by reassigning trained staff from other components of our retirement services workload, and by bringing back recently retired staff on a temporary basis. We anticipate that fiscal constraints across the Federal government and within the Postal Service will drive an increase in retirements.

When Federal agencies downsize their workforces, they often utilize VERAs and offer VSIPs to minimize the need for involuntary actions. Often, the timeframe for employees to utilize these authorities is short. The result is a large number of retirement claims submitted to OPM at the same time. To assist OPM in timely processing these surges in retirement claims, the President's FY 2013 Budget proposes to continue a general provision first enacted in the Consolidated Appropriations Act of 2012. The provision requires Federal agencies to pay OPM's average retirement claim processing cost for the preceding fiscal year into the Civil Service Retirement and Disability fund for each retirement resulting from use of a VERA or in conjunction with the retiree's receipt of a VSIP. These funds would be available to OPM for retirement program administrative expenses such as to finance overtime for claims processing staff.

- **Improve Access to Healthcare:** The Affordable Care Act is one of the Administration's signature legislative accomplishments. OPM gained two significant tasks from the ACA. The first is to implement and oversee Multi-State plan options. At least two Multi-State plans will be offered on each state Affordable Insurance Exchanges, and the second task is to extend eligibility for the FEHBP and the FEGLI Program to eligible tribes and tribal organizations. Under the ACA, Affordable Insurance Exchanges commence in October 2013 with an effective date of coverage in January 2014. Employees of participating tribes and tribal organizations will be offered health insurance within the FEHBP starting in March 2012, with coverage effective in May 2012. We tentatively plan to offer FEGLI coverage late in FY 2012 or early in FY 2013.

In addition to the five strategic goals discussed above, OPM owns or shares responsibility for five Agency Priority Goals to deliver specific measurable results in areas that are highly visible to the American public

within the next two years. Each of these priority goals is aligned with OPM's mission and complements OPM's strategic goals. These goals will have a significant impact to Federal workers and to the missions of the agencies where they are employed. Some of the anticipated benefits will be a streamlined hiring process as a result of greater system efficiencies and a more evenly distributed retirement claims processing workload. Lastly, OPM will continue to meet the goals of timeliness, accuracy, and quality in security clearance reform and the requirements of the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458).

OPM tracks the implementation of its Strategic Plan and achievement of its Strategic and Priority Goals in several ways. Each strategic goal is comprised of strategies. An OPM executive leads each strategy's implementation and program offices' plans are reviewed by our Chief Operating Officer and Performance Improvement Officer in order to ensure that the programs are properly managing their resources according to the plan. In addition, the Chief Financial Officer's Budget and Performance office monitors programs' strategic goal progress on a consistent basis.

## Summary Tables

### FY 2013 Budget by Goal and Strategy – Appropriated Funds (dollars in thousands)

Goal/Strategy	Appropriated	
	\$	FTE
<b>Hire the Best</b>		
1.01 Implement improvements to the Federal Hiring Process	\$6,784	48.0
1.02 Promote Diversity and Inclusion in the Federal Workforce	\$1,100	6.5
1.03 Ensure Agencies have timely and sufficient information to make decisions such as Credentialing, Suitability, and/or Security Clearance Determinations	\$0	0.0
1.04 Reduce Skills Gaps in targeted mission critical occupations and/or Competency areas across Government	\$2,105	13.3
1.05 Encourage increased manager involvement in the Federal hiring process	\$1,402	9.3
1.06 Assist Veterans in the Federal Workplace	\$2,130	13.5
<b>Hire the Best Total</b>	<b>\$13,521</b>	<b>90.6</b>
<b>Respect the Workforce</b>		
2.01 Improve training opportunities for Federal employees	\$952	6.0
2.02 Ensure that available benefits align with best practices and employee's needs	\$17,331	102.0
2.03 Improve Federal employee engagement and satisfaction with Health, Wellness, and Work-Life Flexibilities	\$1,552	9.7
2.04 Improve Federal labor-management relations	\$2,722	18.0
2.05 Promote the safety of the Federal workforce through emergency preparedness	\$1,351	8.4
<b>Respect the Workforce Total</b>	<b>\$23,908</b>	<b>144.1</b>
<b>Expect the Best</b>		
3.01 Help agencies become high performing organizations with use of HR Tools	\$16,334	54.6
3.02 Recognize, select, and sustain individuals who provide strong leadership and direction for agencies	\$2,147	14.4
3.03 Provide leadership and direction to Government-wide HR programs	\$8,413	54.9
3.04 Hold agencies to account for improvements in strategic human resources management	\$12,156	90.0
3.05 OPM will lead by example to implement human resources reforms and to reinvigorate our approach to individual and organizational performance management	\$742	46.9
3.06 Implement certain provisions of the Telework Enhancement Act of 2010	\$1,276	7.9
<b>Expect the Best Total</b>	<b>\$41,068</b>	<b>268.7</b>
<b>Honor Service</b>		
4.01 Develop a 21st Century customer focused retirement processing system that adjudicates claims timely and accurately	\$53,930	496.0
4.02 Improve OPM service to Federal Agency Benefits Officers	\$1,920	14.0
<b>Honor Service Total</b>	<b>\$55,850</b>	<b>510.0</b>
<b>Improve Access to Health Insurance</b>		
5.01 Contract with Multi-State Health Plans to be offered on Health Insurance Exchanges	\$8,000	34.0
5.02 Offer FEHB and Federal Employee Life Insurance (FEGLI) program benefits to employees of tribes and tribal organizations	\$2,000	4.0
5.03 Manage a contract with a health insurer to provide health insurance coverage to people with pre-existing conditions	\$0	17.0
<b>Improve Access to Health Insurance Total</b>	<b>\$10,000</b>	<b>55.0</b>
<b>Other Activities Total</b>	<b>\$60,902</b>	<b>539.2</b>
<b>OPM total</b>	<b>\$205,249</b>	<b>1,607.6</b>

## 2013 Budget by Organization and Strategic Goal – Appropriated Resources (thousands)

Organization/Activity	Strategic Goal					Other Activities	Total Appropriated Resources
	1	2	3	4	5		
Employee Services*	\$12,421	\$6,577	\$15,554	\$0	\$0	\$0	\$34,552
Retirement Services	\$0	\$0	\$0	\$55,850	\$0	\$0	\$55,850
Merit System Audit & Compliance	\$0	\$0	\$12,156	\$0	\$0	\$1,386	\$13,542
HR Solutions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HI	\$0	\$8,447	\$0	\$0	\$7,539	\$0	\$15,986
CIO*	\$0	\$0	\$7,420	\$0	\$0	\$13,678	\$21,098
Planning & Policy Analysis	\$0	\$8,884	\$5,938	\$0	\$2,461	\$0	\$17,283
ODI	\$1,100	\$0	\$0	\$0	\$0	\$0	\$1,100
CFO*	\$0	\$0	\$0	\$0	\$0	\$9,061	\$9,061
Facilities, Security & Contracting*	\$0	\$0	\$0	\$0	\$0	\$1,327	\$1,327
<b>Executive Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,009</b>	<b>\$10,009</b>
Office of the Director*	\$0	\$0	\$0	\$0	\$0	\$2,037	\$2,037
ESO*	\$0	\$0	\$0	\$0	\$0	\$841	\$841
IOC*	\$0	\$0	\$0	\$0	\$0	\$831	\$831
EEO*	\$0	\$0	\$0	\$0	\$0	\$511	\$511
OGC*	\$0	\$0	\$0	\$0	\$0	\$3,116	\$3,116
CLA *	\$0	\$0	\$0	\$0	\$0	\$1,469	\$1,469
CPL*	\$0	\$0	\$0	\$0	\$0	\$1,204	\$1,204
Federal Prevailing Rate Advisory Committee	\$0	\$0	\$0	\$0	\$0	\$247	\$247
President Commission on White House Fellows	\$0	\$0	\$0	\$0	\$0	\$873	\$873
Rent and other CFI	\$0	\$0	\$0	\$0	\$0	\$24,321	\$24,321
<b>OPM total</b>	<b>\$13,521</b>	<b>\$23,908</b>	<b>\$41,068</b>	<b>\$55,850</b>	<b>\$10,000</b>	<b>\$60,902</b>	<b>\$205,249</b>

\* These offices support all of OPM's organizations and activities, including those financed with revolving fund receipts or through mandatory administrative transfers from the earned benefits trust funds. Accordingly, a portion of the cost of operating these offices is charged to those non-appropriated sources. This chart excludes the operating costs charged to non-appropriated sources.

Note: This chart excludes Advances and Reimbursements

2013 Budget by Organization and Strategic Goal – Non-Appropriated Resources  
(thousands)

Organization/Activity	Strategic Goal					Other Activities	Total Non-Appropriated Resources
	1	2	3	4	5		
Employee Services*	\$15,519	\$0	\$8,596	\$0	\$0	\$0	\$24,115
Retirement Services	\$0	\$0	\$0	\$36,805	\$0	\$0	\$36,805
Merit System Audit & Compliance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HR Solutions	\$0	\$0	\$622,044	\$0	\$0	\$0	\$622,044
FIS	\$1,142,975	\$0	\$0	\$0	\$0	\$0	\$1,142,975
HI	\$0	\$6,005	\$0	\$0	\$0	\$0	\$6,005
CIO*	\$0	\$0	\$67,956	\$0	\$0	\$37,471	\$105,427
Planning & Policy Analysis	\$0	\$1,065	\$0	\$0	\$0	\$0	\$1,065
ODI	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CFO*	\$0	\$0	\$0	\$0	\$0	\$21,945	\$21,945
Facilities, Security & Contracting*	\$0	\$0	\$0	\$0	\$0	\$16,076	\$16,076
<b>Executive Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,474</b>	<b>\$9,474</b>
Office of the Director*	\$0	\$0	\$0	\$0	\$0	\$1,509	\$1,509
ESO*	\$0	\$0	\$0	\$0	\$0	\$710	\$710
IOC*	\$0	\$0	\$0	\$0	\$0	\$701	\$701
EEO*	\$0	\$0	\$0	\$0	\$0	\$676	\$676
OGC*	\$0	\$0	\$0	\$0	\$0	\$3,622	\$3,622
CLA *	\$0	\$0	\$0	\$0	\$0	\$1,240	\$1,240
CPL*	\$0	\$0	\$0	\$0	\$0	\$1,016	\$1,016
Federal Prevailing Rate Advisory Committee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
President Commission on White House Fellows	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent and other CFI	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CHCO	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>OPM total</b>	<b>\$1,158,494</b>	<b>\$7,070</b>	<b>\$698,596</b>	<b>\$36,805</b>	<b>\$0</b>	<b>\$84,966</b>	<b>\$1,985,931</b>

\* These offices support all of OPM's organizations and activities, including those financed with revolving fund receipts or through mandatory administrative transfers from the earned benefits trust funds. Accordingly, a portion of the cost of operating these offices is charged to those non-appropriated sources. This chart displays the non-appropriated portion of the cost of operating these offices.



## 2013 Budget by Organization and Strategic Goal – Total Resources (thousands)

Organization/Activity	Strategic Goal					Other Activities	Total Resources
	1	2	3	4	5		
Employee Services	\$27,940	\$6,577	\$24,150	\$0	\$0	\$0	\$58,667
Retirement Services	\$0	\$0	\$0	\$92,655	\$0	\$0	\$92,655
Merit System Audit & Compliance	\$0	\$0	\$12,156	\$0	\$0	\$1,386	\$13,542
HR Solutions	\$0	\$0	\$622,044	\$0	\$0	\$0	\$622,044
FIS	\$1,142,975	\$0	\$0	\$0	\$0	\$0	\$1,142,975
HI	\$0	\$14,452	\$0	\$0	\$7,539	\$0	\$21,991
CIO	\$0	\$0	\$75,376	\$0	\$0	\$51,149	\$126,525
Planning & Policy Analysis	\$0	\$9,949	\$5,938	\$0	\$2,461	\$0	\$18,348
ODI	\$1,100	\$0	\$0	\$0	\$0	\$0	\$1,100
CFO	\$0	\$0	\$0	\$0	\$0	\$31,006	\$31,006
Facilities, Security & Contracting	\$0	\$0	\$0	\$0	\$0	\$17,403	\$17,403
<b>Executive Services</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,483</b>	<b>\$19,483</b>
Office of the Director	\$0	\$0	\$0	\$0	\$0	\$3,545	\$3,545
ESO	\$0	\$0	\$0	\$0	\$0	\$1,550	\$1,550
IOC	\$0	\$0	\$0	\$0	\$0	\$1,532	\$1,532
EEO	\$0	\$0	\$0	\$0	\$0	\$1,187	\$1,187
OGC	\$0	\$0	\$0	\$0	\$0	\$6,739	\$6,739
CLA	\$0	\$0	\$0	\$0	\$0	\$2,710	\$2,710
CPL	\$0	\$0	\$0	\$0	\$0	\$2,220	\$2,220
Federal Prevailing Rate Advisory Committee	\$0	\$0	\$0	\$0	\$0	\$247	\$247
President Commission on White House Fellows	\$0	\$0	\$0	\$0	\$0	\$873	\$873
Rent and other CFI	\$0	\$0	\$0	\$0	\$0	\$24,321	\$24,321
CHCO	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>OPM total</b>	<b>\$1,172,015</b>	<b>\$30,978</b>	<b>\$739,664</b>	<b>\$92,655</b>	<b>\$10,000</b>	<b>\$145,868</b>	<b>\$2,191,180</b>

Note: Total excludes Advances and Reimbursements

## Accounts Requiring Congressional Action (thousands)

<b>Fund</b>	<b>FY 2012 Enacted</b>	<b>FY 2013 Request</b>	<b>Increase/Decrease</b>
Salaries & Expenses Annual	\$89,712	\$82,479	(\$7,233)
Salaries & Expenses Multi-Year – Enterprise Human Resource Integration (EHR)	\$0	\$0	\$0
Salaries & Expenses Multi-Year – HR Line of Business (HRLOB)	\$0	\$0	\$0
Salaries & Expenses No-Year – Enterprise Human Resource Integration (EHR)	\$6,004	\$6,004	\$0
Salaries & Expenses No-Year – Human Resources Line of Business (HR LOB)	\$1,416	\$1,416	\$0
(Acquisition Improvement) Salaries & Expenses	\$642	\$642	\$0
<b>Salaries &amp; Expenses Total</b>	<b>\$97,774</b>	<b>\$90,541</b>	<b>(\$7,233)</b>
Trust Fund Annual	\$112,516	\$114,708	\$2,192
Trust Fund Multi-Year (Retirement Modernization)	\$0	\$0	\$0
Trust Fund Multi-Year (CBIS)	\$0	\$0	\$0
Trust Fund No-Year (CBIS)	\$0	\$0	\$0
<b>Trust Fund Limitation Total</b>	<b>\$112,516</b>	<b>\$114,708</b>	<b>\$2,192</b>
<b>Total Appropriated</b>	<b>\$210,290</b>	<b>\$205,249</b>	<b>(\$5,041)</b>
OIG Salaries & Expenses	\$3,142	\$4,232	\$1,090
OIG Trust Fund	\$21,174	\$21,172	(\$2)
<b>OIG Total Appropriated</b>	<b>\$24,316</b>	<b>\$25,404</b>	<b>\$1,088</b>
<b>Total OPM Appropriated</b>	<b>\$234,606</b>	<b>\$230,653</b>	<b>(\$3,953)</b>
Mandatory Payments: (estimated)	\$42,498,000	\$42,950,000	\$452,000
Civil Service Retirement and Disability Fund	\$31,978,000	\$31,878,000	(\$100,000)
Federal Employees Health Benefits Fund	\$10,475,000	\$11,027,000	\$552,000
Federal Employees Group Life Insurance Fund	\$45,000	\$45,000	\$0

## Revolving Fund Activities

### Revolving Fund Activities (thousands)

Business Line		FY 2012 Enacted	FY 2013 Request	Increase/Decrease
Investigative Services	Revenue	\$1,020,058	\$1,136,659	\$116,601
	Obligations	\$1,111,333	\$1,153,526	\$42,193
Human Resource Solutions	Revenue	\$752,000	\$555,000	(\$197,000)
	Obligations	\$850,381	\$622,044	(\$228,337)
USAJOBS/PMF	Revenue	\$12,147	\$14,998	\$2,851
	Obligations	\$16,399	\$15,518	(\$881)
Enterprise Human Resource Integration and HR Line of Business	Revenue	\$81,630	\$69,296	(\$12,334)
	Obligations	\$76,363	\$67,956	(\$8,407)
<b>Totals</b>	<b>Revenue</b>	<b>\$1,865,835</b>	<b>\$1,775,953</b>	<b>(\$89,882)</b>
	<b>Obligations*</b>	<b>\$2,054,476</b>	<b>\$1,859,044</b>	<b>(\$195,432)</b>

\*Obligations represent all planned use of resources-from balances brought forward from prior fiscal years or realized from new business

### Historical OPM Appropriations (thousands)

Fund	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Salaries & Expenses:	\$210,911	\$215,708	\$210,287	\$210,290	\$205,249
General Fund:	\$92,829	\$102,971	\$97,774	\$97,774	\$90,541
Annual	\$85,627	\$95,699	\$90,517	\$90,354	\$83,121
No-Year/Multi Year	\$7,202	\$7,272	\$7,257	\$7,420	\$7,420
Trust Funds:	\$118,082	\$112,737	\$112,512	\$112,516	\$114,708
Annual	\$102,882	\$99,437	\$112,512	\$112,516	\$114,708
No-Year/Multi Year	\$15,200	\$13,300	\$0	\$0	\$0
OIG Salaries & Expenses:	\$20,583	\$24,363	\$24,314	\$24,316	\$25,404
General Fund	\$1,828	\$3,148	\$3,142	\$3,142	\$4,232
Trust Funds	\$18,755	\$21,215	\$21,173	\$21,174	\$21,172
<b>Total OPM:</b>	<b>\$231,494</b>	<b>\$240,071</b>	<b>\$234,601</b>	<b>\$234,606</b>	<b>\$230,653</b>

### Total Appropriated Accounts Request by Object Class (thousands)

Object Class	FY 2012 Enacted	FY 2013 Request	Increase/Decrease
Personnel compensation	\$105,183	\$106,880	\$1,697
Personnel benefits	\$28,649	\$28,877	\$228
Travel and transportation of persons	\$1,139	\$1,095	(\$44)
Transportation of things	\$8	\$7	(\$1)
Communications, utilities, and rent	\$28,150	\$28,271	\$121
Printing and reproduction	\$1,116	\$1,184	\$68
Other services	\$42,426	\$35,795	(\$6,631)
Supplies and materials	\$1,855	\$1,819	(\$36)
Equipment	\$1,764	\$1,321	(\$443)
<b>Total</b>	<b>\$210,290</b>	<b>\$205,249</b>	<b>(\$5,041)</b>
<b>FTE</b>	<b>1,564.8</b>	<b>1,607.6</b>	<b>42.8</b>

### Salaries and Expenses – Obligations by Object Class – Annual Authority (thousands)

Object Class	FY 2012 Enacted	FY 2013 Request	Increase/Decrease
Personnel compensation	\$47,971	\$48,126	\$155
Personnel benefits	\$13,105	\$12,817	(\$288)
Travel and transportation of persons	\$934	\$835	(\$99)
Transportation of things	\$4	\$3	(\$1)
Communications, utilities, and rent	\$12,977	\$10,276	(\$2,701)
Printing and reproduction	\$378	\$378	\$0
Other services	\$13,844	\$9,634	(\$4,210)
Supplies and materials	\$330	\$346	\$16
Equipment	\$811	\$706	(\$105)
<b>Total</b>	<b>\$90,354</b>	<b>\$83,121</b>	<b>(\$7,233)</b>
<b>FTE</b>	<b>919.8</b>	<b>920.0</b>	<b>0.2</b>

Trust Fund Limitations – Obligations by Object Class – Annual Authority (thousands)

<b>Object Class</b>	<b>FY 2012 Enacted</b>	<b>FY 2013 Request</b>	<b>Increase/Decrease</b>
Personnel compensation	\$56,401	\$57,870	\$1,469
Personnel benefits	\$15,355	\$15,856	\$501
Travel and transportation of persons	\$175	\$229	\$54
Transportation of things	\$3	\$4	\$1
Communications, utilities, and rent	\$14,893	\$17,722	\$2,829
Printing and reproduction	\$739	\$806	\$67
Other services	\$22,517	\$20,178	(\$2,339)
Supplies and materials	\$1,478	\$1,427	(\$51)
Equipment	\$955	\$616	(\$339)
<b>Total</b>	<b>\$112,516</b>	<b>\$114,708</b>	<b>\$2,192</b>
<b>FTE</b>	<b>645.0</b>	<b>687.6</b>	<b>42.6</b>

## Fiscal Year Comparison of FTE Staffing

### Fiscal Year Comparison of FTE Staffing

Fund	FY 2012 Enacted	FY 2013 Request	Increase/Decrease
Salaries & Expenses Annual	893.5	893.7	0.2
Salaries & Expenses No-year	6.8	6.8	0.0
Advancement & Reimbursement	19.5	19.5	0.0
Salaries & Expenses total	919.8	920.0	0.2
Trust Fund Annual	645.0	687.6	42.6
Trust Fund Multi-year	0.0	0.0	0.0
Trust Fund No-year	0.0	0.0	0.0
Trust Fund limitation total	645.0	687.6	42.6
Total appropriated	1,564.8	1,607.6	42.8
5 USC, 8348(a)(1)(b) Mandatory Authority	285.0	302.0	17.0
FERCCA – Mandatory Authority	8.4	12.0	3.6
Long-Term Care – Mandatory Authority	5.3	5.3	0.0
Dental/Vision – Mandatory Authority	6.3	6.3	0.0
Mandatory Authority - total	305.0	325.6	20.6
OIG Salaries & Expenses	17.0	23.0	6.0
OIG Trust Fund	117.0	116.0	(1.0)
OIG total	134.0	139.0	5.0
Subtotal	2,003.8	2,072.2	68.4
Revolving Fund	3,668.8	3,189.0	(479.8)
<b>Total</b>	<b>5,672.6</b>	<b>5,261.2</b>	<b>(411.4)</b>

### Government Payment Accounts (thousands)

Government Payment Accounts	Funds
Government Payment for Annuitants, Employees Health Benefits	
Budget request, FY 2012 (estimate)	\$10,475,000
Budget request, FY 2013	\$11,027,000
Request compared with estimate	\$552,000
Government Payment for Annuitants, Employees Life Insurance	
Budget request, FY 2012 (estimate)	\$45,000
Budget request, FY 2013 (estimate)	\$45,000
Request compared with estimate	\$0
Payment to Civil Service Retirement and Disability Fund	
Budget request, FY 2012 (estimate)	\$31,978,000
Budget request, FY 2013 (estimate)	\$31,878,000
Request compared with estimate	(\$100,000)

Note: Government Payment accounts represent payments from the General Fund to earned benefit trust funds administered by OPM. These payments are defined in the sections of the United States Code that pertain to these programs. The amounts shown represent current estimates of annual costs (please see Part 5, Earned Benefit Trust Funds for additional details). In addition, the payment to the Civil Service Retirement and Disability Fund is a permanent indefinite authorization that provides an annual transfer representing interest on the unfunded liability of the Civil Service Retirement System (please see Part 5, Earned Benefit Trust Funds for additional details).

## Summary of Total Resources (thousands)

Fund	FY 2011 Enacted	FY 2012 Enacted	FY 11 – FY 12 Variance	FY 2013 Request	FY 12 – FY 13 Variance
Salaries & Expenses Annual	\$90,517	\$90,354	(\$163)	\$83,121	(\$7,233)
Salaries & Expenses Multiyear	\$7,257	\$0	(\$7,257)	\$0	\$0
Salaries & Expenses No-year	\$0	\$7,420	\$7,420	\$7,420	\$0
<b>Salaries &amp; Expenses Total</b>	<b>\$97,774</b>	<b>\$97,774</b>	<b>\$0</b>	<b>\$90,541</b>	<b>(\$7,233)</b>
Trust Fund Annual	\$112,513	\$112,516	\$3	\$114,708	\$2,192
Trust Fund Multi-Year	\$0	\$0	\$0	\$0	\$0
Trust Fund No-year	\$0	\$0	\$0	\$0	\$0
<b>Trust Fund limitation Total</b>	<b>\$112,513</b>	<b>\$112,516</b>	<b>\$3</b>	<b>\$114,708</b>	<b>\$2,192</b>
<b>Appropriated Total</b>	<b>\$210,287</b>	<b>\$210,290</b>	<b>\$3</b>	<b>\$205,249</b>	<b>(\$5,041)</b>
5 USC, 8348(a)(1)(b) Mandatory Authority	\$41,892	\$42,934	\$1,042	\$43,578	\$644
FERCCA – Mandatory Authority	\$2,052	\$2,109	\$57	\$2,109	\$0
Long-Term Care – Mandatory Authority	\$1,907	\$2,048	\$141	\$2,048	\$0
Dental/Vision – Mandatory Authority	\$5,171	\$5,299	\$128	\$5,299	\$0
<b>Mandatory Authority Total</b>	<b>\$51,022</b>	<b>\$52,390</b>	<b>\$1,368</b>	<b>\$53,034</b>	<b>\$644</b>
OIG Salaries & Expenses	\$3,142	\$3,142	\$0	\$4,232	\$1,090
OIG Trust Fund	\$21,173	\$21,174	\$2	\$21,172	(\$2)
<b>OIG Total</b>	<b>\$24,315</b>	<b>\$24,316</b>	<b>\$2</b>	<b>\$25,404</b>	<b>\$1,088</b>
Revolving Fund Estimated Obligations	\$1,923,631	\$2,054,476	(\$89,448)	\$1,859,044	(\$195,432)
<b>Total</b>	<b>\$2,209,255</b>	<b>\$2,341,472</b>	<b>(\$88,075)</b>	<b>\$2,142,731</b>	<b>(\$198,741)</b>





# Goals and Priorities

The following Agency Priority Goals are measurable commitments to deliver specific results for the American people. The goals represent priorities for both the Administration and OPM. These goals are relevant to the public, are aligned to the agencies' key mission areas, and will produce significant results.

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## OPM Priority Goals for FY 2012 and FY 2013

1. **Ensure high quality Federal employees.** By September 30, 2013, increase Federal manager satisfaction with applicant quality (as an indicator of hiring quality) from 7.7 to 8.3 on a scale of 1 to 10, while continually improving timeliness, applicant satisfaction, and other hiring process efficiency and quality measures.
2. **Maintain speed of national security background investigations.** Through September 30, 2013, maintain a 40 day or less average completion time for the fastest 90 percent of initial national security investigations.
3. **Reduce Federal retirement processing time.** By July 31, 2013, Retirement Services will have eliminated its case backlog so that 90 percent of all claims will be adjudicated within 60 days.
4. **Increase health insurance choices for Americans.** By October 1, 2013, expand competition within health insurance markets by ensuring participation of at least two Multi-State health plans in Affordable Insurance Exchanges.
5. **Improve performance culture in the 5 GEAR pilot agencies to inform the development of government-wide policies.** By September 30, 2013, employee responses to the annual Employee Viewpoint Survey in each of 5 agencies participating in a performance culture pilot project will increase by 5 percent or greater on the results-oriented culture index and the conditions for employee engagement index, using 2011 survey results as the baseline.

Per the GPRA Modernization Act, 31 U.S.C. 1115(b)(10), requirement to address Federal Goals in the agency Strategic Plan and Annual Performance Plan, please refer to [Performance.gov](http://Performance.gov) for information on Federal Priority Goals and the agency's contributions to those goals, where applicable.

The 2013 Cuts, Consolidations, and Savings (CCS) Volume of the President's Budget identifies the lower-priority program activities under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.

# Ensure High Quality Federal Employees

## Overview

President Obama's Memorandum of May 11, 2010, *Improving the Federal Recruitment and Hiring Process*, outlined Phase I of the Administration's comprehensive initiative to address major, long-standing impediments to recruit and hire the best and the brightest into the Federal civilian workforce. OPM is spearheading the Government-wide initiative to reform recruiting, hiring and retention policies and procedures. This initiative will encompass multiple years and require sweeping changes to streamline and improve the hiring process.

OPM will continue to assist agencies to find, hire, and retain the best talent possible for the Federal government. As the human resources management agency for the Government, OPM is responsible for ensuring the Federal hiring process is merit based and protects veterans' preference. However, inherent in this leadership role, OPM is also responsible for bringing forth new ideas and efficiencies to the Government's hiring system and monitoring and evaluating their effectiveness.

## Implementation Strategy

Agencies have already taken significant strides to map their current hiring processes, identify barriers, and put in place action plans to streamline and improve their processes. Building on these efforts, OPM will:

- Initiate a vigorous Government-wide recruiting effort that makes it easier for Americans to apply for Federal jobs while also raising the bar on candidate quality
- Charge agency managers and supervisors to assume a greater leadership role in the planning, recruitment, and selection of employees, with human resource offices to provide collaborative/consultant support for these important efforts
- Establish a regular process to monitor agency progress to improve hiring timeliness and quality as well as applicant and manager satisfaction with the hiring process and manager satisfaction with applicant quality
- Develop high-quality assessment tools and guide agency implementation
- Enhance USAJOBS (the United States government's one-stop clearinghouse for civil service job opportunities with Federal agencies) to support greater business analytics and decision-making

# Maintain Speed of Security Background Investigations

## Overview

Over the last few years, the Federal government has made critical advances in reforming the security clearance process. While there is still work to be done, individuals seeking to work for the Federal government now face a substantially different clearance experience than they did just a few years ago. The Intelligence Reform and Terrorism Prevention Act (IRTPA), signed into law in 2004, challenged the Federal government to address longstanding coordination problems that unnecessarily affected the timeliness and quality of security clearances. As a result of actions taken to meet the objectives of IRTPA, the speed of the average security clearance has increased dramatically. IRTPA required all agencies to complete 90 percent of their security clearances in an average of 60 days, which includes 40 days to complete the investigation (generally OPM's responsibility) and 20 days to adjudicate the investigation (responsibility of employing agency such as DoD). At the time IRTPA was enacted, the Government-wide average was 205 days for both investigation and adjudication. Currently, 90 percent of the government's clearances are completed within the IRTPA-required timeframe of 60 days. For OPM, that meant completing 561,108 security clearance background investigations in 2011 in an average of 40 days.

OPM will implement a number of quality and automation initiatives while maintaining IRTPA's overarching timeliness objectives and while sustaining our commitment to keep product prices in check. OPM will deliver tiered investigative products satisfying reform goals. OPM will continue modernization of information technology infrastructures to support timeliness and reform objectives, and will expand internal and external investigative and adjudicative training to satisfy reciprocity and reform requirements. OPM will work with Office of the Director of National Intelligence (ODNI) staff to develop enhanced, sustainable performance measures as we move through full implementation of security and suitability investigation process reforms.

## Implementation Strategy

OPM remains committed to supporting the Joint Reform Effort initiatives and to deliver a "substantially operational" end-to-end reformed vetting process. The improved process will include the following developments and enhancements:

- Migrate the Clearance Verification System to Central Verification System to reflect the system's expanded role in promoting reciprocity throughout the Federal Government
- Revise the e-QIP (electronic employee questionnaire for security clearance) to enhance validation and increase accuracy
- Implement a revised SF-86 (hard copy employee questionnaire for security clearance) form to gather more information sooner in the process
- Pilot automated record checks with select DoD population, and expansion of OPM's suite of automated records checks
- Enhance electronic communications between OPM and agencies for cases such as investigative issue coding to optimize eAdjudication (the agency decision to grant an individual clearance), and continue to make eDelivery (the file is provided in extensible mark-up language and more readable on the internet than individual electronic files in various text formats) of investigative files available to agencies
- Expand the availability of an enhanced subject interview (informed by the revised SF-86 form) to target investigative resources on issue resolution
- Offer investigation with validated automated record checks that can be used as an annual assessment for individuals at the Top Secret/Sensitive Compartmented Information (TS/SCI) level

# Reduce Retirement Claims Processing Times

## Overview

The Office of Personnel Management (OPM) is responsible for the administration of the Federal Retirement Program covering over 2.7 million active employees and 2.5 million annuitants. This responsibility is shared with agency partners who counsel their employees and administer the initial retirement application process, and submit the employee's application, with all supporting documentation, to OPM's Retirement Services. Because some of the information contained in retirement applications is payroll data this process is coordinated with Payroll Shared Service Centers (SSC), with whom agencies contract to provide payroll services. When the records submitted by the agencies and the SSCs are accurate and complete, processing is much faster. However, when data elements are missing, OPM must request the documentation necessary to process the request—a significant time and labor burden which contributes the OPM's current backlog.

## Implementation Strategy

In order to eliminate the backlog within 18 months so that all but the most complex retirement cases are processed within 60 days, OPM will focus on the following four pillars: People; Productivity and Process Improvement; Partnerships with Agencies; and Partial, Progressive IT Improvements:

- **People** -- To add case processing capacity, we are hiring 40 new Legal Administrative Specialists (LAS), and to assist them we are hiring 20 temporary Customer Service Specialists (CSS). In addition, employees from other parts of Retirement Services and recent retirees are being brought back into claims production. These critical resources will focus effort on analyzing claims and adjudicating cases; thereby reducing case backlog.
- **Productivity and Process Improvement** -- OPM will re-allocate people to form a case development team. These resources will focus effort on case assembly. This functional grouping of administrative resources will reduce overall processing time by fully developing cases (gathering essential employee data into case files) before they go to adjudication; this will free up critical LAS time from case assembly to case analysis and adjudication. The Customer Service Specialists will ensure that all cases that are sent to the Legal Administrative Specialists are complete and ready to be finalized. In addition, we are instituting a new process within our call center so that Legal Administrative Specialists are not hindered by calls that should be answered by others. Additionally, to help focus LAS resources on adjudicating cases, OPM will assign resources specifically to prepare cases for adjudication. OPM will streamline the administrative case review and audit process. Currently all cases are reviewed prior to the case being adjudicated and final annuity payment decision initiated. OPM will pilot test an enhanced review and audit process that will automatically approve cases for adjudication where the risk of error is minimal.
- **Partnerships with Agencies** -- In December, Retirement Services briefed the CHCO Council and received buy in to work on improving agency submission of retirement applications via training sessions in February and June. By May 1, 2012 OPM will begin providing agency Chief Human Capital Officers real-time feedback to improve the completeness of incoming requests.
- **Partial, Progressive IT Improvements** -- Rather than pursue a costly, long term, comprehensive IT solution, Retirement Services is looking to modernize our oldest systems and add partial automated improvements that will provide a benefit directly to the annuitants as quickly as possible.

# Increase Enrollee Choice in Health Insurance

## Overview

Under the ACA, OPM has been designated as the agency responsible for implementing and overseeing the Multi-State health plan options. In accordance with the Act, at least two Multi-State health plans will be offered on each Affordable Insurance Exchange with coverage effective January 2014. Multi-State plans will be one of several health insurance options that individuals and small employers will be able to choose from. In total Affordable Insurance Exchanges are expected to provide health insurance coverage for as many as 31 million Americans.

## Implementation Strategy

OPM will focus on the following activities:

- Provide policy and analytical support for the Multi-State Plan Program
- Develop and issue regulations, policies, and guidance for the Multi-State Plan Program
- Develop and implement application and contract processes and documents for the Multi-State Plan Program
- Implement strategy to work with all States in the implementation of the program and to provide appropriate oversight of Multi-State Plan compliance with State laws as part of the contract management process
- Meet with stakeholders and other interested parties concerning issues related to implementing the Multi-State Plan Program
- Enter into contracts with at least two issuers to offer Multi-State Plans on Affordable Insurance Exchanges by September, 2013

# Performance Culture

## Overview

The Nation expects its Federal employees to be engaged and enabled to deliver and improve Government services. Federal employees work hard to make their agencies successful in carrying out their missions and strive to ensure that American taxpayers obtain the best from their Government. Over the years, there have been numerous attempts to reform and improve employee performance management in the Federal sector. Some attempts were based on a belief that employees were not being held accountable enough for their performance. Others determined that stronger employee performance management systems help employees realize their potential to do better work. However, the same problems and challenges persist today.

OPM will improve the federal performance management system by changing the culture of our agencies. By engaging front-line employees and agency managers through their labor unions and chief human capital officers, OPM developed ways to do a better job of selecting the right people to be supervisors, training them well, and then supporting them as they do their jobs. OPM developed approaches to improve the way employees and supervisors engage with each other and their work. We have developed ways to drive the importance of employee performance management up to the highest levels of our agencies by promoting accountability through Open Government and driving agencies' top priorities.

OPM research indicates there is disconnect between the various functions responsible for organizational performance improvement and employee performance improvement. People work hard to improve agency performance and people work hard to improve employee performance; however, they often work these areas separately on parallel tracks. We think this disconnect is part of the reason that good employee performance management has been so elusive. Better alignment of the two functions will improve the implementation of each – agencies cannot improve performance without employees, and employees' success and satisfaction depends on doing meaningful work tied to agency goals they view as important.

## Implementation Strategy

OPM decided upon the Goals-Engagement-Accountability-Results (GEAR) model as a way to describe our philosophy. It is important to understand that the strategies are not sequential steps. Instead, they are a set of interrelated processes that will improve employee and organizational performance. They are based on the principle that every successful organization must have clear, aligned goals, engaged employees and supervisors, and accountability for every employee at every level. These elements combine to produce results. As agencies look to implement these recommendations, they may find that their existing goal alignment, employee engagement or accountability processes are incomplete or not in synch with one another. Some processes may appear effective in isolation but performance will be maximized only by improving the way all the gears are working together. Several elements of the GEAR model make this proposal unique and vastly different from previous Federal approaches to employee performance management. To create high-performing organizations that are aligned, accountable, and focused on results, the workgroup recommends agencies adopt the following goals.

- **Articulate a High-Performance Culture** – Require all agencies to identify and articulate their desired agency culture, and focus on employee engagement, development, performance, accountability, and how that culture fits in with Government-wide performance improvement.
- **Align Employee Performance Management with Organizational Performance Management** – (a) Drive ongoing alignment and cascading of established organizational performance objectives down through executive, manager, supervisor, and employee performance goals via an agency's management board (vest authority with an existing or newly-established board) responsible for improvement of organizational and employee performance; and (b) Focus Performance Management Integration Boards (chaired by the PIO and CHCO) or equivalent

existing boards on the importance of linking organizational performance objectives to employee performance management and appraisal mechanisms consistent with the Government Performance and Results Act Modernization Act of 2010.

- **Implement Accountability at All Levels** – focus on: (a) agency leadership accountability to the President’s Management Council and the White House; (b) integration of and accountability for performance management functions within the agency; (c) feedback and engagement; (d) utilizing labor-management forums; and, (e) improving third-level supervision.
- **Create a Culture of Engagement** – Improve employee and supervisor engagement through two-way communication as an integral part of performance management, and foster and require a culture of ongoing feedback via an improved cycle of regular formal progress reviews, informal interactions, and continuous learning for employees at every level on giving, receiving, requesting, and utilizing feedback
- **Improve the Assessment, Selection, Development and Training of Supervisors** – (a) Focus the selection process for supervisors on identifying competencies required for effective performance as a supervisor, including performance management requirements; (b) Require that supervisory performance plans include an element to ensure that all supervisors are given time for and rated on their exercise of supervisory responsibilities, including timely and effective performance management and feedback; (c) Implement mandatory training for supervisors on: The Employee Performance Management Roadmap (Appendix A), including employee feedback and engagement. PIO delivered training on agency performance management systems, including Strategic Plan, goals, high priorities, and key performance targets; and, (d) Agencies should also implement programs designed to identify and develop future leaders by making training on supervisory and people management skills broadly available throughout the workforce.





# Performance Budget by Strategic Goal

This section of the OPM budget describes how each OPM organization will use its requested budgetary resources to achieve our strategic goals. It is intended to meet the requirements of OMB Circular A-11, Part 6, and Section 220 – *Preparing and Submitting Performance Budgets*. A summary breakdown of OPM’s budget request by organization can be found in the Budget by Organization Section.

## Strategic Goals

OPM’s five strategic goals and twenty two corresponding strategies are designed to help other Federal agencies achieve their missions and produce superior results. The first four strategic goals directly parallel the lifecycle of a Federal employee.

1. **Hire the Best** – Help agencies recruit and hire the most talented and diverse Federal workforce possible to serve the American people.
2. **Respect the Workforce** – Provide the training, benefits, and work/life balance necessary for Federal employees to succeed, prosper, and advance in their careers.
3. **Expect the Best** – Ensure the Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to perform at the highest levels to achieve superior results.
4. **Honor Service** – Ensure recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees.
5. **Improve Access to Health Insurance** - Develop and administer programs that provide high quality and affordable health insurance to uninsured Americans through Affordable Insurance Exchanges, uninsured Americans with pre-existing medical conditions who cannot otherwise purchase coverage, and employees of tribes or tribal organizations.

OPM's administrative and executive leadership activities support all of the agency’s goals. The budget for these overhead activities are not allocated to the goals and strategies described in this section. In addition, OPM performs certain functions as required by law or Executive Order that do not align directly with our strategic plan. The functions include administration of the Combined Federal Campaign, providing voting rights observations for the Justice Department, and the President’s Commission on White House Fellows.

## Summary Tables

### FY 2013 Budget by Goal and Strategy (dollars in thousands)

Goal/Strategy	Total \$	FTE
<b>Hire the Best</b>		
1.01 Implement improvements to the Federal Hiring Process	\$22,303	67.8
1.02 Promote Diversity and Inclusion in the Federal Workforce	\$1,100	6.5
1.03 Ensure Agencies have timely and sufficient information to make decisions such as Credentialing, Suitability, and/or Security Clearance Determinations	\$1,142,975	2,478.6
1.04 Reduce Skills Gaps in targeted mission critical occupations and/or Competency areas across Government	\$2,105	13.3
1.05 Encourage increased manager involvement in the Federal hiring process	\$1,402	9.3
1.06 Assist Veterans in the Federal Workplace	\$2,130	13.5
<b>Hire the Best Total</b>	<b>\$1,172,015</b>	<b>2,589.0</b>
<b>Respect the Workforce</b>		
2.01 Improve training opportunities for Federal employees	\$952	6.0
2.02 Ensure that available benefits align with best practices and employee's needs	\$24,401	118.6
2.03 Improve Federal employee engagement and satisfaction with Health, Wellness, and Work-Life Flexibilities	\$1,552	9.7
2.04 Improve Federal labor-management relations	\$2,722	18.0
2.05 Promote the safety of the Federal workforce through emergency preparedness	\$1,351	8.4
<b>Respect the Workforce Total</b>	<b>\$30,978</b>	<b>160.7</b>
<b>Expect the Best</b>		
3.01 Help agencies become high performing organizations with use of HR Tools	\$84,290	61.6
3.02 Recognize, select, and sustain individuals who provide strong leadership and direction for agencies	\$2,147	14.4
3.03 Provide leadership and direction to Government-wide HR programs	\$630,457	654.9
3.04 Hold agencies to account for improvements in strategic human resources management	\$12,156	90.0
3.05 OPM will lead by example to implement human resources reforms and to reinvigorate our approach to individual and organizational performance management	\$9,338	62.9
3.06 Implement certain provisions of the Telework Enhancement Act of 2010	\$1,276	7.9
<b>Expect the Best Total</b>	<b>\$739,664</b>	<b>891.7</b>
<b>Honor Service</b>		
4.01 Develop a 21 <sup>st</sup> Century customer focused retirement processing system that adjudicates claims timely and accurately	\$89,691	797.0
4.02 Improve OPM service to Federal Agency Benefits Officers	\$2,964	20.0
<b>Honor Service Total</b>	<b>\$92,655</b>	<b>817.0</b>
<b>Improve Access to Health Insurance</b>		
5.01 Contract with Multi-State Health Plans to be offered on Health Insurance Exchanges	\$8,000	34.0
5.02 Offer FEHB and Federal Employee Life Insurance (FEGLI) program benefits to employees of tribes and tribal organizations	\$2,000	4.0
5.03 Manage a contract with a health insurer to provide health insurance coverage to people with pre-existing conditions	\$0	17.0
<b>Improve Access to Health Insurance Total</b>	<b>\$10,000</b>	<b>55.0</b>
<b>Other Activities Total</b>	<b>\$145,868</b>	<b>747.8</b>
<b>OPM total</b>	<b>\$2,191,180</b>	<b>5,261.2</b>

## Summary of Total Resources by Strategic Goal and Funding Source (dollars)

Strategic Goal	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
<b>Hire the Best</b>			
Salaries & Expenses	\$11,454,000	\$13,521,000	\$2,067,000
Trust Fund Annual	\$0	\$0	\$0
Trust Fund Mandatory	\$0	\$0	\$0
Revolving Fund	\$1,113,479,000	\$1,158,493,000	\$45,014,000
Common Services	\$0	\$0	\$0
<b>Hire the Best Total</b>	<b>\$1,124,933,000</b>	<b>\$1,172,014,000</b>	<b>\$47,081,000</b>
<b>Respect the Workforce</b>			
Salaries & Expenses	\$6,898,900	\$6,839,000	(\$59,900)
Trust Fund Annual	\$17,082,000	\$17,069,000	(\$13,000)
Trust Fund Mandatory	\$7,070,000	\$7,070,000	\$0
Revolving Fund	\$0	\$0	\$0
Common Services	\$0	\$0	\$0
<b>Respect the Workforce Total</b>	<b>\$31,050,900</b>	<b>\$30,978,000</b>	<b>(\$72,900)</b>
<b>Expect the Best</b>			
Salaries & Expenses	\$29,776,100	\$40,326,000	\$10,549,900
Trust Fund Annual	\$7,827,000	\$0	(\$7,827,000)
Trust Fund Mandatory	\$0	\$0	\$0
Revolving Fund	\$934,568,260	\$693,100,000	(\$241,468,260)
Common Services	\$9,738,000	\$6,238,000	(\$3,500,000)
<b>Expect the Best Total</b>	<b>\$981,909,360</b>	<b>\$739,664,000</b>	<b>(\$242,245,360)</b>
<b>Honor Service</b>			
Salaries & Expenses	\$5,518,000	\$0	(\$5,518,000)
Trust Fund Annual	\$58,055,000	\$55,850,000	(\$2,205,000)
Trust Fund Mandatory	\$36,805,000	\$36,805,000	\$0
Revolving Fund	\$0	\$0	\$0
Common Services	\$0	\$0	\$0
<b>Honor Service Total</b>	<b>\$100,378,000</b>	<b>\$92,655,000</b>	<b>(\$7,723,000)</b>
<b>Improve Access to Health Insurance</b>			
Salaries & Expenses	\$0	\$8,000,000	\$8,000,000
Trust Fund Annual	\$0	\$2,000,000	\$2,000,000
Trust Fund Mandatory	\$0	\$0	\$0
Revolving Fund	\$0	\$0	\$0
Common Services	\$0	\$0	\$0
Advancements and Reimbursements (PCIP)	\$2,100,000	\$2,100,000	\$0
<b>Improve Access to Health Insurance Total</b>	<b>\$2,100,000</b>	<b>\$12,100,000</b>	<b>\$10,000,000</b>
Activities Not Mapped to Strategic Plan	\$153,485,173	\$145,868,000	(\$7,617,173)
<b>Grand Total for All Agency Goals<sup>1 2</sup></b>	<b>\$2,393,856,433</b>	<b>\$2,193,279,000</b>	<b>(\$192,960,260)</b>

<sup>1</sup> Includes Advances and Reimbursements. Excludes OIG funding.

<sup>2</sup> The total resources for FY 2013 shown in this chart exceeds those in the Executive Summary by approximately \$74 million. This is due to the display of the Common Services fund as well as the budgeted contribution to Common Services from non-Appropriated resources.



## Strategic Goal 1: Hire the Best

**Strategic Goal Statement: Help agencies recruit and hire the most talented and diverse Federal workforce possible to serve the American people.**

President Obama's Memorandum on May 11, 2010, Improving the Federal Recruitment and Hiring Process, outlines one part of the Administration's comprehensive initiative to address major, long-standing impediments to recruiting and hiring the best and the brightest prospective employees. The initiative is designed to help agencies build the workforce required to achieve their goals. OPM is spearheading a Government-wide initiative to reform recruiting and hiring policies and procedures. OPM will extend its influence to ensure agencies recruit and hire the best talent possible. Successful implementation of these reforms will help each agency achieve its objectives.

OPM developed strategies associated with the Hire the Best strategic goal in order to attract the most qualified and diverse workforce possible to serve the American people. Before the goal could be accomplished, OPM realized that the Federal Governments' hiring process needed to be revamped and modernized. *Strategy 1.01 – Implement Improvements in the Federal Hiring Process* – seeks to address this shortfall by streamlining the Federal hiring process, implementing automation improvements in online applications such as USAJOBS, and providing targeted direction on Federal hiring to HR officials. A related strategy is *Strategy 1.05 – Encourage Increased Manager Involvement in the Federal hiring process*. Increasing manager involvement in workforce planning and hiring will contribute to both increasing: 1) manager satisfaction with the quality of the new hires and 2) applicant satisfaction in that their skill sets should more closely match the requirements of the position for which they were hired. *Strategy 1.03 – Ensuring Agencies have Timely and Sufficient Information to Make Decisions such as Credentialing, Suitability, and/or Security Clearance Determinations* – is also related in that it is in the best interests of Federal government to minimize the length of time required to do background investigations in order to make employment offers to candidates as quickly as possible.

As OPM improves the hiring process, the agency wants to reach the most diverse and qualified pool of candidates possible. *Strategy 1.02 – Promote Diversity and Inclusion in the Federal Workforce* and *Strategy 1.06 – Assist veterans to find a place in the Federal workforce* focus on expanding the possibility of Federal service to all aspects of American society.

Finally, in order to address both current and emerging skills gaps in the Federal workforce, *Strategy 1.04 – Reduce Skills Gaps in Targeted Mission Critical Occupations and/or Competency Area Across Government* stresses the importance of strategic human capital planning in both hiring and an Agency's ability to carry out its mission.

## FY 2013 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 1: Hire the Best										
Strategy	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Common Services	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
1.01 Implement improvements to the Federal Hiring Process	\$6,784,000	48.0	\$0	0.0	\$0	0.0	\$15,518,000	19.8	\$0	0.0
1.02 Promote diversity and inclusion in the Federal workforce	\$1,100,000	6.5	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
1.03 Ensure agencies have sufficient information to make to decisions such as credentialing, suitability, and/or security clearance determinations	\$0	0.0	\$0	0.0	\$0	0.0	\$1,142,975,000	2,478.6	\$0	0.0
1.04 Reduce skills gaps in targeted mission critical occupations and/or competency areas across Government	\$2,105,000	13.3	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
1.05 Encourage increased manager involvement in the Federal hiring process	\$1,402,000	9.3	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
1.06 Assist Veterans in the Federal workplace	\$2,130,000	13.5	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
<b>Total (dollars)</b>	<b>\$13,521,000</b>	<b>90.6</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$1,158,493,000</b>	<b>2,498.4</b>	<b>\$0</b>	<b>0.0</b>

\*Salary & Expenses (inclusive of Multi-year and No-year)

\*\*Trust Annual Limitation (inclusive of Multi-year and No-year)

### Strategy 1.01 – Implement Improvements to the Federal Hiring Process

In the next five years, the Federal government, through attrition, is expected to experience a reduction in staff which will result in the loss of a significant portion of valued experience. The Government’s ability to replace this loss of skill-set and experience with new talent will depend upon our capability to recruit, hire, and retain high performing employees. One of the challenges facing Federal agencies is developing the best strategy for attracting and recruiting qualified individuals. One strategy that can best accomplish recruiting is user-friendly application procedures, clear communication about the hiring process, and a seamless on-boarding experience.

Federal applicants regularly report confusion about differences between various agencies’ application processes, complex application requirements, and the lack of communication from the agencies regarding the hiring process and the applicant’s status. Human Resources (HR) professionals express frustration at a perceived lack of managerial commitment to participate fully in the key elements of hiring and delays in decision making that slow down the process. In addition, managers are dissatisfied with the HR policies and procedures are ambiguous, overly bureaucratic, and do not facilitate timely hiring. These factors make it more difficult for the Federal government to hire qualified employees in the competition for top talent.

In order for the Federal government to be as competitive as the private sector, efficient and effective processes must be in place to recruit, hire, and retain high performing employees. OPM leads the Government-wide staffing effort to ensure that Federal agencies hire and retain employees with the specific competencies necessary for agencies to attain their goals and missions. OPM helps Federal

agencies compete with other employers through the use of effective recruitment, assessment, hiring, and retention strategies.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Number of Chief Human Capital Officer (CHCO) agencies that improve upon their average number of days to hire new employees.*	N/A	N/A	10	17	24	24
Percent of managers that respond to the Chief Human Capital Officer (CHCO) manager survey with a positive rating of applicant quality	N/A	70%	72%	63%**	N/A	N/A
Percent of applicants that respond to the Chief Human Capital Officer (CHCO) survey with a positive rating indicating satisfaction with the job application process for CHCO agencies	N/A	70%	70%	69%	72%	75%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries & Expenses		\$6,784,000	48.0			
ES--(PMF) - Revolving Fund		\$3,320,000	5.0			
ES--(USAJOBS) Revolving Fund		\$12,198,000	14.8			
<b>Total Program Resources (dollars)</b>		<b>\$22,302,000</b>	<b>67.8</b>			

\*OPM and OMB recently completed development of Hiring Reform measures; the original measure proposed was "Reduce the Time to Hire"; however the data required to calculate this measure was inconsistent across agencies; Result as of June 30, 2011; year end result not yet available.

\*\* The Hiring Manager survey was revised in the spring of 2010 and released for use by agencies on October 1, 2010. Thus, the 2011 first quarter result of 58% became the new baseline from which past results (FY 2008 thru 2010) and future results (FY 2011 and beyond) should be directly compared.

## FY 2011 Accomplishments

To date, the general progress made in the implementation of the President's Hiring Reform Initiatives has exceeded expectations.

- Time to Hire** – In December 2009, agencies began to report on their hiring processes against the 80-day hiring model as established by the End-to-End Hiring Model and issued by OPM in August 2008. For FY 2009, the estimated time-to-hire broke down as follows: 11 agencies were over 120 days or greater, 8 agencies were between 120 days and 100 days, and 6 agencies were 100 days or less. From May 2010 to November 2010, OPM assisted agencies with their implementation efforts as directed by the President's Hiring Reform Initiative. As a result of OPM and agency efforts, for FY 2010, the estimated time-to-hire broke down as follows: 8 agencies were over 120 days or greater, 4 agencies were between 120 days and 100 days, and 13 agencies were 100 days or less. OPM continues to refine the methodology for measuring hiring time to enhance agencies' ability to conduct targeted analysis and prioritize effort to areas with the greatest need.
- Manager Satisfaction with Applicant Quality and the Hiring Process.** The surveys to capture the sentiment of applicants as well as hiring managers were revised in the spring of 2010 and released for use by agencies on October 1, 2010. The initial data reported for February-March 2011 (Q1 FY11) serves as baseline data. Based on the Q2 FY 2011 results, manager satisfaction with applicant quality improved from 58 percent in Q1 to 63 percent in Q4. Even more impressive than this five percent increase is the increase in manager participation in the surveys and the hiring process. Agencies have taken many proactive actions to ensure that managers are

more involved the hiring process. Because OPM considers manager satisfaction with applicants a key indicator of overall hiring quality, we will track our progress going forward under OPM's Priority Goal to "Ensure high quality Federal employees."

- **Applicant Satisfaction with the Job Application Process.** The Applicant Satisfaction Survey provides information on how the applicant views the Federal Hiring Process. The percent of positive responses to the applicant satisfaction with the application process survey item improved from 69 percent in Q1 FY 2011 to 70 percent in Q4 FY 2011, and OPM continues to work with agencies to increase the response rate on the manager satisfaction survey.
- **Progress Specific to the six initiatives in the President's Memo.** Other measures of success/progress are shown in the data-driven analysis conducted by Merit System Audit and Compliance for the Job Opportunity Announcements. Every area analyzed shows impressive improvement with elimination of Knowledge, Skill, and Ability (KSA) essay requirements on the initial application and the use of Category Rating leading the way. The percentage of shortened, easier-to-read job announcements is up from 24 percent to 74 percent. The percent of jobs needing only a resume and no essays has increased from 39 percent to 94 percent. Agencies continue to show significant improvement with regard to Job Opportunity Announcements. The fourth quarter data from USAJOBS shows overall Federal agencies are at or well beyond 90 percent for: Resume and Cover letter (94 percent), Elimination of KSA's (99 percent) and Category Rating (95 percent).

### **Anticipated FY 2012 Accomplishments**

OPM will continue to build on the accomplishments from FY 2011 by:

- Providing agencies with assessment tools to ensure the identification of the best qualified applicants.
- Publishing proposed regulations on Hiring Reform and the Student Pathways program.
- Providing workshops to job seekers on Student Pathways, Schedule A employment of individuals with Disabilities and veterans hiring authorities.
- Fully implementing USAJOBSRecruit and the Federal Ambassador Program.
- Continuing to assist with the roll out of new regulations, oversight and implementation.
- Developing and deploying a comprehensive integration framework that supports Multi-Hurdle Assessments in support of Hiring Reform.

### **Anticipated FY 2013 Accomplishments**

The goal is to improve and streamline the end-to-end hiring process to create a positive experience for applicants, managers, and HR specialists. This will be accomplished by:

- Identifying the best hiring practices.
- Developing business intelligence capabilities for hiring managers and executives.
- Developing a Student Pathways marketing and outreach programs targeting both Federal agencies and students. This outreach will be accomplished in a variety of ways including personal contact; webcasts; webinars; and social media.
- Continuing to develop online tools to support agencies as they improve their assessments.
- Conducting Government-wide job analysis studies to identify competencies required for Federal occupations.
- Implementing Senior Executive Service hiring process improvements.



- Providing targeted direction on Federal hiring to human resources officials via various venues including the Chief Human Capital Officer Council and the Partnership for Public Service.

## Strategy 1.02 – Promote Diversity and Inclusion in the Federal workforce

Promoting diversity and inclusion in the Federal workforce helps agencies create an environment that values diversity and leverages talent to achieve results. Diversity encourages the promotion of policies that ensure all segments of society, including people with disabilities, have the opportunity for employment and advancement. OPM efforts provide Federal employees and managers with educational and training opportunities to foster and maintain a culture where diversity is valued and promoted. OPM helps agencies become high-performing organizations by creating fair and credible diversity and inclusion metrics and fostering accountability.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of employees in the Federal government with disabilities	N/A*	N/A*	7.07	7.41	7.75	8.0
Percent of employees in the Federal government with targeted disabilities	N/A*	N/A*	0.95%	0.96%**	1.25%	1.50%
Percent of Federal employees and managers who report satisfaction in the area of diversity and inclusion	N/A*	N/A*	60.6%	61.4%	63.0%	65.0%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ODI--Salaries & Expenses		\$1,100,000	6.5			
<b>Total Program Resources (dollars)</b>		<b>\$1,100,000</b>	<b>6.5</b>			

\* New measure--no historical data available for this period

\*\* Result as of June 30, 2011; year end result not yet available.

### FY 2011 Accomplishments

- Provided training to over 1,500 Federal employees regarding Schedule A hiring authority for people with disabilities and reasonable accommodations.
- Created a community of practice on OMB Max for agency personnel to share leading diversity and inclusion practices.
- Identified leading diversity and inclusion practices related to strategic planning and accountability metrics.
- Created a shared database of candidates eligible for hire under Schedule A Hiring Authority.
- Supported the Hispanic Council on Federal Employment, established in 2011 under the Federal Advisory Council Act.

### Anticipated FY 2012 Accomplishments

- Develop the Government-wide Diversity and Inclusion Strategic Plan, in accordance with Executive Order 13583, Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Government.
- Develop and issue OPM guidance on how to implement agency diversity and inclusion strategic plans and on reporting requirements.
- Maintain and augment the Federal employment of people with disabilities and Government-wide Diversity and Inclusion websites to include web-based training.
- Benchmark and develop diversity and inclusion metrics for use throughout government.

- Maintain and improve the Shared List of People with Disabilities and communities of practice to allow agencies to leverage resources.
- Distribute and maintain the Diversity and Inclusion Reference Guide.
- Finalize, release, and distribute a suite of diversity and inclusion training along with a toolkit.
- Supported the Hispanic Council on Federal Employment, renewed in 2012 under the Federal Advisory Council Act.

### **Anticipated FY 2013 Accomplishments**

- Provide diversity and inclusion learning opportunities, using a variety of training, developmental, and communications vehicles for all employees to include advanced internet technology.
- Host forums for sharing leading practices to include information from corporations like IBM, AT&T and Goldman Sachs.
- Conduct diversity and inclusion forums for members of the Senior Executive Service.
- Promote, encourage and provide guidance on work-life balance policies, including Telework, wellness programs, and other work-life flexibilities and benefits.
- Develop guidance regarding leading retention, professional development, and training practices.
- Provide support and implement plans for diversity-related policies, including the Executive Order on Increasing Federal Employment of Individuals with Disabilities, and the Executive Order on Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce.
- Develop partnerships with Federal employee affinity groups, colleges and universities, and professional organizations.
- Assist agencies in the implementation of agency diversity and inclusion strategic plans.
- Maintain and augment the Federal employment of people with disabilities, and Government-wide Diversity and Inclusion websites.
- Maintain and improve a database for the hiring of people with disabilities, support reporting requirements in accordance with two Executive Orders, and maintain and improve communities of practice to allow agencies to leverage resources.
- Distribute and maintain the diversity and inclusion Reference Guide, including guidance on leading practices in the private sector and successful agencies.

## Strategy 1.03 – Ensuring Agencies Have Timely and Sufficient Information to Make Decisions such as Credentialing, Suitability, and/or Security Clearance Determinations

OPM performs background investigations for Federal agencies on a fee-for-service basis. OPM conducts over 90 percent of all background investigations for the Federal government. The mandates of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) continue to be a primary focus of the background investigations program. OPM continues to complete initial Top Secret clearances in less than 80 days and overall initial clearance investigations in less than 40 days, as required by IRTPA. This has been achieved through significant investments in information technology and through the activities of the Joint Reform Effort (JRE). The JRE organizes and drives Executive Branch improvements in the gathering, processing, dissemination, and evaluation of investigative information to improve the efficiency and effectiveness of the suitability and security clearance process.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Average number of days to complete the fastest 90% of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act	N/A*	N/A*	39	40	40	40
Investigations determined to be deficient due to errors in investigation processing**	0.10%	0.08%	0.16%	0.15%	<0.30%	<0.30%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>		<b>FTE</b>		
FIS--Revolving Fund		\$1,142,975,000		2,478.6		
<b>Total Program Resources (dollars)</b>		<b>\$1,142,975,000</b>		<b>2,478.6</b>		

\* New measure--no historical data available for this period

\*\* This measure was previously titled "Percent of investigative case returns"

### FY 2011 Accomplishments

In FY 2011, OPM invested budgetary resources into the information technology (IT) infrastructure to maintain quality and timely investigative products, while also aligning the IT infrastructure to support JRE activities and goals. These activities included improving and streamlining the investigative processes, supporting determinations of eligibility for access to classified information, suitability for Federal employment, eligibility to work on Federal contracts, as well as eligibility to access federally controlled facilities and information systems. OPM implemented the revised Standard Form 86 in Electronic Questionnaires for Investigations Processing (e-QIP), and expanded the suite of automated records checks to be incorporated into existing investigative products. OPM implemented an aligned investigative product line, more streamlined and simplified with enhanced subject interviews for standardized issue resolution. In addition, OPM implemented automated tools to support quality assessments, giving OPM better information to assess the health of current processes and inform future product enhancements. OPM also enhanced the efficiency of automated tools for position designation, for reciprocal validation of completed investigations and adjudications, and for delivery of automated reports of investigation to agency requesters.

## **Anticipated FY 2012 Accomplishments**

In FY 2012, OPM will continue to supporting JRE activities and continuing to meet the IRTPA timeliness goals. Significant resources will be applied to the development of the new SF85P investigative security form and deployment of the new tiered investigative model as part of the process reform mandates. The information technology infrastructure upgrade will continue as planned with the emphasis remaining on a streamlined, consolidated portal (EPIC) that will require only one primary entry point to access all component systems necessary for data entry, processing, storing, and retrieving of all investigative data. New support, field work, and consolidated leads contracts will also be implemented that will continue to provide the necessary resources for OPM to meet its timeliness, quality, and customer satisfaction goals that ultimately support agencies hiring the best candidates for Federal, military, and contractor positions.

## **Anticipated FY 2013 Accomplishments**

OPM will continue to complete background investigations and meet the target of 90 percent of background investigations completed in an average of 40 days or less. To meet this standard, OPM will allocate resources to continue the modernization of the information technology infrastructure; expand internal and external investigative and adjudicative training to satisfy reciprocity requirements and complete migration of processes to deliver tiered investigative products satisfying reform goals.

OPM will further the implementation of major IT transformation initiatives in support of the JRE goal to streamline the investigative and adjudicative processes. Resources will be utilized to revamp the core software and hardware infrastructure of all core case processing systems and tools, commencing with the transformation and modernization of the Case Processing and Customer Interface. This will provide agencies an easier way to access, submit, process and deliver investigative requests. These primary initiatives will support the timeliness goals set forth by IRTPA and allow OPM to continue to provide timely and quality services to Federal agencies.

OPM will continue automating and streamlining many aspects of the investigative process to provide high quality investigative products supporting the Federal government's vetting needs. We will revise our position designation tool based on the Federal investigative standards and will implement an automated toolbox to support suitability adjudications. The tiered investigative model and SF85P forms revision will be finalized and implemented for full adaptation by all customer agencies.

## **Strategy 1.04 – Reduce Skills Gaps in Targeted Mission Critical Occupations and/or Competency Areas Across Government**

A comprehensive strategic human capital plan is critical to the ability of all Federal agencies to carry out assigned missions. An important dimension of each agency's human capital (HC) plan is the ability to identify and close current and emerging skill gaps thereby enabling them to carry out their missions more cost-effectively. OPM will develop a comprehensive plan to remove "Strategic Human Capital Management" from the Government Accountability Office (GAO) High Risk List through reductions in skills gaps in targeted mission critical occupations and skills areas at both the Federal level and agency-specific level.

OPM is fulfilling its responsibility to assess strategic management of HC across government; better articulate its strategy for identifying current and future skills gaps; and provide GAO details on its role in supporting and overseeing agencies. In the areas of recruitment, hiring, and development, OPM will ensure that human capital officers have the knowledge and experience needed to guide agencies in improving effectiveness and efficiency of agency HC management. In measurement and evaluation (measuring the effects of key initiatives to address critical skills gaps), OPM will ensure it is fulfilling its evaluation and oversight role consistent with the Human Capital Assessment and Accountability Framework (HCAAF).

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of CHCO agencies that have reduced the skill gaps in targeted mission critical occupations	N/A*	N/A*	N/A*	N/A*	TBD**	50%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries and Expenses		\$2,105,000	13.3			
<b>Total Program Resources (dollars)</b>		<b>\$2,105,000</b>	<b>13.3</b>			

\* New measure--no historical data available for this period.

\*\* OPM will establish future year targets in FY 2012

### Anticipated FY 2012 Accomplishments

OPM will function as an active participant in the CHCO Council’s Integrated Project Team (IPT) with the goal of developing a systematic integrated approach for agencies to reduce skills gaps in mission critical occupations (MCOs) or competencies areas. Additionally, OPM, in its Government-wide leadership role, will utilize an internal cross-organizational team to review (and if needed develop) policy, develop protocols, tools, and resources to support the CHCO working group as well as Federal agencies.

The Strategic Action Team (SAT) will develop and implement additional Government-wide strategies through collaboration with the CHCO working group to complement and build on agency-specific needs. The SAT will implement its strategic action plan to address skill/competency gaps Government-wide with the goal of removing strategic HC management from the GAO high risk list in 2013.

### Anticipated FY 2013 Accomplishments

During FY 2013, OPM will work across government with agencies to provide a comprehensive plan for technical assistance, consultation, training, tools and best practices to support the requirements to close competency gaps for MCOs. OPM will refresh existing training on competency gap closure as needed. In addition, OPM will continue to develop tools such as a MCO Priority Model and tools for pre- and post-assessment of gap closure or competency assessment instruments. The expected results are Federal agencies will see higher levels of proficiency in targeted occupational and/or competency areas and GAO will take Human Capital management off the High Risk List due, in large part, to OPM’s leadership to agencies in assisting them to better plan, implement and evaluate in areas of workforce planning, MCO selection, and competency gap closure.

### Strategy 1.05 – Encourage Increased Manager Involvement in the Federal Hiring Process

One of the major elements in reforming the Federal hiring process is increasing manager involvement in workforce planning, recruitment, and the hiring process. Working through the Chief Human Capital Officer (CHCO) Hiring Reform Working Group, OPM will identify and disseminate “engagement tools” that can be used by Human Resource practitioners to create strategic conversation with hiring managers to enhance the workforce planning component; market manager satisfaction results to establish a value proposition; and continue to develop and promulgate best practices that address hiring manager accountability.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of improved manager satisfaction with engagement in the Hiring Process	N/A*	N/A*	N/A*	N/A*	TBD**	TBD**
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES-Salaries & Expenses		\$1,402,000	9.3			
<b>Total Program Resources (dollars)</b>		<b>\$1,402,000</b>	<b>9.3</b>			

\* New measure--no historical data available for this period.

\*\* OPM will establish future year targets in FY 2012.

### Anticipated FY 2012 Accomplishments

OPM will enhance Human Resources practitioners' ability to positively impact their organization's hiring reform efforts, through increased management involvement. Increasing the hiring manager's involvement in the hiring process will help managers better understanding the process and promote effective recruiting. Further, Human Resource practitioners will gain a deeper understanding of how to assess and engage the best qualified talent for Federal service. These efforts will involve hiring reform data collection and analysis in the areas of business intelligence; allowing the process to become more integrated, coordinated, and strategic.

### Anticipated FY 2013 Accomplishments

During FY 2013, OPM will continue to train managers on their roles and responsibilities associated with the hiring process starting with workforce planning. Working through the CHCO Working Group, OPM will identify and disseminate engagement tools to Federal agencies. OPM will also continue to provide technical assistance to Human Resource practitioners on ways to conduct a strategic conversation with hiring managers through formal training, workshops, forums, and conferences. OPM will continue to educate Human Resource practitioners on how to better serve as a strategic business partner, and promote strategies on effective ways to get hiring officials involved in the recruiting and hiring process.

In addition, OPM will refresh the Human Capital framework to enhance the workforce planning component while continuing to provide quarterly reports to agencies on results from the Manager Satisfaction Survey; analyzing data Government-wide and communicating results; and promoting ways to utilize and market the importance of acting on managers' feedback.

OPM will also continue to provide agencies best practices from the Federal and private sectors, and tools to hiring managers so they can gain a thorough understanding of how their involvement can help drive business results.

### Strategy 1.06 - Assist Veterans to Find a Place in the Federal Workforce

On November 9, 2009, the President signed Executive Order 13518 on the Employment of Veterans in the Federal government, establishing the Veterans Employment Initiative. The Initiative underscores the importance of recruiting, employing, and retaining Veterans within the Executive Branch of the Federal government.

The primary goal of the initiative is to increase the number of Veterans employed in the Federal government. Currently, the Government invests significant resources in the training and development of military service personnel. To leverage this investment, the Federal government must take aggressive steps to recruit transitioning military personnel and Veterans for continued service in the civilian workforce of the Federal government.

OPM has identified five key barriers to increasing the number of Veterans employed in the Federal government. These barriers include a lack of clear leadership regarding the value and importance of hiring Veterans; infrastructure that does not support advocacy of Veterans' employment within Federal

agencies; insufficient understanding of Veterans' Preference and utilization of special hiring authorities by HR professionals and hiring officials; inadequate understanding of Veterans' Preference and the Federal hiring process by our Veterans and transitioning service members; and an absence of systems to match Veterans' skills and education to positions within the Federal government.

To combat these barriers, Executive Order 13518 outlined four focus areas that include: leadership commitment which establishes a governance structure and infrastructure dedicated solely to the employment of Veterans in the Federal government; skills development and employment which focuses on providing employment counseling and aligning the talents and aspirations of Veterans and transitioning service members with civil service career opportunities; creating a marketing campaign targeted to Veterans as well as to hiring officials on how Veterans can meet skills demands in their organizations; and developing an information gateway that creates a single source website for disseminating accurate and consistent Veterans employment information and resources for Veterans, human resource (HR) professionals, and hiring officials.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of agencies that meet or exceed their baseline goal for hiring veterans	N/A*	N/A*	N/A*	91%	83%	TBD**
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries & Expenses		\$2,130,000	13.5			
<b>Total Program Resources (dollars)</b>		<b>\$2,130,000</b>	<b>13.5</b>			

\* New measure--no historical data available for this period.

\*\* OPM will establish future year targets in FY 2012.

## FY 2011 Accomplishments

OPM accomplished the following in FY 2011:

- 24 Executive Order 13518 agencies established Veterans Program Employment Offices.
- Issued Government-wide Veterans Strategic Plan.
- Launched FedsHireVets.gov web portal.
- Delivered recommendations to the President on improving the ability of Veterans' preference laws to meet the needs of the new generation of Veterans, especially those transitioning from the conflicts in Iraq and Afghanistan, and the needs of Federal hiring officials.

## Anticipated FY 2012 Accomplishments

Veterans Services will continue to build on the activities started in FY 2011 by expanding marketing, social networking, resume bank, and skills translation capability to improve employment opportunities for veterans in the Federal government.

## Anticipated FY 2013 Accomplishments

OPM plays a critical role in ensuring the success of this Presidential initiative and is required to perform several key on-going functions to support this Executive Order. Chief among these functions are:

- Ensure a coordinated Government-wide effort to increase the number of veterans employed by the Federal government by enhancing recruitment and training.
- Serve as Vice Chair of the Council on Veterans Employment.
- Maintain a dedicated Veterans Employment Program Office for veterans to receive counseling, training, and utilize assistive technology to help them pursue a Federal career.

- Host and update the Information Gateway, known as FedSHireVets, as stipulated in the Executive Order.
- Support new efforts targeting women veterans, homeless veterans, military spouses, and family members.



## Strategic Goal 2: Respect the Workforce

**Strategic Goal Statement: Provide the training, benefits, and work/life balance necessary for Federal employees to succeed, prosper, and advance in their careers**

To improve Federal programs and services, the Government must invest in its most valuable resource – its employees. Providing training from entry-level to executive – is critical to mission accomplishment and leadership succession planning. Providing a suite of flexible benefits and promoting a healthy work/life balance across the Federal government also contributes to building an engaged workforce, employee well-being and retention. Programs and initiatives, such as alternative work schedules, telework, and employee assistance programs, are designed to help employees identify and resolve personal and/or work-related issues that may affect their productivity. Investments in training, benefits, and work/life balance initiatives benefit current employees and help us continue to attract the best and brightest for Federal service.

OPM developed the strategies associated with the Respect the Workforce strategic goal in order to ensure that adequate attention and investment are directed toward the government's most important resource. *Strategy 2.01 – Improve Training Opportunities for Federal Employees* is designed to ensure that sufficient training opportunities exist so that an employee's skill set matches the requirements of the position. To provide employees an opportunity to balance the competing requirements of the workplace with family responsibilities, *Strategy 2.03 – Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work/Life flexibilities* provides options to employees regarding work schedules and methods, as well as increasing access to health information/options for improving their health and wellness. *Strategy 2.02 - Ensure that Available Benefits Align with Best Practices and Employee Needs* focuses on ensuring that the benefits offered to Federal employees are competitive with other employers and that they meet the changing needs of our employees. For Federal employees to achieve the greatest level of productivity possible, a positive working relationship between Federal managers and labor unions is crucial. *Strategy 2.04 – Improve Federal Labor-Management Relations Across the Government* promotes a cooperative and productive work environment in which employees can excel.

## FY 2013 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 2: Respect the Workforce										
Strategy	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Common Services	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
2.01 Improve training opportunities for Federal employees	\$952,000	6.0	\$0	0	\$0	0	\$0	0	\$0	0
2.02 Ensure that available benefits align with best practices and employees' needs	\$262,000	2.0	\$17,069,000	100.0	\$7,070,000	16.6	\$0	0	\$0	0
2.03 Improve Federal employee engagement and satisfaction with health, wellness, and work/life flexibilities	\$1,552,000	9.7	\$0	0	\$0	0	\$0	0	\$0	0
2.04 Improve Federal labor-management relations across the government	\$2,722,000	18.0	\$0	0	\$0	0	\$0	0	\$0	0
2.05 Promote the safety of the Federal workforce through emergency preparedness	\$1,351,000	8.4	\$0	0	\$0	0	\$0	0	\$0	0
<b>Total (dollars)</b>	<b>\$6,839,000</b>	<b>44.1</b>	<b>\$17,069,000</b>	<b>100.0</b>	<b>\$7,070,000</b>	<b>16.6</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>

\*Salary & Expenses (inclusive of Multi-year and No-year)

\*\*Trust Annual Limitation (inclusive of Multi-year and No-year)

### Strategy 2.01 – Improve Training Opportunities for Federal Employees

OPM's Center for Executive Resources and Employee Development (ERED) is responsible for providing human capital policy, products, services, and oversight to the Government-wide management of: Senior Executive Service (SES), Senior-Level (SL) and Scientific and Technical (ST) employees; general performance appraisal systems and implementation; general awards programs; and general training and employee development. With respect to training and development, ERED's operational responsibilities include: review of legislation; development of regulations; issuance of operational guidance; approval and oversight of agency SES Candidate Development Programs (CDP), including the review and approval of these programs; approval of diversity management conferences to determine compliance with 5 U.S.C. chapter 41; maintenance of HR University; and support to OPM's Training Initiative. ERED's training responsibilities also focus on leading the President's Management Council (PMC) Initiative to improve the SES in a number of areas, including: executive on-boarding; leadership development framework; and best practices for executive development.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Number of registered users of HR University	N/A*	N/A*	N/A*	N/A*	4,000	8,000
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>	<b>\$</b>	<b>FTE</b>				
ES--Salaries & Expenses	\$952,000	6.0				
<b>Total Program Resources (dollars)</b>	<b>\$952,000</b>	<b>6.0</b>				

\* New measure--no historical data available for this period

## **FY 2011 Accomplishments**

In FY 2011, ERED completed a number of high-value, Government-wide products and services relating to training, including the following: improvements to the performance appraisal system certification process; streamlined SES hiring; career rotational assignment framework; wiki; “Difficult Conversations” training; general support for maintenance of HR University; executive on-boarding framework; training evaluation guide; training policy handbook; OPM’s Training Initiative and OPM’s Mentoring Program.

## **Anticipated FY 2012 Accomplishments**

Through the use of technology, outreach efforts and partnerships with Federal agencies and Federal Executive Boards, ERED will focus on improving training opportunities for Federal employees in FY 2012. ERED will:

- Expand the course offerings on Human Resources University (HRU) and users through outreach efforts.
- Add a “Manager’s Corner” on HRU which will include HR courses and information for all supervisors and manager.
- Develop additional topic pages on OPM’s Training and Development Wiki to increase collaboration across Federal agencies.
- Increase collaboration and cost savings by continuously sharing and taking advantage of training opportunities on the “low cost training options” and “sharing resources and collaborating across agencies” pages.

Measures of improvement will include increased awareness of training opportunities, increased number of registered users to HRU and the Training and Development Wikipedia page, positive course evaluations, and data gathered from website usability studies.

## **Anticipated FY 2013 Accomplishments**

Through the development of guidance and draft regulations, use of technology, outreach efforts and partnerships with Federal agencies and Federal Executive Boards, ERED will continue to focus on improving training opportunities for Federal employees in FY 2013. ERED will review draft and proposed legislation and provide comments for those related to training and executive development. ERED will release guidance on supervisory training requirements in 5 CFR 412, as well as review and approve SES Candidate Development Programs. ERED will develop at least one additional online course for supervisors and managers (made available to all Federal agencies) to support the Government-wide performance management initiative. Building on the efforts from FY 2012, ERED will expand the course offerings on HR University (HRU) and continue to promote increased use of HRU by Federal employees.

## **Strategy 2.02 – Ensure that Available Benefits Align with Best Practices and Employees’ Needs**

OPM strives to ensure that benefits for Federal employees align with best practices and employees’ needs. This includes conducting evaluations of public and private sector organizations’ benefit survey results. These results are used to ensure Federal benefits are consistent with those offered by private and other public sectors’ benefits. Furthermore, benefit options are communicated to potential candidates and current employees to make certain they understand the flexibilities and benefits available to them.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of FEHBP customers satisfied with OPM's Open Season website	35%	67%	79%	70%	70%	70%
Percent of health benefits claims processed within 30 working days	99%	98%	99%	98%	95%	98%
Percent of health benefits claims processed accurately	98%	98%	98%	98%	96%	96%
Rate of improper payments in FEHBP	0.24%	0.30%	0.15%	0.38%	0.28%	0.28%
Percent of FEHBP enrollees satisfied versus health industry standard	FEHBP 78%	FEHBP 77%	FEHBP 77%	FEHBP 76%	FEHBP =>	FEHBP =>
	Industry 60%	Industry 62%	Industry 63%	Industry 64%	Industry Standard	Industry Standard
Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	N/A*	N/A*	7.3%	3.8%	FEHB <=	FEHB <=
					Private Sector	Private Sector
Average number of days to pay Federal Employees Group Life Insurance Claims	6.3	5.5	4.3	4.4	<10 day Industry Standard	<10 day Industry Standard
Percent of Federal Long Term Care Insurance program customers satisfied with overall customer service	98%	99%	93%	92%	90%	90%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
PPA--TF Limit -- Annual		\$8,884,000	22.0			
PPA--5 USC 8348 (a)(1)(B) -- Mandatory Authority		\$523,000	5.0			
PPA--Dental & Vision -- Mandatory Authority		\$271,000	2.3			
PPA--Long Term Care -- Mandatory Authority		\$271,000	2.3			
HI--Salaries & Expenses		\$262,000	2.0			
HI--TF Limit -- Annual		\$8,185,000	78.0			
HI--Dental & Vision --Mandatory Authority		\$4,228,000	4.0			
HI--Long Term Care -- Mandatory Authority		\$1,777,000	3.0			
<b>Total Program Resources (dollars)</b>		<b>\$24,401,000</b>	<b>118.6</b>			

\* New measure--no historical data available for this period

## FY 2011 Accomplishments

- Administered Federal Employees Health Benefits Program contracts to ensure that enrollees have access to well-managed and accredited carriers, with competitive healthcare choices and good healthcare benefits.
- Conducted the full range of Insurance Operations functions and Government-wide systems support for Open Season activities, audit functions, contract administration, disputed claims and oversight.
- Implemented Affordable Care Act changes to allow dependents up to age 26 to remain covered under family enrollments providing insurance coverage for 280,000 young adults.

- Prepared to select an expert consultant to assist in the identification of a preferred Pharmacy Benefits Manager (PBM) for use by FEHB carriers. A request for information from PBMs was issued at the end of FY 2011 with identification of the preferred PBM set for early FY 2012. Carriers will be able to use the preferred PBM beginning calendar year 2013.
- Issued new regulations for community rated health plans for rate setting beginning with the 2012 contract term based on medical loss ratios, in advance of requirements under the Affordable Care Act.
- Successfully awarded the Health Claims Data Warehouse (HCDW) contract to a small business.

### **Anticipated FY 2012 Accomplishments**

- Conduct negotiations with carriers to ensure compliance with OPM's benefits and rate guidance for contract year 2013.
- Administer FEHBP contracts to ensure enrollees have access to well-managed and accredited carriers, with competitive healthcare choices and good healthcare benefits.
- Conduct the full range of Insurance Operations functions and Government-wide systems support for Open Season activities, audit functions, contract administration, disputed claims and oversight.
- Develop and begin implementation of a plan to slow the rise in prescription drug costs in the FEHBP.
- OPM will work with our health insurance carriers to develop a summary of benefits for each healthcare plan.
- HCDW development and implementation.

### **Anticipated FY 2013 Accomplishments**

- Work with insurance carriers to negotiate best rates and value of benefits.
- Maintain a strong outreach program to employees, agencies, and carriers to continuously improve products and services.
- Enhance customers' health insurance decisions by several means: OPM-sponsored health plan brochures, a guide to Federal benefits, website postings on health plan customer satisfaction survey results, web-based comparison/decision tools.
- Use popular websites such as Twitter, YouTube, Facebook, and OPM's video library to help customers locate answers to benefit questions as well as stay informed on health benefit matters.
- Implement the HCDW portal and preparing for addition of claims data for Multi State Plans under the Affordable Care Act.

## **Strategy 2.03 - Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work/life Flexibilities**

Providing a suite of flexible benefits and promoting a healthy work/life balance across the Federal government contributes to building an engaged workforce, employee well-being, and employee retention. Programs and initiatives, such as alternative work schedules, telework, and employee assistance programs exist to help employees identify and resolve personal and/or work-related issues that may affect their productivity. Investments in training, benefits, and work/life balance initiatives benefit current employees and help agencies to attract the best and brightest for Federal service. Work/life programs are integral to achieving OPM's mission of recruiting, retaining, and honoring a world-class workforce.

To improve employee satisfaction with health, wellness and work/life flexibilities, OPM will provide agencies tools to help them promote health and wellness, evaluate their programs and address employee satisfaction. As OPM supports Federal agencies in their work/life and wellness action planning, OPM expects an increase in employee participation in agency health and wellness programs and an increased percentage of Federal employees who report satisfaction with work/life programs in general as evidenced in Employee Viewpoint Survey results.

Comprehensive worksite wellness programs help in reducing health care costs, improving worker productivity and attracting the best talent. For these reasons, OPM is encouraging Federal agencies to expand and improve their wellness programs. The elements of a comprehensive worksite wellness program are: health education; supportive social and physical environments; integration of worksite wellness program into organizational structure; screening programs; and linkages with related benefits programs.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Chief Human Capital Officer (CHCO) Agencies have developed final wellness plans**	N/A*	N/A*	75%	100%	100%	100%
Wellness inclusion opportunities-- Weighted average number of wellness program opportunities per work location; weighted by the employee population of the work location	N/A*	N/A*	55	60	70	80
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries & Expenses		\$1,552,000	9.7			
<b>Total Program Resources (dollars)</b>		<b>\$1,552,000</b>	<b>9.7</b>			

\* New measure--no historical data available for this period.

## FY 2011 Accomplishments

During FY 2011, OPM accomplishments included the following:

- Provided guidance to Federal agencies on what constitutes a comprehensive health and wellness program and criteria for assessing the adequacy of agency plans.
- Identified a common needs assessment tool (WellCheck inventory) based on Healthy People 2010/2020, which allows agencies to analyze and evaluate their current health promotion programs, benchmark with other agencies and the private sector, and determine areas where improvement is required. Use of the common needs assessment tool is voluntary; however, if the tool is not used, agencies must describe how they assess their needs as part of their health and wellness plans.
- Developed a high-level questionnaire for agency headquarter staff Chief Human Capital Officer (CHCO) or equivalent, to assess their agency's organizational and leadership capacity with respect to employee health and wellness policies and programs.
- Established a community of practice with the CHCO's focused on communication of the benefits of a comprehensive program and how to market the benefits to agency employees.
- Requested plans from all CHCO agencies to develop comprehensive health and wellness programs that will lead to 75 percent participation by agency employees.

## **Anticipated FY 2012 Accomplishments**

OPM will build upon FY 2011 accomplishments by conducting a Government-wide work/life survey to assess satisfaction and identify needs for future work/life programs. OPM will also provide agencies feedback on agency draft plans and will support agencies as they develop criteria for assessing the adequacy of their plans. OPM has commissioned a management evaluation of *WellnessWorks*, using data generated by the on-site program matched with data from the health claims data warehouse, workers' compensation claims, disability claims and Enterprise Human Resources Integration (EHRI) data.

OPM will examine policy options, legislative changes, Government-wide data trends and employee survey findings that affect OPM's management of HR policy, including insurance and employee health and wellness benefits for Federal employees. To assure benefits provide maximum value and are secure, OPM will conduct actuarial analyses, statistical tests using large data bases and analysis of results from surveys of Federal employees.

## **Anticipated FY 2013 Accomplishments**

The goal is to improve employee satisfaction with health, wellness, and work/life flexibilities which will result in a productive and resilient workforce. To do this, OPM will provide agencies with tools to promote work/life program effectiveness and community learning. We facilitate program effectiveness by providing on-going policy guidance, training, evaluation, and consulting; and community learning through support of interagency networking and information sharing. Through continued support of agencies in their action planning, OPM expects an increase in employee participation in agency work/life programs, especially health and wellness and telework programs. This will result in an increased percentage of Federal employees who report satisfaction with work/life programs as evidenced in Employee Viewpoint Survey results. Activities that will be performed to accomplish this goal will include:

- Revamping work/life websites to include updated guides and policies;
- Highlighting agency best practices in work/life, as recommended by GAO;
- Providing guidance to agencies on what constitutes a comprehensive health and wellness program;
- Giving agencies criteria for assessing the adequacy of agency worksite wellness plans;
- Continuing to assist agencies in carrying out their action plans to improve employee satisfaction based on Employee Viewpoint Survey results; and
- Consulting with agencies to identify areas where tools and resources can be applied to retention strategies with respect to work/life.

## **Strategy 2.04 – Improve Federal Labor-Management Relations Across the Government**

Executive Order 13522 promotes a cooperative and productive form of labor-management relations with the ultimate goal of improving the productivity and effectiveness of the Federal government and delivering the highest quality services to the American people.

The role of OPM's Partnership & Labor Relations organization is to manage daily activities of the National Council on Federal Labor Management Relations and to provide on-going policy guidance to agencies working to establish labor management forums. The work of the National Council is critical to implementing the goals of the President regarding cooperative labor management relations in the Federal government. The National Council relies on Partnership & Labor Relations to coordinate the work of the Council which is comprised of senior leaders from cabinet level agencies, national labor unions, and other organizations with an interest in labor management relations in the Federal government. Federal agencies rely on Partnership & Labor Relations to provide advice and guidance as they encounter challenges in

reforming the way they conduct labor management relations in support of improving Government operations.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of Executive Order 13522 forums that hold at least quarterly meetings between labor and management	N/A*	N/A*	N/A*	N/A*	Establish Baseline	TBD**
Number of Government-wide bargaining unit employees represented by a union in a labor management forum	N/A*	N/A*	N/A*	765,757	825,000	907,000
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries & Expenses		\$2,722,000	18.0			
<b>Total Program Resources (dollars)</b>		<b>\$2,722,000</b>	<b>18.0</b>			

\* New measure--no historical data available for this period.

\*\* FY 2012 will create the baseline and the target for FY 2013.

### FY 2011 Accomplishments

Partnership & Labor Relations reviewed numerous legislative and policy proposals and provided substantive comments on labor and employee relations implications in a timely manner. This included providing subject matter expert briefings to Congressional staff on issues, such as official time usage; disciplinary and adverse action procedures for Federal employees; Government-wide employment suitability policy; and promotion of consistent and efficient Government-wide labor and employee relations practices by hosting six Labor and Employee Relations Roundtable meetings for over 3,500 agency labor and employee relations practitioners on critical topics.

In addition, Partnership & Labor Relations contributed to the enhancement of Government-wide labor management relations by providing extensive support to the National Council on Federal Labor Management Relations by:

- Hosting eight public meetings of the Council attended by up to 100 members of the public, media and Congressional staff along with Council members and Council member staff. This included arranging and developing multiple presentations on various topics that supported the President's goal of improving the productivity and effectiveness of the Federal government.
- Regularly gathering and analyzing data from 51 Federal agencies covering 1.2 million bargaining unit employees in approximately 2,000 bargaining units regarding their progress on implementing the President's Executive Order. Analysis of this data was reported to the Council as requested.
- Developing and maintaining a website for the Council that is regularly monitored by members of the public and the media for current information on Council initiatives and activities.

### Anticipated FY 2012 Accomplishments

During FY 2012, OPM will accomplish the following:

- Promote consistent and efficient Government-wide labor and employee relations practices by hosting at least six Labor and Employee Relations Roundtable meetings for over 3,500 agency labor and employee relations practitioners on critical topics of interest.
- Support of practitioners and other officials in developing skills necessary to effectively address labor and employee relations matters by hosting at least six Labor and Employee Relations Professional Development Series training courses for approximately 180 practitioners.
- Support to the National Council on Federal Labor Management.



- Enhance Government-wide labor management relations by completion of statutory Government-wide consultation with 13 national unions on proposed policy changes.
- Promote consistent and efficient Government-wide labor and employee relations practices by regularly updating the newly improved Partnership & Labor Relations website with relevant and timely information necessary to support practitioners.
- Ensure a comprehensive review of over 6,000 decisions of the Merit Systems Protection Board in order to provide timely advice and recommendations to the Director on options.
- Publish a comprehensive report regarding official time usage or paid duty time by employees serving as union representatives and performing union representational duties.

### Anticipated FY 2013 Accomplishments

During FY 2013, OPM will manage the daily activities of the National Council on Federal Labor Management Relations and provide policy guidance to agencies working to improve labor management forums. Partnership & Labor Relations will coordinate the work of the National Council which is comprised of senior leaders from cabinet level agencies, national labor unions, and other organizations with an interest in labor management relations in the Federal government. Federal agencies rely on Partnership & Labor Relations to provide advice and guidance as they encounter challenges in reforming the way they conduct labor management relations in support of improving Government operations.

### Strategy 2.05 – Promote the Safety of the Federal Workforce Through Emergency Preparedness

OPM helps ensure the safety of the Federal workforce through Emergency Preparedness via the Federal Executive Boards (FEBs). OPM, through the FEBs, develops and implements policies and procedures to help departments and agencies prepare and respond to emergency situations. OPM supports the FEBs to ensure coordinated responses to all hazardous events. The FEBs serve 28 geographic areas of the United States by bringing together senior officials of Federal agencies represented in that area to address all matters of interagency communication, coordination and collaboration. A major area of emphasis for the FEBs is to improve local agencies’ preparedness for emergency events. The Federal Executive Board Authorization Act of 2009 focused on emergency preparedness activities of FEBs.

Fund	Budgetary Resources	
	FY 2013 Request	
	\$	FTE
ES--Salaries & Expenses	\$1,351,000	8.4
<b>Total Program Resources (dollars)</b>	<b>\$1,351,000</b>	<b>8.4</b>

### FY 2011 Accomplishments

During FY 2011, OPM accomplished the following:

- Disseminated human resources policy guidance available for emergencies to FEB departments and agencies.
- Responded to approximately 400 FEB inquiries for human resources technical assistance for emergency preparedness.

## **Anticipated FY 2012 Accomplishments**

During FY 2012, OPM will continue to build upon the activities from FY 2011. Planned activities include the following:

- Disseminating human resources policy guidance for emergencies to Federal Executive Branch departments and agencies.
- Responding to Federal Executive Branch department and agency inquiries for human resources technical assistance for emergency preparedness.
- Responding to Federal Executive Board inquiries for human resources technical assistance for emergency preparedness.

## **Anticipated FY 2013 Accomplishments**

OPM will effectively manage the emergency preparedness/FEB program by accomplishing the following:

- Delivering an annual FEB report, supporting the FEB strategic plan, facilitating the annual Executive Director's meeting, and planning and implementing the annual three-day FEB conference.
- Maintaining the FEB, Alternate Personnel System, and Human Capital Assessment and Accountability Framework websites.
- Addressing emergency preparedness by: responding to Federal Executive Board inquiries for human resources technical assistance for emergency preparedness; attending internal OPM and external interagency meetings to identify human resources policy guidance needed for emergencies; and disseminating human resources policy guidance available for emergencies to Federal Executive Branch departments, Agencies and FEBs.

In order to keep the FEBs operational in FY 2013, OPM staff must work with approximately 20 agencies to ensure continued staffing and funding support for the 28 FEBs.

## Strategic Goal 3: Expect the Best

**Strategic Goal Statement: Ensure the Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to perform at the highest levels to achieve superior results**

OPM ensures that agencies across the Federal government hold leaders accountable for results. For agencies to succeed and meet the challenges of the 21st century, OPM must transform the civil service system to be flexible, agile, and capable of responding to any circumstance. OPM provides human resources management solutions, establishes the standards for continuous improvement, and leads by example to achieve agency results.

OPM developed the strategies associated with the Expect the Best Strategic Goal in order to hold the Federal workforce and its leaders accountable for results. But in order to do that OPM recognizes that it must lead this effort across the Federal government. *Strategy 3.03 – Provide Leadership and Direction to Government-wide HR Programs* focuses the Government’s efforts at a strategic level. For this effort to be a success, however, OPM must also provide assistance to agencies and does so under *Strategy 3.01 – Help Agencies Become High Performing Organizations with the Use of HR Tools*.

In order to sustain and institutionalize an expectation of performance and accountability, the Federal government must support its strongest leaders. *Strategy 3.02 – Recognize, Select, and Sustain Individuals who Provide Strong Leadership and Direction for Agencies* recognizes this requirement. Another facet of sustaining both the workforce and leadership is to provide tools and flexibilities to accomplish their jobs. *Strategy 3.06 – Implement Certain Provisions of the Telework Enhancement Act* provides both a tool and additional flexibilities for managers for managers and employees.

Once OPM has provided the leadership and tools necessary for agencies to achieve superior performance, *Strategy 3.04 – Hold Agencies to Account for Improvements in Strategic Human Resources Management* holds Federal agencies accountable for their human resources efforts and actions. OPM realizes that holding others accountable is meaningless unless OPM, as an agency, holds itself to those same standards; and does so through *Strategy 3.05 - OPM Will Lead by Example to Implement Human Resources Reforms and Reinvigorate our Approach to Individual and Organizational Performance Management*.

## FY 2013 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 3: Expect the Best										
Strategy	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Common Services	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
3.01 Help agencies become high-performing organizations	\$16,334,000	54.6	\$0	0.0	\$0	0.0	\$67,956,000	7.0	\$0	0.0
3.02 Recognize, select, and sustain individuals who provide strong leadership and direction for agencies	\$2,147,000	14.4	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
3.03 Provide leadership and direction to Government-wide HR programs	\$8,413,000	54.9	\$0	0.0	\$0	0.0	\$622,044,000	600.0	\$0	0.0
3.04 Hold agencies to account for improvements in strategic human resources management	\$12,156,000	90.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
3.05 OPM will lead by example to implement human resources reforms and to reinvigorate our approach to individual and organizational performance management	\$0	0.0	\$0	0.0	\$0	0.0	\$3,100,000	16.0	\$6,238,000	46.9
3.06 Implement certain provisions of the Telework Enhancement Act of 2010	\$1,276,000	7.9	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
<b>Total (dollars)</b>	<b>\$40,326,000</b>	<b>221.8</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$693,100,000</b>	<b>623.0</b>	<b>\$6,238,000</b>	<b>46.9</b>

\*Salary & Expenses (inclusive of Multi-year and No-year)

\*\*Trust Annual Limitation (inclusive of Multi-year and No-year)

### Strategy 3.01 - Help Agencies Become High Performing Organizations with the Use of HR Tools

OPM helps agencies become high performing organizations by evaluating agency performance management systems using our Performance Appraisal Assessment Tool (PAAT) and providing feedback to agencies. Agencies are also assisted with reaching their optimal performance through performance management workshops, forums, and in-depth technical assistance on system design and implantation. OPM also host's interagency forums that foster an environment for sharing human resource best practices.

## **Human Resources Line of Business (HR LOB)**

The Human Resources Line of Business (HR LOB) leads the government-wide transformation of HR Information Technology by focusing on modernization, integration, and performance assessment. The HR LOB is a model for its cross-agency collaboration which achieves HR service delivery improvements and cost savings results.

The HR LOB has established public and private Shared Service Centers (SSCs) to provide technology solutions to support multiple agencies with HR information technology, HR management, and back office activities. Six Federal and four private sector SSCs have been selected and established to leverage economies of scale, reduce costs, and increase the quality and consistency of services provided. The HR LOB supports agencies in their selection of and migration to SSCs consistent with the business model determined by the agency. This service delivery model frees up agency HR resources to provide valuable strategic and consultative support to agency missions. The HR LOB initiative generates benefits through HR IT consolidation, standardization, and modernization. The initiative's recently updated cost benefit analysis shows that the HR LOB is on track to save the government \$1.3 billion through FY 2015 and \$200 million annually after that.

## **Enterprise Human Resource Integration (EHRI)**

The Enterprise Human Resources Integration (EHRI) Program is an e-Government initiative designed to leverage the benefits of information technology as required by the E-Government Act of 2002. The goal of EHRI is to streamline and automate the exchange of Federal Employee human resources (HR) information Government-wide.

EHRI has two primary components. First, the electronic Official Personnel Folder (eOPF) is a web-based application that is capable of storing, processing, and displaying the eOPFs of all current, separated, and retired Federal Employees. The system replaces existing manual HR process by automating the Federal Government HR processes and thereby creating a streamlined Federal HR system for all Federal Employees. When fully implemented, the eOPF will cover the entire Executive Branch with a total user population of more than 1.9M. The eOPF system is offered through a fee-for-service arrangement with implementing agencies.

EHRI's second component, the Data Warehouse, consolidates multiple HR data systems into a single corporate data repository in a secure environment, thereby eliminating redundancies across the federal government. This single data source contains more than 500 data elements on 1.9M federal employees, and serves as a powerful resource for HR managers, government executives, OMB, and Congress. The system also supports the collection of accurate retirement data through data feeds, and other sources, by creating data standards and reporting requirements contained in the Guide to Retirement Data Reporting. Through a suite of Analytic Tools offered to customer agencies, the federal government is able to perform workforce analyses and forecasting on the data contained in the Data Warehouse.

The eOPF and Data Warehouse support OPM's strategic goal of "Expect the Best." Both systems enable agencies to hire and retain the best, supporting OPM's strategic goal to "Ensure the Federal workforce and its leaders have the tools, systems, and resources to perform at the highest levels to achieve superior results."

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of agencies requesting system certification that receive full credit for Alignment and Measurable Results	N/A*	N/A*	N/A*	90%	92%	93%
Number of days after Employment Viewpoint Survey completion that data is provided to the OPM Director and other Federal agencies	N/A*	N/A*	N/A*	95	95	95
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries & Expenses		\$2,976,000	19.8			
PPA--Salaries & Expenses		\$5,938,000	28.0			
CIO--Salaries & Expenses No-Year		\$7,420,000	6.8			
CIO--Revolving Fund		\$67,956,000	7.0			
<b>Total Program Resources (dollars)</b>		<b>\$84,290,000</b>	<b>61.6</b>			

\* New measure--no historical data available for this period

\*\* Targets to be set during FY 2012

## FY 2011 Accomplishments

OPM collaborated with agencies on advancing effective performance management systems that meet the standard established in OPM's Performance Appraisal Assessment Tool (PAAT). OPM conducted PAAT evaluations and reviewed agency Human Capital Management Report (HCMRs) to provide feedback for continuous improvement of their performance management systems. OPM maintained dialogue with agencies through workshops, forums, and guidance. Finally, agencies rely on the Performance Management Clearinghouse for performance management information and OPM has updated the content to keep it current and easily accessible.

In addition, OPM hosted multiple interagency forums where best practices and information were shared, as well as participated in multiple working groups on various HR topics.

OPM also deployed the FedView survey to obtain input from employees on their agencies' efforts to provide excellence in managing the workforce and providing an environment in which they can maximize their performance and maintain a work/life balance. OPM will continue to work with agencies to understand and use the results to enhance their performance.

In FY 2011, the HR LOB developed a major strategic document -- the Modernization Roadmap -- to guide the Government-wide approach to effective and efficient HR information technology (HR IT) management. The Roadmap outlines the current state of Federal HR IT, the desired future conceptual architecture of Federal HR IT, the high level roadmap to reach the future conceptual architecture, and funding strategies to support achievement of the desired state.

The HR LOB also completed evaluations and issued reports on all SSCs under the Provider Assessment program. In addition, the initiative approved the business cases of four additional agencies to select and migrate to one of the approved SSCs.

EHRI Installed and populated the Metadata Repository (MDR) with all of the data standards contained in the Guide to Data Standards, along with the associated reference data, in a test environment. This MDR also includes the Master Forms List for the eOPF. OPM stood up a Data Governance Board encompassing Federal human resource, payroll, training, and telework data. OPM created prototypes to demonstrate what the Guide to Data Standards and reporting guides would look like in the metadata

repository. This included the development of a system integration process to enable external users to reference the metadata repository.

### **Anticipated FY 2012 Accomplishments**

During FY 2012, OPM will continue its statutory obligation to approve agency appraisal systems and provide technical assistance. Assistance will be provided via bi-monthly forums, evaluation of agency-submitted PAATs and providing extensive feedback.

To create fair and credible standards for individual performance appraisal and accountability, OPM has designed the PAAT to establish a standard for agency appraisal programs. OPM has set a threshold of 80 points as indicating an agency has an appraisal system that supports a high performing organization. OPM will continue to evaluate agency-submitted PAATs and provide extensive feedback. OPM will conduct quarterly workshops on PAAT completion.

The HR LOB will promote effective and efficient collaboration across partner agencies and other stakeholders through the HR LOB governance structure. This includes strengthening the HR LOB relationship with the CHCO and CIO Councils. In addition, the HR LOB will support and monitor agencies and SSCs in the process of selecting and migrating HR services to the SSC environment. The HR LOB will work with agencies and providers to identify and pursue opportunities to become more efficient, customer service-oriented, cost effective, and more strategically focused.

The EHRI will:

- Continue to aggregate HR, payroll and training data in OPM's EHRI Data Warehouse.
- Collaborate with the CIO Records Management group to deploy the Metadata Repository (MDR) to production.
- Improve the value of EHRI's Business Objects reporting system by creating government-wide aggregate data tables for agencies to use for comparative analysis.
- Expand the utility of the data warehouse by building web services to query the database to support the mission of organizations such as the DoD, Defense Technical Information Center, DHHS, and others.
- Achieve technical compliance with at least one SSC and begin receiving production data in a standardized format to support OPM's goal of moving to a data centric model for aggregating, validating and managing retirement data and automating portions of the retirement process.
- Continue to work with DoD components as they migrate to eOPF.

### **Anticipated FY 2013 Accomplishments**

At OPM's Performance Management Forum, OPM will provide advice and guidance on improving appraisal systems. OPM will continue its statutory obligation to approve agency appraisal systems and provide technical assistance. Assistance to agencies will encompass bi-monthly forums, evaluation of agency-submitted PAAT's and providing extensive feedback.

In addition, OPM will continue to strengthen partnerships with public and private organizations by hosting multiple interagency forums where best practices and information are shared, as well as participating in multiple working groups on various HR topics. OPM will seek to identify key issues that will benefit from interagency discussion and partnership.

The HR LOB will continue to promote effective collaboration across partner agencies and stakeholders. The HR LOB will also provide and manage a Government-wide HR IT strategy that integrates OPM systems to address multiple feeds and redundant data to enhance the end user experience. This includes establishing standards, guidelines, architectural specifications, and governance to achieve integration; and establish a government-wide vision for HR IT that enables HR transformation.

The EHRI will:

- Continue to aggregate HR, payroll and training data in OPM’s EHRI Data Warehouse.
- Collaborate with CIO Records Management to migrate at least two reporting guides to the MDR and assist agencies, data providers and the other entities to use the MDR in their systems.
- Achieve technical compliance with at least one additional SSC to receive retirement data.
- Continue to work with DoD components as the migrate to eOPF by 12/31/2012.
- Continue to improve the value and utility of the data warehouse through improved reporting, better quality data and increased utility through web services.

### Strategy 3.02 - Recognize, Select, and Sustain Individuals Who Provide Strong Leadership and Direction for Agencies

OPM is responsible for managing the Senior Executive Services (SES) and Senior Level (SL)/Scientific or Technical (ST) appraisal system certification process. Through the certification process, OPM is ensuring that agencies are aligning executive performance with organizational goals, focusing on results, holding supervisors accountable for employee performance management, training executives on their appraisal and pay system, making distinctions in performance, and making differentiation in pay based on performance.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
The percentage of agencies that score a full 10 points on the SES-PAAT for the section on Alignment, and also score a full 15 points on the SES-PAAT section evaluating measurable results**	N/A*	N/A*	N/A*	54%	92%	93%
The percentage of agencies that score a full 10 points on the SL/ST-PAAT for the section on Alignment, and also score a full 15 points on the SL/ST-PAAT section evaluating measurable results**	N/A*	N/A*	N/A*	18%	82%	83%
Average number of business days from receipt of complete qualifications review board packages to complete review of qualifications of new government- wide SES candidates	N/A*	N/A*	N/A*	N/A*	15	15
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries & Expenses		\$2,147,000	14.4			
<b>Total Program Resources (dollars)</b>		<b>\$2,147,000</b>	<b>14.4</b>			

\* New measure--no historical data available for this period

\*\* OPM refined the measurement methodology and the definition for this performance measures; this measure covers alignment which is a single aspect of agency human capital management certification. Previously reported FY 2011 Results captured were preliminary values and were based on a draft measurement methodology.



## **FY 2011 Accomplishments**

OPM continued to certify SES, SL, and ST appraisal systems and provide extensive feedback to agencies on the quality and results of their systems. OPM also continued to provide technical assistance, workshops, forums, and feedback via summary reports. In addition, OPM continued to develop tools and resource guides in the areas of succession management and leadership development. OPM fulfilled its statutory obligation of reviewing and certifying SES/SL/ST appraisal systems and will verify that senior employees are being held accountable for achieving measurable results that are directly linked to organizational goals.

## **Anticipated FY 2012 Accomplishments**

During FY 2012, OPM will develop various guidance and resource guides on succession management programs including SES Candidate Development Program, emerging leadership development programs, supervisor training programs, and executive development. OPM plans to continue its statutory obligation of reviewing and certifying SES/SL/ST appraisal systems and will verify that senior employees are being held accountable for achieving measurable results that are directly linked to organizational goals. OPM will publish its annual report on Senior Executive Pay and Performance Appraisal Systems and provide agency-specific results on SES rating and pay decisions. In completing ongoing statutory responsibilities, OPM will evaluate and certify SES/SL/ST appraisal systems and provide extensive feedback to agencies on the quality and results of their systems. OPM plans to offer guidance, workshops, and forums while at the same time eliciting feedback from agencies on how to improve the process.

## **Anticipated FY 2013 Accomplishments**

During FY 2013, OPM will continue the SES appraisal system certification process. OPM will ensure the agencies' executive performance plans align to organizational goals. With the utilization of the SES appraisal system, executives are held accountable for measurable results. If the agency system does not meet the outlined criteria, OPM will not certify their SES appraisal system. OPM will measure their success in the area of SES appraisal systems through the success agencies have in aligning to organizational goals and focusing on achieving results. Further, OPM will provide agencies extensive feedback on the quality and results of their systems. OPM will issue updated certification guidance as needed and complete future action plans resulting from the agency survey on the certification process.

## **Strategy 3.03 - Provide Leadership and Direction to Government-wide HR Programs**

OPM's Employee Services' Agency and Veterans Support (AVS) group provides leadership and direction to Government-wide HR programs through strategic and tactical support to agencies. The Human Resources Services team responds to human resources management (HRM) requests of agencies and other key stakeholders with timely and accurate decisions and information. The Program Assessment and Special Programs (PASP) team assesses the HRM performance of Federal agencies based on OPM priorities and key human resources/human capital (HC) metrics and measures. It oversees the Human Capital Assessment and Accountability Framework, Alternative Personnel Systems, and the 28 Federal Executive Boards. OPM's PASP comprises three sub-groups – Agency Program Review (APR), Federal Executive Boards (covered in strategy 2.05), and Alternative Personnel Systems (APS).

OPM designs, develops and implements new and/or improves existing tools to evaluate HR programs such as the Chief Human Capital Officer (CHCO) Applicant and Manager Satisfaction Surveys, Federal Competency Assessment Tools for Human Resources Management (FCAT/HR-M) assessment; Systems/Standards/Metrics (SSM) and the End-to-End hiring process protocols. In addition, OPM designs and manages the HR Dashboard and provides technical assistance through coordination and collaboration to meet workforce planning challenges.

OPM provides day-to-day support for personnel demonstration projects that fall under OPM's oversight authority. Demonstration projects are authorized under chapter 47 of title 5, United States Code. Under

this authority, OPM establishes and evaluates demonstration projects designed to test whether certain changes in personnel management practices, such as a change to performance-based pay from a longevity-based system, would improve Federal personnel management.

OPM’s HR Solutions provides human resources products and services that meet the dynamic HR needs of the Federal Government. This is achieved by partnering with agencies to develop their human resources capabilities to meet their missions. HR Solutions offers products and services that help agencies attract and build a top quality public sector workforce, develop Federal leaders committed to public service values, and transform their agencies into high performing organizations.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	94%	99%	93%	87%	90%	90%
Index score of customer satisfaction with HR Solutions products and services (ACSI Equivalent Index)	84	84	80	75	80	80
Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	17%	27%	28%	28%	33%	29%
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more.	N/A*	N/A	52%	56%	38%	53%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>	<b>\$</b>	<b>FTE</b>				
ES--Salaries & Expenses	\$8,413,000	54.9				
HRS--Revolving Funds	\$622,044,000	600.0				
<b>Total Program Resources (dollars)</b>	<b>\$630,457,000</b>	<b>654.9</b>				

\* New measure--no historical data available for this period

\*\* Targets to be set end of FY 2012

## FY 2011 Accomplishments

OPM’s Employee Services’ AVS group was a driving force behind Hiring Reform implementation. Through Mobile Assistance Teams (MATs), AVS provided more than 22 training sessions to more than 474 small agency representatives on all aspects of Hiring Reform – from identification of barriers to development of action plans. AVS worked with agencies on tracking Time-to-Hire, reviewed end-to-end models, provided feedback to agencies, and assisted agencies with improving their tracking methodology. AVS participated in at least 17 MATs in which more than 60 agency representatives were trained.

In addition, most agencies achieved significant progress in hiring reform and reduced the number of days it took to fill vacancies. They also succeeded in increasing the overall number of veterans in the Federal government to meet the President’s mandate to improve employment opportunities for Veterans, and they met key milestones for expanding use of telework across the government.

AVS Human Capital Officers held HCMR feedback meetings with 70 agencies, providing analysis of Government-wide trends and recommendations for improving human capital management. The result was improved human capital management across the Federal government as evidenced by the FY 2011 GAO High Risk Report which removed most human capital areas from the high risk report.

OPM provided strategic and technical assistance to agencies to identify benefits that could be extended to same-sex domestic partners. As a result, OPM made great strides in meeting the mandates of the 2010 Presidential memorandum regarding Extension of Benefits to Same-Sex Domestic Partners of Federal Employees. Over 50 Agencies have demonstrated progress made in extension of benefits.

HR Solutions designed, developed, and delivered over a dozen training programs and conducted over 100 assessment-related training sessions for Federal agencies. HR Solutions also developed a suite of telework projects and services to include new training, workshops, audits, and consulting services to enable the Federal agencies to create a more flexible and productive work environment.

### **Anticipated FY 2012 Accomplishments**

OPM will continue to build on the accomplishments through the following activities:

- Examine policy options, legislative changes, Government-wide data trends and employee survey findings that affect OPM's management of HR policy, specifically including insurance and employee health and wellness benefits for Federal employees. To assure benefits provide maximum value and are secure, OPM will conduct actuarial analyses, statistical tests using large databases and analysis of results from surveys of Federal employees. OPM will seek to effectively use and integrate the available major data sources.
- Track agency participation in telework through the annual data call and Employee Viewpoint Survey. OPM will collect and analyze agency data and summarize results in a report to Congress as required in the Telework Enhancement Act of 2010. The final report will include the results of multiple measures designed to describe program implementation and outcomes related to the implementation of telework.
- Work with agencies on their action planning in view of new Employee Viewpoint Survey results.
- Support, maintain and improve critical HC/HR tools, including but not limited to, the HR Dashboard, Performance.gov, Applicant Survey, Manager Survey, Workforce Planning, and Succession Planning.
- Provide training, guidance and technical support for critical OPM initiatives such as Hiring Reform Implementation, the CHCO Academy, and Strategic Human Capital Management.
- Validate that Federal agencies manage employee performance fairly and effectively, as demonstrated by increased employee and manager satisfaction as reported in annual surveys.
- Help agencies align human resources management activities with their missions.
- Provide an array of training and seminar offerings to support emerging leadership developmental needs in the Federal workforce.
- Provide management and human resources solutions to agencies (test administration, staff acquisition, and payroll and personnel systems).
- Manage private sector contractors, who Assist agencies in the development and delivery of human resources products and services.
- Manage the recruitment, examination, and appointment of Administrative Law Judges.

### **Anticipated FY 2013 Accomplishments**

OPM will partner with agencies on strategic and operational issues; evaluating HR programs' ability to drive agency results; collaborate with agencies and multi-agency field locations through the CHCO Council, the Federal Executive Boards, and interagency employee and labor relations groups; and provide agencies with tools, resources, guidance, education, and evaluation to improve human resources operations

To achieve these objectives, OPM will support and maintain the requirements of the CHCO Act of 2002, including addressing the effectiveness and efficiency of human capital management programs in the Federal government. OPM will also design, develop and implement new and/or improve existing tools; and provide ongoing support for Manager/Applicant Surveys, HR Dashboard, and new tools such as Succession Planning, Workforce Planning, and Priority Modeling. Additionally, OPM will:

- Collaborate with agencies, OMB, and the CHCO Council for HC/HR evolution.
- Host multiple interagency forums where best practices and information are shared.
- Participate in multiple working groups on various HR topics (e.g., SES selection, executive development, performance management, CHCO Council working group on HR Virtual University, leadership, knowledge management and succession planning).
- Strengthen partnerships with public and private organizations allowing for knowledge transfer and the sharing of promising practices through host multiple interagency forums where best practices and information are shared, as well as participate in multiple working groups on various HR topics. OPM will seek to identify key issues that will benefit from interagency discussion and partnership.
- Provide basic support and oversight for APSs under OPM's chapter 47 authority, assist, monitor, track and report on Agencies pilot programs to experiment with the efficacy of alternative personnel systems.
- Address emergency preparedness by: responding to Federal Executive Board inquiries for human resources technical assistance for emergency preparedness; attending internal OPM and external interagency meetings to identify human resources policy guidance needed for emergencies; and disseminating human resources policy guidance available for emergencies to Federal Executive Branch departments, Agencies and FEBs.
- Help agencies align human resources management activities with their missions.
- Provide an array of training and seminar offerings to support emerging leadership developmental needs in the Federal workforce.
- Provide management and human resources solutions to agencies (test administration, staff acquisition, and payroll and personnel systems).
- Manage private sector contractors, who Assist agencies in the development and delivery of human resources products and services Manage the recruitment, examination, and appointment of Administrative Law Judges.

### **Strategy 3.04 - Hold Agencies to Account for Improvements in Strategic Human Resources Management**

Section 1104 of the Civil Service Reform Act of 1978 requires OPM to establish and maintain an oversight program to ensure that delegated human resources activities are carried out in accordance with merit system principles and OPM standards. In addition, Executive Order 13197 (Accountability for Merit System Principles; Workforce Information) authorizes OPM to hold Executive departments and agencies accountable to the President for effective human resources management.

To implement this strategy, Merit System Audit and Compliance (MSAC) carries out OPM's statutory oversight responsibilities by ensuring agency HR programs adhere to merit system principles, operate effectively, and meet requirements set by law, regulation, and Government-wide policy. As part of our oversight authority, and in accordance with the President's Memorandum, dated May 11, 2010, entitled *Improving the Federal Recruitment and Hiring Process*, our organization also evaluates agency hiring

reform initiatives to ensure agencies comply with merit system principles and meet the President’s reform objectives.

Our oversight responsibilities include the following:

- Ensure agency compliance with merit systems principles by conducting audits of Federal agencies’ HR programs.
- Identify high-risk vulnerabilities and areas of non-compliance in agency HR programs and take corrective actions.
- Train and certify agency staff to conduct delegated examining operations.
- Manage and adjudicate Fair Labor Standards Act claims, classification appeals, and pay claims.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	90%	86%	90%	100%	85%	85%
Average number of business days to issue final HR management evaluation reports identifying required corrective actions to ensure agency compliance with applicable laws, rules and regulations.	N/A*	N/A*	90 days	110 days	110 days	110 days
Percentage of participants assess the quality of MSAC delegated examining and evaluator training at no less than 4 out of 5 points on a scale of 1 to 5.	N/A*	N/A*	N/A*	94%	70%	70%
Percentage of delegated examining units with systemic veterans' preference violations that take corrective action within 60 business days of agency notification.	N/A*	N/A*	N/A*	N/A*	85%	85%
Percent of reviews OPM conducts or participates in occur in CHCO agencies with accountability systems considered less than effective.	N/A*	N/A*	N/A*	N/A*	70%	70%
Average number of business days to follow up with agencies on progress addressing action items in the final HR management evaluation report.	N/A*	N/A*	N/A*	N/A*	60 days	60 days
Percentage of classification and job-grading appeal decisions that exceed timeliness standards	3%	0%	0%	0%	<8%	<8%
<b>Fund</b>	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
		<b>\$</b>	<b>FTE</b>			
MSAC-- Salaries & Expenses		\$12,156,000	90.0			
<b>Total Program Resources (dollars)</b>		<b>\$12,156,000</b>	<b>90.0</b>			

\* New measure--no historical data available for this period

## **FY 2011 Accomplishments**

In FY 2011, OPM accomplished the following:

- Conducted evaluations of agency delegated examining operations to assess compliance with merit system principles, law, and regulations, including veteran's preference requirement, and effectiveness and efficiency.
- Evaluated Government-wide progress on HR hiring reform and other OPM initiatives.
- Implemented an operational strategy for strengthening the oversight role for agencies having accountability systems, and evaluated the strength of 12 Chief Human Capital Officer (CHCO) agencies' accountability systems.
- Conducted an evaluation of a HR SSC, and
- Reviewed proposed conversions of political appointees to career civil service positions to safeguard Federal hiring from political influence.

## **Anticipated FY 2012 Accomplishments**

Building on the accomplishments achieved in FY 2011, OPM will accomplish the following in FY 2012:

- Oversee and participate in agency-led HR management evaluations and help agencies build/maintain effective accountability systems.
- Conduct evaluations of agency delegated examining operations to assess compliance with merit system principles, law, and regulations, including veteran's preference requirement, and effectiveness and efficiency.
- Evaluate Government-wide progress on HR hiring reform and other OPM initiatives.
- Implementation of an operational strategy for strengthening oversight role for agencies having accountability systems by evaluating the strength of the remaining CHCO agencies' accountability systems.
- Conduct evaluations of at least two HR SSCs.
- Review proposed conversions of political appointees to career civil service positions to safeguard Federal hiring from political influence.

## **Anticipated FY 2013 Accomplishments**

There are three key components of MSAC's oversight and compliance program:

- Delegated Examining Unit (DEU) evaluations: OPM may delegate to agencies the authority to examine applicants for competitive service positions. MSAC will evaluate the effectiveness of agency delegated examining units and determines if they meet requirements established by law and OPM policy. MSAC will also train and certify agency staff in the requirements of delegated examining.
- Strengthening Agency Accountability: MSAC will work with large agencies to help them establish strong internal human capital accountability systems. With MSAC's guidance and active participation, agencies will conduct self-assessments to determine how well their human capital programs are working to support mission needs.
- Human Capital Management Evaluations: MSAC will conduct independent evaluations of small agencies to determine if their human capital programs support the mission and meet merit system principles and related civil service laws.

In addition to these program components, MSAC will be actively involved in evaluating agencies' progress in implementing the President's Hiring Reform Initiative. This will include gathering data to assess the effectiveness of hiring reform initiatives and ensuring agencies comply with merit system principles and applicable laws, rules, and regulations as they implement hiring reform.

### **Strategy 3.05 - OPM Will Lead by Example to Implement Human Resources Reforms and Reinvigorate our Approach to Individual and Organizational Performance Management**

The role of OPM's internal HR office is to lead by example and provide a wide variety of strategic and operational Human Resources services to the OPM workforce. This office ensures OPM hires the right people, with the right skills and competencies, at the right time, in a manner that is cost-effective and efficient. The office's recruitment practices also help cultivate a diverse workforce that is reflective of the public and ensures that staffing and recruitment processes are carried out in accordance with legal and regulatory requirements and in concert with Government-wide hiring reform initiatives.

OPM HR also administers a variety of wellness and work/life programs that help OPM employees balance work and family. In addition, the office manages retirement program administration, Employee Assistance Program services (EAP), and employee recognition and support programs and policies. These programs and policies create an environment within the Agency that fosters employees' commitment to the organization. The office assists managers in maximizing employee productivity by providing them technical assistance on how to deal with employee performance and conduct issues. The organization also administers training and development programs to help equip OPM employees and supervisors with the skills and competencies they need to successfully meet the Agency's mission.

Worksite health and wellness programs across the Federal government vary greatly in scope; while some programs contain components that are exemplary, few, if any, encompass the full range of programming to be considered on par with best practices in the private sector. Within OPM, health and wellness services have historically consisted primarily of basic clinical health services (at Headquarters and limited field locations), EAP, and a variety of sponsored health/wellness activities and observances to promote basic health and wellness education and awareness, largely focused on employees at DC headquarters.

In response to the President's directive, OPM joined forces with the Department of Interior and the General Services Administration (GSA) to launch a model worksite health and wellness program serving approximately 5,500 employees working in the downtown Washington, DC campus. The Department of the Interior and GSA recently opted out of the program – but the program continues at OPM and will be evaluated rigorously with the intent that successful practice can be transferred across the Federal government. The *WellnessWorks* program is designed to supplement existing health and wellness programs, and will include a comprehensive array of activities and services, including Health Risk Appraisals, biometric screenings, health coaching, clinical services, education, health promotion and physical activity programming, extensive online resources, and numerous other tools and services to help employees reduce health risk and lead healthier lives. A comprehensive employee communications plan and engagement campaign combined with a non-monetary incentive program will be key elements in engaging employees in the program. Other related offerings include a campus farmer's market, expanded fitness facilities, and bike-sharing programs.

*WellnessWorks* officially launched on September 29, 2010. Throughout the first year, the focus was on building employee awareness, engagement, and behavior change. A year-two kick off took place in October, 2011 and included new offerings of initial and follow up health screenings.

The *WellnessWorks* program is an unprecedented initiative that encompasses all the elements of a comprehensive worksite wellness program as defined by *Healthy People 2010*. Much of our effort during FY 2010 focused on planning, coordination, and logistics relating to the design of program requirements, campus governance structure, and vendor selection. In FY 2011, efforts shifted to ensure a successful launch and promoting employee engagement and participation. Since *WellnessWorks* is limited to

employees at our Washington, D.C. location, we acknowledge a need to also address the needs of our workforce in field locations across the nation. Accordingly, our “Worksite Wellness Program Implementation Plan” submitted to OMB focuses significantly on activities designed to expand programming and promote participation of our employees in field locations.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
Percent of (OPM internal) jobs announced within 10 days of receipt of SF-52 and certificates are issued within 15 days (Hiring timeframes against 80-day model standards)	N/A*	N/A*	75%	81%	80%	80%
Percent of (OPM internal ) jobs certificates issued within 15 days (Hiring timeframes against 80-day model standards)	N/A*	N/A*	75%	87%	80%	80%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Common Services		\$6,238,000	46.9			
ES--Revolving Fund (Investigative)		\$3,100,000	16.0			
<b>Total Program Resources (dollars)</b>		<b>\$9,338,000</b>	<b>62.9</b>			

\* New measure--no historical data available for this period

## FY 2011 Accomplishments

OPM achieved the following accomplishments in support of this strategy:

- Provided supervisory training to help support supervisors and managers in developing the skills necessary to effectively lead and manage the OPM workforce.
- Assured human capital accountability by completion of an annual mandatory Agency-wide program assessment/review, and Delegated Examining review.
- Supported OPM’s Labor-Management Transformation Forum to enhance labor-management relations within OPM.
- Operated the OPM Learning Connection which provided employees and supervisors access to thousands of online courses and learning and development tools to help enhance their skills and job performance.
- OPM submitted draft Wellness plan to OMB for FY 2011 through FY 2012 on September 30, 2011.
- Provided all employees at headquarters access to a Health Risk Assessment or other comprehensive resources (approximately 33 percent of our total permanent workforce) through our WellnessWorks program.
- Issued policy guidance in October 2011 to all supervisors for participation in health/wellness activities.

## Anticipated FY 2012 Accomplishments

OPM will build on the accomplishments from FY 2011 by:

- Implementing hiring reform initiatives to increase timeliness and hiring manager involvement.
- Providing a wide variety of operational human resources services.



- Coordinating the development of action plans to address the results of the FY 2011 Employee Viewpoint Survey.
- Assessing the impact of actions through the annual employee satisfaction survey and focus groups.
- Reviewing and assessing *WellnessWorks* D.C. campus pilot to assess impact and possible recommendation to expand to other locations.

### Anticipated FY 2013 Accomplishments

OPM’s HR office will continue to maintain largely fixed and non-appropriated budget items to fund required programs such as the human resources data system; e-OPF access; childcare subsidy program; USA Staffing; and the EAP. In addition, OPM HR operations will provide staffing/classification services/time to hire, benefits services, and employee relations/labor relations as funding levels permit.

### Strategy 3.06 – Implement Certain Provisions of the Telework Enhancement Act of 2010

Telework is implemented in Federal agencies to: (1) improve continuity of operations, (2) promote management effectiveness, and (3) enhance work/life balance. The Telework Enhancement Act (the Act) supports achievement of these goals and includes OPM among agencies that are assigned responsibilities to support agencies as they work to achieve the goals of the Act. OPM’s Work/Life/Wellness offices have taken a lead role and offer support to agencies, with a focus on three key areas:

- Policy guidance
- Manager and employee training
- Program assessment and reporting

OPM has taken a three-tiered approach to providing guidance on the Act: (1) email messages to Telework Managing Officers (TMOs) and coordinators with policy guidance covering broad issues and specific agency questions in priority order, (2) major revisions to [www.telework.gov](http://www.telework.gov), including the establishment of a page dedicated to information on the Act, and (3) publication of a detailed Guide to telework in the Federal government in April 2011.

The Act places particular emphasis on OPM’s role in supporting Government-wide telework measurement and consequent reporting activities. The Act requires agencies to set goals for participation to advance telework. Importantly, it encourages agencies to think beyond participation and assess telework’s impact on other strategically important outcomes such as retention, employee attitudes, performance, and energy use.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
TBD*	N/A*	N/A*	N/A*	N/A*	TBD*	TBD*
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
ES--Salaries & Expenses	\$1,276,000		7.9			
<b>Total Program Resources (dollars)</b>	<b>\$1,276,000</b>		<b>7.9</b>			

\* OPM and OMB recently created an inter-agency working group to develop new performance measures for telework under the authority of the Telework Enhancement Act. Performance measures will be developed in FY 2012.

## **FY 2011 Accomplishments**

OPM's primary focus has been to provide ongoing consultation to support agencies as they strive to implement the new law, especially in the areas of guidance, training and measurement/reporting. In FY 2011, OPM provided Government-wide guidance through various methods including:

- Issue monthly email messages to Telework Managing Officers (TMOs) and coordinators in all agencies.
- Host interagency meetings and learning forums for TMOs and coordinators to provide guidance from experts in the implementation of the Act, as well as facilitate exchange of ideas and best practices as agencies worked to develop telework programs.
- OPM will maintain web-based training available to agencies. OPM provides telework training to agencies free of charge on [www.telework.gov](http://www.telework.gov). OPM will improve this training by making it more up-to-date, interactive and engaging to users.

## **Anticipated FY 2012 Accomplishments**

Building upon efforts begun in 2011, OPM will collect and analyze agency data and summarize results in a report to Congress as required in the Act. OPM will track agency participation in telework through the annual data call and Employee Viewpoint Survey. The final report will include the results of multiple measures designed to describe program implementation and outcomes related to the implementation of telework. As in the past, primary data sources will include a data call designed to capture information regarding implementation strategies and the Federal Employee Viewpoint Survey to describe HR-related outcomes.

In addition, OPM will collaborate with agencies to measure program success. Agencies will also be encouraged to integrate telework with agency emergency planning via training and web-delivered guidance, OPM will continue to support agencies' efforts to increase telework. The law gives OPM the authority to require agencies to evaluate their programs, establish telework Managing Officer (TMO) positions, and include telework in all emergency planning. Implementation of the law requires additional work from OPM to develop new guidance, prepare reports to Congress, and increase its oversight and support of the Telework program.

## **Anticipated FY 2013 Accomplishments**

OPM will increase the strategic use of telework to improve continuity of operations, reduce management costs, and increase employee satisfaction. Empowering and equipping employees to perform their official duties at alternative worksites will increase the resiliency of the workforce and promote the uninterrupted delivery of Government services. In addition, a well-designed telework strategy that is driven by each agency's mission will lead to more efficient operations, improved quality of employee work-life, and other broad social and environmental benefits.

To support Government-wide telework, OPM will work with TMOs to provide policy guidance to each agency. The OPM/GSA [telework.gov](http://telework.gov) website provides an important source of references for policies linked to telework, reports, and other information for TMOs, managers, and employees. Keeping the website current and engaging an agency is a key to accomplishing this goal.

Training is a key component of the legislation, and OPM will make improvements to the web-based manager and employee training that will also reside on [telework.gov](http://telework.gov). In addition to the availability of the training on [telework.gov](http://telework.gov), agencies will have the option of importing the training courses into their agency's learning management system.

Since the enactment of the legislation, OPM has provided guidance to support agencies in implementing the Telework Enhancement Act and will continue to do so. This includes consulting with agencies as they work to set meaningful telework program goals, develop action plans for meeting those goals and developing methods and measures for assessing program goal attainment.

The Act also requires that OPM research the utilization of telework by public and private sector entities; review the outcomes associated with an increase in telework; and make any studies or reviews available to the public. OPM has hired three temporary research assistants to accomplish these requirements.



## Strategic Goal 4: Honor Service

### Strategic Goal Statement: Ensure recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees

Many of the employees working for the Federal government share a philosophy to give something to the wider public or community through their work. Therefore, it is incumbent on the Federal government to establish a performance system that will treat employees fairly, be easy for managers to use, reward those with exemplary service, and be understandable to the public.

The Federal government's commitment to its employees does not end when someone retires from service. OPM administers retirement and insurance benefits for over 2 million retirees. We must ensure quality delivery of those benefits and respond to retirees' questions and concerns in a caring and timely manner.

OPM developed the strategies associated with the Honor Service Strategic Goal in order to focus agency efforts on improving customer service to both retired annuitants and current employees. After a career in the Federal service, retirees deserve to be treated fairly when they transition to retirement. *Strategy 4.01 - Develop a 21<sup>st</sup> Century Customer Focused Retirement Processing System that Adjudicates Claims Timely and Accurately* strives to minimize the time required to process retirement claims and to provide annuities in a timely manner.

Agency benefits officers are the on the front lines when it comes to providing benefits and retirement information to employees. To assist these benefits officers and to ultimately improve customer service to Federal employees, OPM developed *Strategy 4.02 – Improve OPM Service to Federal Agency Benefit Officers*.

### FY 2013 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 4: Honor Service											
Strategy	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Common Services		
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	
4.01 Develop a 21 <sup>st</sup> century customer-focused retirement processing system that adjudicates claims in a timely and accurate manner	\$0	0.0	\$53,930,000	496.0	\$35,761,000	301.0	\$0	0.0	\$0	0.0	
4.02 Improve OPM service to Federal agency benefits officers	\$0	0.0	\$1,920,000	14.0	\$1,044,000	6.0	\$0	0.0	\$0	0.0	
<b>Total (dollars)</b>	<b>\$0</b>	<b>0.0</b>	<b>\$55,850,000</b>	<b>510.0</b>	<b>\$36,805,000</b>	<b>307.0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>0.0</b>	

\*Salary & Expenses (inclusive of Multi-year and No-year)

\*\*Trust Annual Limitation (inclusive of Multi-year and No-year)

### 4.01 – Develop a 21<sup>st</sup> Century Customer Focused Retirement Processing System that Adjudicates Claims Timely and Accurately

Processing retirements of Federal employees is a mission critical OPM program. The processing of retirement claims includes managing the preparation and submission of retirement applications and assisting employees in understanding their retirement options. The process begins with retirement annuity estimates and continues through ensuring the application package is accurate, complete and timely.

<b>Performance Measures</b>	<b>FY 2008 Result</b>	<b>FY 2009 Result</b>	<b>FY 2010 Result</b>	<b>FY 2011 Result</b>	<b>FY 2012 Target</b>	<b>FY 2013 Target</b>
Average unit cost for processing retirement claims	\$74.28	\$81.97	\$105.94	\$107.62	\$99.79	\$102.56
Percent of retirement and survivor claims processed accurately	95%	91%	94%	94%	95%	95%
Retirement claims processing timeliness (days)	42	41	108	125	N/A**	N/A**
Relative ratio of complete retirement submissions versus incomplete cases	N/A*	N/A*	77%	82%	85%	88%
Percent of customers satisfied with overall retirement services	83%	85%	81%	76%	85%	76%
Rate of improper payments in the retirement program	0.39%	0.32%	0.35%	0.34%	0.34%	0.33%
Average unit cost for processing customer service requests	\$4.42	\$4.01	\$2.87	\$3.05	\$3.50	\$4.12
Percent of retirement program customer calls handled	84%	80%	83%	83%	82%	83%
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>	<b>\$</b>	<b>FTE</b>				
RS--TF Limit - Annual	\$53,930,000	496.0				
RS--Dental Vision – Mandatory Authority	\$800,000	0.0				
RS--FERCCA -- Mandatory Authority	\$1,065,000	6.0				
RS--5 USC 8348 (a)(1)(B) – Mandatory Authority	\$33,896,000	295.0				
<b>Total Program Resources (dollars)</b>	<b>\$89,691,000</b>	<b>797.0</b>				

\* New measure--no historical data available for this period

\*\* OPM has established an Agency Priority Goal of processing 90 percent of requests for new retirement claims within 60 days of receipt from the agencies (see the Goals and Priorities section of this CBJ for description of the priority goal); with this new goal and target; OPM will design and report a new measure with a slightly different methodology from this measure and will not be directly comparable to previous reporting periods.

## **FY 2011 Accomplishments**

- Increased interim pay amounts for post office and Defense Finance and Accounting Services customers by five percent.
- Implemented changes to on-line retirement services to allow customers in interim pay to access their accounts.
- Built imaging infrastructure and created imaging policies and procedures in preparation for initiation of imaging operations in early 2012.
- Improved the support of customers in Health Benefits open season via implementation of web chat and web email.

## Anticipated FY 2012 Accomplishments

In FY 2012, OPM will:

- Provide retirement services to the 2.5 million Federal retirees and survivors who receive annuity payments.
- Continue making benefit determinations based on applicable laws and regulations including: adjudication, post retirement changes and survivor processing.
- Commit to automating paper records: imaging incoming records of active federal employees, refunds, deposits, and re-deposits.

## Anticipated FY 2013 Accomplishments

OPM will accomplish the following retirement related activities in FY 2013:

- Provide retirement services to the 2.5 million Federal retirees and survivors who receive annuity payments.
- Continue making benefit determinations based on applicable laws and regulations.
- Continue making initial eligibility determinations, adjudication, post retirement changes and process survivor claims.
- Respond to customer inquiries via email, fax, phone and written correspondence.
- Answer all inquiries within 60 to 90 days.
- Eliminate backlog of retirement claims and process so that 90% of claims processed within 60 days.

## 4.02 – Improve OPM Service to Federal Agency Benefit Officers

OPM will improve service to Federal agency benefit officers by developing an agency benefits' service delivery model emphasizing shared responsibility for benefits/retirement among employees, OPM and agencies. Additionally, OPM will define standards for agency benefit officers, measure results and recognize benefit officers for exceptional service.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
	Percent of benefits officers trained per year	52%	52%	61%	60%	54%*
Percent of customers who rate satisfaction with guidance material as very good or better	85%	85%	87%	84%	90%	90%
Percent of customers who rate benefits conference as very good or excellent	N/A**	N/A**	100%	95%	96%	96%
Fund	Budgetary Resources					
	FY 2013 Request					
		\$	FTE			
RS--TF Limit – Annual		\$1,920,000	14.0			
RS--FERCCA – Mandatory Authority		\$1,044,000	6.0			
<b>Total Program Resources (dollars)</b>		<b>\$2,964,000</b>	<b>20.0</b>			

\* As agencies decrease budgets, OPM anticipates a decrease in attendance at conferences and training events

\*\*New measure--no historical data available for this period

## **FY 2011 Accomplishments**

OPM accomplished the following in FY 2011:

- Provided technical assistance to agency benefit officers on complex and unique benefits administration issues.
- Conducted annual training for agency benefit officers.
- Began implementation of an agency scorecard.
- Developed a recognition system to award benefit officers' performance.

## **Anticipated FY 2012 Accomplishments**

In FY 2012, OPM will:

- Conduct an annual benefit conference.
- Continue the development of a recognition system to reward benefit officers' performance.
- Conduct final workshops on expanding the agency service delivery model.
- Conduct the annual Fall Festival of Training for benefit officers.

## **Anticipated FY 2013 Accomplishments**

OPM will accomplish the following activities in FY 2013:

- Complete development of an agency benefits officers' service delivery model emphasizing shared responsibility of retirement benefits among employees, OPM and agencies.
- Define standards for agency benefit officers, measure their results and recognize exceptional service.
- Conduct workshops on the benefits officer expanded service delivery model.
- Conduct the Annual Benefit Conference and Fall Festival of Training for benefit officers.



## Strategic Goal 5: Improve Access to Health Insurance

**Strategic Goal Statement: Develop and administer programs that provide high quality and affordable health insurance to uninsured Americans through Affordable Insurance Exchanges, uninsured Americans with pre-existing medical conditions who cannot otherwise purchase coverage, and employees of tribes or tribal organizations.**

OPM developed the strategies associated with the Improve Access to Health Insurance Strategic Goal to align with OPM's roles and responsibilities associated with the Affordable Care Act. OPM will carry out the following strategies: *Strategy 5.01 - Contract with Multi-State Health Plans to be Offered on Health Insurance Exchanges, Strategy 5.02 – Offer FEHB Benefits for Employees of Eligible Tribes and Tribal Organizations, and Strategy 5.03 – Contract with Health Insurers to Provide Health Insurance Coverage to People with Pre-Existing Conditions.*

### FY 2013 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 5: Improve Access to Health Insurance										
Strategy	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Advancements & Reimbursements	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
5.01 Contract with Multi-State health plans to be offered on health insurance exchanges	\$8,000,000	34.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0
5.02 Offer FEHB and Federal Employee Life Insurance (FEGLI) program benefits to employees of tribes and tribal organizations	\$0	0.0	\$2,000,000	4.0	\$0	0.0	\$0	0.0	\$0	0.0
5.03 Manage a Contract with a Health Insurer to Provide Health Insurance Coverage to People with Pre-Existing Medical Conditions	\$0	0.0	\$0	0.0	\$0	0.0	\$0.0	0.0	\$2,100,000	17.0
<b>Total (dollars)</b>	<b>\$8,000,000</b>	<b>34.0</b>	<b>\$2,000,000</b>	<b>4.0</b>	<b>\$0.0</b>	<b>0.0</b>	<b>\$0.0</b>	<b>0.0</b>	<b>\$2,100,000</b>	<b>17.0</b>

\*Salary & Expenses (inclusive of Multi-year and No-year)

\*\*Trust Annual Limitation (inclusive of Multi-year and No-year)

## Strategy 5.01 – Contract with Multi-State Health Plans to be Offered on Affordable Insurance Exchanges

OPM will contract and administer the Multi-State Plan Program to provide high quality and affordable health insurance for uninsured Americans who are seeking coverage through Affordable Insurance Exchanges, as provided by the Affordable Care Act.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
TBD*	N/A	N/A	N/A	N/A	TBD*	TBD*
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
PPA--Salaries & Expenses		\$2,461,000	9.0			
HI--Salaries & Expenses		\$5,539,000	25.0			
<b>Total Program Resources (dollars)</b>		<b>\$8,000,000</b>	<b>34.0</b>			

\*OPM will develop performance measures for health care and insurance during FY 2012

### FY 2011 Accomplishments

Using resources provided by the Department of Health and Human Services (HHS) through an allocation transfer, OPM has accomplished the following:

- Provided policy and analytical support for the Multi-State Plan Program.
- Established OPM policy and operational teams to review program and policy issues related to implementing the Multi-State Plan Program.
- Reviewed regulations and guidance issued by Health and Human Services, Treasury and Labor related to affordable insurance exchanges, qualified health plans, rating, reserve and reinsurance requirements, eligibility, enrollment, and premium and cost-sharing subsidies, to determine the impact on the policies OPM will need to follow in offering Multi-State plans.
- Issued a Request for Information (RFI) to gain information from potential issuer applicant; issued responses to questions from interested parties on the RFI.
- Developed and began implementation of a staffing plan and organizational structure to carry out the Multi-State Plan Program.
- Expanded working relationships with Health and Human Services and Center for Medicare and Medicaid Services (CMS) officials and staff responsible for administering the Affordable Insurance Exchanges and the qualified health plans.
- Met with stakeholders and other interested parties concerning issues related to implementing Multi-State plan contracts.

### Anticipated FY 2012 Accomplishments

Using resources provided by HHS through an allocation transfer, OPM will accomplish the following in FY 2012:

- Provide policy and analytical support for the Multi-State Plan Program.
- Develop regulations, policies, and guidance for the Multi-State Plan Program.
- Develop and issue application processes and documents for the Multi-State Plan Program.
- Research applicability of State health insurance laws to Multi-State plans and develop an appropriate strategy to work with States in the implementation of the program.

- Evaluate operational issues in the implementation of the program and develop plans to meet them.

### Anticipated FY 2013 Accomplishments

OPM will accomplish the following in FY 2013:

- Provide policy and analytical support for the Multi-State Plan Program.
- Issue regulations, policies, and guidance for the Multi-State Plan Program.
- Implement application processes and documents for the Multi-State Plan Program.
- Enter into contracts with at least two issuers to offer Multi-State Plans on Affordable Insurance Exchanges by September, 2013.
- Implement strategy to work with States in the implementation of the program and to provide appropriate oversight of Multi-State Plan compliance with State laws as part of the contract management process.
- Implement operational processes and procedures.

### Strategy 5.02 – Offer FEHB Benefits for Employees of Eligible Tribes and Tribal Organizations

OPM will develop and administer programs to allow eligible tribes and tribal organizations to purchase Federal Employees Health Benefits Program (FEHBP) coverage, as provided by the Affordable Care Act.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
TBD*	N/A	N/A	N/A	N/A	TBD*	TBD*
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
HI/PPA-TF Limit -- Annual		\$2,000,000	4.0			
<b>Total Program Resources (dollars)</b>		<b>\$2,000,000</b>	<b>4.0</b>			

\*OPM will develop performance measures for health care and insurance during FY 2012

### FY 2011 Accomplishments

Using resources provided by the Department of Health and Human Services (HHS) through an allocation transfer, OPM has accomplished the following:

- Provided overall policy and analytical support for the Tribal Project.
- Established an OPM policy and technical team to implement a program to allow tribes and tribal organizations to purchase FEHBP coverage for their employees.
- Conducted consultations with tribal leaders and their representatives as required by the Executive Order.
- Conducted outreach to tribes and tribal organizations through letters, conference calls and onsite meetings to obtain input on program implementation.
- Contacted approximately 600 tribes to determine their commitment to purchasing FEHBP coverage and to obtain information on their criteria and decision tools needed to make a decision on whether to purchase future FEHBP coverage.
- Created a tribal webpage on the OPM website to make program and policy information available to tribes and tribal organizations.

- Established a means by which tribes are able to contact OPM representatives.

### Anticipated FY 2012 Accomplishments

Using resources provided by HHS through an allocation transfer, OPM will accomplish the following in FY 2012:

- Provide policy and analytical support for the Tribal Project.
- Implement an enrollment capability for tribes to purchase health insurance.
- Establish the capability to monitor quality access and cost of health care for tribal employees through the healthcare data warehouse.
- Establish the capability to analyze the Tribal employee experience along with Federal employees with regard to health care cost, access and quality.

### Anticipated FY 2013 Accomplishments

OPM will accomplish the following in FY 2013:

- Provide policy and analytical support for the Tribal Project.
- Enroll additional Tribes and Tribal employees.
- Monitor quality access and cost of health care through the data warehouse.
- Analyze the Tribal employee experience along with Federal employees health care cost, access and quality.

## Strategy 5.03 – Manage Contract with a Health Insurer to Provide Health Insurance Coverage to People with Pre-Existing Medical Conditions

OPM helps administer the Federally-run Pre-Existing Condition Insurance Plan (PCIP) program in states that do not establish PCIP programs themselves. OPM performs these activities on behalf of HHS' Center for Medicare and Medicaid Services (CMS) which fully reimburses OPM for costs of the PCIP program.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Target	FY 2013 Target
TBD*	N/A	N/A	N/A	N/A	TBD*	TBD*
	<b>Budgetary Resources</b>					
	<b>FY 2013 Request</b>					
<b>Fund</b>		<b>\$</b>	<b>FTE</b>			
HI--Other Advancements & Reimbursements		\$2,100,000.0	17.0			
<b>Total Program Resources (dollars)</b>		<b>\$2,100,000.0</b>	<b>17.0</b>			

\*OPM will develop performance measures for health care and insurance during FY 2012

### FY 2011 Accomplishments

- Developed and implemented the Pre-Existing Condition Insurance Plan program in 60 days.
- Facilitated outreach efforts which helped to increase Pre-Existing Condition Insurance Plan enrollment.
- Worked with CMS to establish lower Pre-Existing Condition Insurance Plan premiums in January 2011 and again in July 2011.
- Conducted an Open Season for Pre-Existing Condition Insurance Plan enrollees to choose amongst the Plan options.

- On January 1, 2011 successfully rolled-out two additional plan options such that Pre-Existing Condition Insurance Plan PCIP participants can choose from three plans: Standard, Extended, or a plan that features a Health Savings Account.

### **Anticipated FY 2012 Accomplishments**

In FY 2012, OPM will:

- Provide actuarial, demographic, economic or statistical analysis as well as responses to information requests from the Department of Health and Human Services (HHS).
- Enhance benefits to create a more equitable experience for participants who require services from out-of-network providers.
- Conducted the 2012 Open Season for PCIP enrollees during November 2011.

### **Anticipated FY 2013 Accomplishments**

OPM will accomplish the following activities in FY 2013:

- Provide actuarial, demographic, economic or statistical analysis as well as responses to information requests from HHS.
- Begin activities to prepare for the conclusion of the PCIP program in 2014.



## Other Activities Supported by OPM

In addition to its mission-related programs, OPM has included in its budgetary request funds to cover executive direction and leadership; legal advice and representation; public affairs; legislative liaison; equal employment opportunity management; contracting, administrative management, facilities, security and emergency services, rent, and centrally funded items. Funds for these activities will be used to ensure OPM meets its goals and objects. Additionally, the OPM budget request includes resources needed to administer program activities that are external to the Agency's mission. These programs include: White House Fellows, Combined Federal Campaign, and Federal Voting Rights.

### President's Commission on White House Fellows

The White House Fellows program (WHF) was established under Executive Order 11183. The Executive Order requires OPM to provide administrative assistance to the President's Commission on White House Fellows program. The President's Commission on White House Fellows program is responsible for providing gifted and highly motivated Americans with firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of society. This program attracts a broad range of qualified applicants and participants who receive valuable leadership development and public service opportunities.

### Combined Federal Campaign

The Combined Federal Campaign (CFC) was developed in the 1960s as the only approved solicitation program of Federal employees within their workplaces. The mission of the CFC is to promote and support philanthropy through a program that is employee-focused, cost-efficient, and effective in providing all federal employees the opportunity to donate to charities. CFC is the largest and most successful annual workplace charity campaign. In FY 2010 the CFC raised \$281.5 million.

### Federal Voting Rights

The Voting Rights Program, as authorized by the Voting Rights Act of 1965, requires OPM to provide trained Federal observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General. The Act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language.

## Activities Not Directly Mapped to Strategic Plan (dollars)

Fund	FY 2012 Enacted	FY 2013 Request	FY 2012-13 Variance
Salaries & Expenses*	\$23,679,065	\$14,719,000	(\$8,960,065)
Common Services	\$92,647,008	\$91,183,000	(\$1,464,008)
TF Limit (Annual)	\$27,727,100	\$30,512,000	\$2,784,900
Trust Fund Mandatory	\$2,003,000	\$2,003,000	\$0
Revolving Fund***	\$7,429,000	\$7,451,000	\$22,000
<b>Total Program Resources (dollars)</b>	<b>\$153,485,173</b>	<b>\$145,868,000</b>	<b>(\$7,617,173)</b>

\*The Salaries and Expenses for Health and Insurance was not aligned to any strategic goal in FY 2012; in FY 2013 Health and Insurance is now aligned to strategic goal 5.

\*\* The Salaries and Expenses—No Year for CIO (HRLOB and EHRI) was not aligned to any strategic goal in FY 2012; in FY 2013 CIO (HRLOB and EHRI) is now aligned to strategic goal 3.

\*\*\* The Revolving Fund for CIO (HRLOB and EHRI) was not aligned to any strategic goal in FY 2012; in FY 2013 CIO (HRLOB and EHRI) is now aligned to strategic goal 3.

**Page 89** - OPM's FY 2011 Organizational Structure. This is an organizational chart that reflects all of OPM's components and primary business lines, which are as follows:

The top central box in the chart includes the Office of the Director

Next to this top central box are OPM components that comprise Executive Offices, Common Services, Other Offices, and the Office of the Inspector General

To the left of the box are the OPM components: Chief Financial Officer, Chief Information Officer, Executive Secretariat & Ombudsman, Facilities Security & Contracting, Internal Oversight & Compliance, Equal Employment Opportunity, Diversity and Inclusion

To the right of the box are the OPM components: General Counsel, Congressional & Legislative Affairs, Communications & Public Liaison, Planning & Policy Analysis, Federal Prevailing Rate Advisory Commission, Executive Director, Chief Human Capital Officers Council

To the far right of the box is a grid for the Office of the Inspector General.

Directly below these boxes are the six boxes representing the main functional divisions which include: Employee Services, Retirement Services, Healthcare and Insurance, Merit System Audit & Compliance, Federal Investigative Services and HR Solutions. These six divisions form a row below the top central box in the chart for the Office of the Director. Each of these six also has components.

Under Employee Services, there are the areas of OPM HR (Dep CHCO), Pay & Leave, Executive Resources & Employee Development, Partnerships & Labor Relations, Agency & Veterans Support, Recruitment and Hiring. Next is Retirement Services which includes Retirement Operations, Retirement Policy, Benefits Officers Training and Development, Quality Assurance. Next is Healthcare and Insurance which includes National Healthcare Options, Federal Employees Insurance Operations, Healthcare Program Development and Implementation. Next is Merit System Audit & Compliance, which includes Voting Rights, Oversight & Accountability Groups, CFC. Next is Federal Investigative Services, which includes Technical Services, Administrative Services, External Affairs, Operations. Last, there is HR Solutions, which includes Leadership & Talent Management Solutions, Emerging Solutions/HR Innovations, Administrative Law Judge.



# Budget by Organization

OPM's FY 2013 Performance Budget reflects how the agency will fulfill its mission to **Recruit, Retain, and Honor a World-Class Workforce to Serve the American People**. The Budget by Organization section is an introduction to the organizations within OPM that champion the mission of the agency.

The core organizations of OPM are Employee Services, Retirement Services, Merit Systems Audit and Compliance, Federal Investigative Services, Human Resources Solutions, Planning and Policy Analysis, Healthcare and Insurance, and the Office of Diversity and Inclusion. The programs and activities within these organizations execute OPM's Strategic Plan and corresponding Strategies. Staff support offices consist of Facilities, Security and Contracting, Office of the Chief Information Officer, and the Office of the Chief Financial Officer, they provide administrative support to all OPM organizations and are not directly mapped to a specific Strategic Goal or Strategy. Leadership offices direct OPM's execution of its strategic plan and accompanying strategies. They are the Office of the Director, Executive Secretariat & Ombudsman, Chief Human Capital Officers Council, Communications and Public Liaison, Congressional and Legislative Affairs, Office of the General Counsel, Internal Oversight and Compliance, Equal Employment Opportunity, Federal Prevailing Rate Advisory Committee, and the Present's Commission on White House Fellows. Additionally, OPM centrally finances rent and other items for the appropriation financed components of the agency.

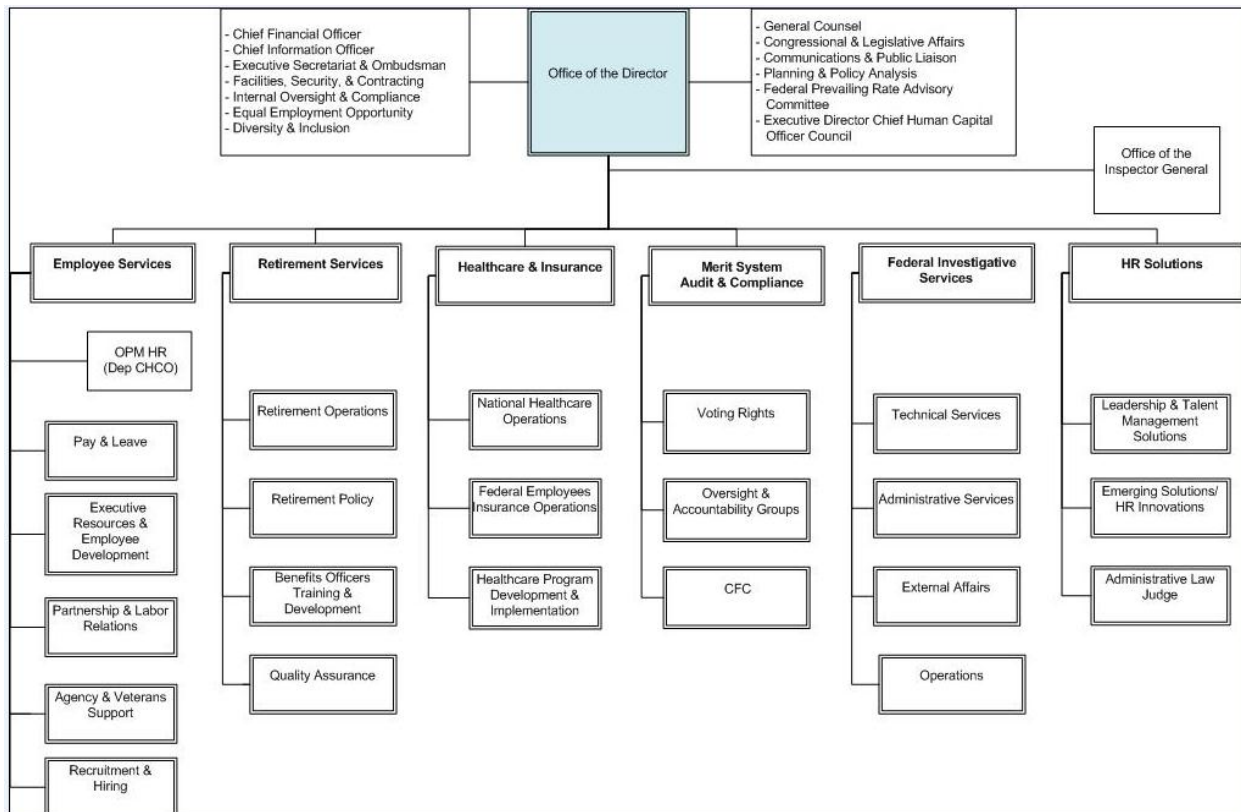


Figure 1 OPM Organizational Structure

## 2013 Budget Request by Organization (thousands)

Organization	FY 2012			FY 2012 Appropriated	FY 2013			FY 2013 Appropriated
	S&E	TFA	CS	Total	S&E	TFA	CS	Total
Employee Services*	\$33,897	\$0	\$9,738	\$43,635	\$33,810	\$0	\$6,238	\$40,048
Retirement Services	\$0	\$61,509	\$0	\$61,509	\$0	\$55,850	\$0	\$55,850
Merit System Audit & Compliance	\$13,539	\$0	\$0	\$13,539	\$13,542	\$0	\$0	\$13,542
HR Solutions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FIS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HI	\$1,262	\$8,196	\$0	\$9,458	\$5,801	\$10,185	\$0	\$15,986
CIO*	\$9,420	\$6,799	\$34,976	\$51,195	\$9,420	\$6,694	\$37,196	\$53,310
Planning & Policy Analysis	\$8,630	\$8,886	\$0	\$17,516	\$8,399	\$8,884	\$0	\$17,283
ODI	\$1,150	\$0	\$0	\$1,150	\$1,100	\$0	\$0	\$1,100
CFO*	\$0	\$7,827	\$24,458	\$32,285	\$0	\$8,818	\$22,188	\$31,006
Facilities, Security & Contracting*	\$1,284	\$0	\$13,159	\$14,443	\$642	\$0	\$13,159	\$13,801
<b>Executive Services:</b>	<b>\$15,564</b>	<b>\$13,101</b>	<b>\$20,604</b>	<b>\$48,719</b>	<b>\$10,691</b>	<b>\$15,000</b>	<b>\$18,640</b>	<b>\$44,331</b>
Director Office*	\$250	\$0	\$3,745	\$3,995	\$250	\$0	\$3,295	\$3,545
ESO*	\$0	\$0	\$1,750	\$1,750	\$0	\$0	\$1,550	\$1,550
IOC*	\$0	\$0	\$1,532	\$1,532	\$0	\$0	\$1,532	\$1,532
EEO*	\$0	\$0	\$982	\$982	\$0	\$0	\$942	\$942
OGC*	\$0	\$0	\$5,747	\$5,747	\$0	\$0	\$6,391	\$6,391
CLA *	\$0	\$0	\$2,710	\$2,710	\$0	\$0	\$2,710	\$2,710
CPL*	\$0	\$0	\$2,480	\$2,480	\$0	\$0	\$2,220	\$2,220
FPRAC	\$247	\$0	\$0	\$247	\$247	\$0	\$0	\$247
WHF	\$873	\$0	\$0	\$873	\$873	\$0	\$0	\$873
Rent and other CFI	\$14,194	\$13,101	\$1,108	\$28,403	\$9,321	\$15,000	\$0	\$24,321
CHCO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appropriated Contribution to Common Services	\$13,028	\$6,198	\$0	\$0	\$7,136	\$9,277	\$0	\$0
Non-Appropriated Contribution to Common Services	\$0	\$0	\$0	(\$83,159)	\$0	\$0	\$0	(\$81,008)
<b>OPM total</b>	<b>\$97,774</b>	<b>\$112,516</b>	<b>\$102,385</b>	<b>\$210,290</b>	<b>\$90,541</b>	<b>\$114,708</b>	<b>\$97,421</b>	<b>\$205,249</b>

\* These offices support all of OPM's organizations and activities, including those financed with revolving fund receipts or through mandatory administrative transfers from the earned benefits trust funds. A portion of the cost of operating these offices is also charged to those non-appropriated sources. This chart displays the total cost of those administrative activities.

## Employee Services

OPM requests **\$40,048,000** for Employee Services (ES). The request consists of **\$33,810,000** from Salaries and Expenses Fund to provide leadership and guidance to Federal agencies on Government-wide human resources policies. ES provide direction and guidance on staffing, classification, pay, leave, performance management, training, executive resources, and employee and labor relations programs. ES also manages the operations of OPM's internal human resources program which is funded by **\$6,238,000** from Common Services.

USAJOBS is the Federal employment search portal that receives more than 3 million visitors per week. Different from the current version, USAJOBS 3.0 has been developed by the Federal government through extensive collaboration efforts between the executive departments and agencies. A Hiring Reform initiative, USAJOBS 3.0 enables government to prepare for its future workforce planning and fulfillment needs. USAJOBS 3.0 has an increased capacity to provide applicants, hiring managers, and human resource professionals with information to improve the recruitment and hiring process.

OPM estimates a budget authority from new assessments of **\$12,199,000** for its USAJOBS program financed through the Revolving Fund and sales to provide applicants, hiring managers, and human resources professionals with improve the recruitment and hiring process, as well as provide robust and secure data standardization.

Presidential Management Fellows Program is the Federal government's flagship leadership development program at the entry level for advanced degree candidates. It has been around for more than three decades, and has gone through many changes over the years. This program is designed to develop a cadre of potential leaders through leadership training, leadership roles across government and by embracing a spirit of public service. The ultimate goal of the PMF program is to encourage fellows to spend a significant portion of their future careers in the government.

Today, as OPM seeks to build a 21<sup>st</sup> century workforce to serve the American people, the PMF Program will play a vital role in recruiting and retaining top talent from graduate schools across the nation. This talent, which is increasingly diverse in both background and perspective, will bring cutting-edge training to bear on some of our nation's toughest problems. A reinvigorated program will help to attract the best candidates, boost the reputation of the program inside and outside of government, increase agency participation, and provide the Federal Government with a robust talent pipeline for years to come.

OPM administers the PMF Program centrally and provides overall program management, manages the assessment and selection process, and offers training, orientation, and graduation sessions in addition to an annual job fair.

OPM estimates a budget authority from new assessments of **\$3,320,000** for its President Management Fellows (PMF) program also financed through the Revolving Fund and sales to provide agencies with graduates from a variety of academic disciplines and career paths, who have a clear interest in, and commitment to excellence in the leadership and management of public policies and programs.

Employee Services develops human resource (HR) policies for Executive Branch agencies. ES issues Government-wide leadership and guidance on staffing, classification, pay, leave, performance management, training, executive resources, employee and labor relations, and work/life programs. ES also administers civil service pay structures and annually publishes pay tables for 1.5 million General Schedule employees. ES in addition has the authority to review and certify the performance appraisal systems for over 7,000 Federal executives and senior level employees; issue Government-wide policy on reciprocity of suitability investigations and suitability standards across government; improve the end-to-

end hiring process; and be the prime advocate for telework, and health & wellness programs. Lastly, ES manages the operation of OPM's internal human resources program.

### ES Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011		FY 2012		FY 2013		FY 2012-13	
	Enacted		Enacted		Request		Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$36,554,000	215.0	\$33,897,000	223.0	\$33,810,000	223.2	(\$87,000)	0.2
Common Services	\$6,236,000	45.0	\$9,738,000	43.9	\$6,238,000	46.9	(\$3,500,000)	3.0
<b>Total Appropriated</b>	<b>\$42,790,000</b>	<b>260.0</b>	<b>\$43,635,000</b>	<b>266.9</b>	<b>\$40,048,000</b>	<b>270.1</b>	<b>(\$3,587,000)</b>	<b>3.2</b>
USAJOBS - Revolving Fund	\$15,638,000	20.0	\$12,789,000	23.0	\$12,199,000	14.8	(\$590,000)	(8.2)
Investigative - Revolving Fund	\$2,312,000	16.0	\$2,900,000	19.0	\$3,100,000	16.0	\$200,000	(3.0)
PMF - Revolving Fund	\$5,671,000	5.0	\$3,610,000	6.5	\$3,320,000	5.0	(\$290,000)	(1.5)
Total Non-Appropriated	<b>\$23,621,000</b>	<b>41.0</b>	<b>\$19,299,000</b>	<b>48.5</b>	<b>\$18,619,000</b>	<b>35.8</b>	<b>(\$680,000)</b>	<b>(12.7)</b>
<b>Total (dollars)</b>	<b>\$66,411,000</b>	<b>301.0</b>	<b>\$62,934,000</b>	<b>315.6</b>	<b>\$58,667,000</b>	<b>305.9</b>	<b>(\$4,267,000)</b>	<b>(9.5)</b>

### Highlights

Employee Services developed a Student Pathways marketing and outreach programs targeting both Federal agencies and students. This outreach will be accomplished in a variety of ways including personal contact; webcasts; webinars; and social media. OPM will work across government with agencies to provide a comprehensive plan for technical assistance, consultation, training, tools and best practices to close competency gaps for mission critical occupations or competencies areas. The Veteran's Employment Initiative is a strategic, yet very straightforward approach to helping men and women who have served our country in the military find employment in the Federal Government. OPM leads the efforts to ensure a coordinated Government-wide effort to increase the number of veterans employed by the Federal government. OPM is helping agencies to meet the overarching goal to increase the percentage of Veterans hired in the Federal Executive Branch by: Maintaining a dedicated Veterans Employment Program Office for veterans to receive counseling; training, and utilizing assistive technology to help veterans pursue a Federal career; enhancing its on-line presence through [FedsHireVets.gov](http://FedsHireVets.gov) and social media sites; supporting new and ongoing initiatives for women veterans, homeless veterans, military spouses, and family members; and increasing outreach to Federal hiring officials and HR personnel across the country through collaborative efforts with the Federal Executive Boards.

Executive Resources and Employee Development (ERED) will continue to focus on improving training opportunities for Federal employees in FY 2013. ERED will review draft and proposed legislation and provide comments for those related to training and executive development. ERED will release guidance on supervisory training requirements in 5 CFR 412, as well as review and approve SES Candidate Development Programs. ERED will develop at least one additional online course for supervisors and managers (made available to all Federal agencies) to support the Government-wide performance management initiative. Building on the efforts from FY 2012, ERED

will expand the course offerings on HR University (HRU) and continue to promote increased use of HRU by Federal.

On October 23, 2011, OPM announced that 275,000 job applications have been submitted through USAJobs 3.0. OPM will continue to manage the USAJOBS program, and more specifically the USAJOBS.gov website, which has emerged over the last decade as the face of Federal hiring. USAJOBS 3.0 fosters a comprehensive realignment of Federal recruiting and hiring. A key element to this strategy is that the product is Government-hosted, with key enterprise components brought under full Government control, while the Federal government leverages innovation from the private sector. The USAJOBS product is being hosted and further developed by OPM's Human Resources Solutions Technology Center in Macon, GA. Development includes enterprise integration to allow agencies the flexibility to connect relevant public and private assessment, on-boarding, and recruitment tools, using a plug-and-play model

OPM will manage the daily activities of the National Council on Federal Labor Management Relations and provide policy guidance to agencies working to improve labor management forums. OPM will coordinate the work of the National Council which is comprised of senior leaders from cabinet level agencies, national labor unions, and other organizations with an interest in labor management relations in the Federal government. Federal agencies rely on Partnership & Labor Relations to provide advice and guidance as they encounter challenges in reforming the way they conduct labor management relations in support of improving Government operations.

- Maintaining the Alternate Personnel System, and Human Capital Assessment and Accountability Framework websites.
- Addressing emergency preparedness by: responding to Federal Executive Board inquiries for human resources technical assistance for emergency preparedness; attending internal OPM and external interagency meetings to identify human resources policy guidance needed for emergencies; and disseminating human resources policy guidance available for emergencies to Federal Executive Branch departments, Agencies and FEBs.

## Strategies

ES is the lead organization for the following Strategies within OPM's Strategic Plan:

	<b>FY 2013 Request</b>
1.01 Implement Improvements to the Federal Hiring Process	\$22,302,000
1.04 Reduce skills gaps in targeted mission critical occupations and/or competency areas across Government	\$2,105,000
1.05 Encourage increased manager involvement in the Federal hiring process	\$1,402,000
1.06 Assist Veterans to Find a Place in the Federal Workforce	\$2,130,000
2.01 Improve Training Opportunities for Federal Employees	\$952,000
2.03 Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work-Life Flexibilities	\$1,552,000
2.04 Improve Federal Labor-Management Relations Across the Government	\$2,722,000
2.05 Promote the safety of the Federal workforce through emergency preparedness	\$1,351,000
3.01 Help Agencies Become High Performing Organizations with use of HR Tools	\$2,976,000
3.02 Recognize, Select, and Sustain Individuals Who Provide Strong Leadership and Direction for Agencies	\$2,147,000
3.03 Provide Leadership and Direction to Government-wide HR Programs	\$8,413,000
3.05 OPM will lead example to implement human resources reforms and to reinvigorate our approach to individual and organizational performance management	\$9,338,000
3.06 Implement certain provisions of the Telework Enhancement Act of 2010	\$1,276,000
<b>Total (dollars)</b>	<b>\$58,666,000</b>

## ES Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$24,421,000	\$23,990,000	(\$431,000)
Personnel benefits	\$6,329,000	\$6,651,000	\$322,000
Travel and transportation of persons	\$250,000	\$249,000	(\$1,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$190,000	\$191,000	\$1,000
Printing and reproduction	\$228,000	\$226,000	(\$2,000)
Other services	\$2,212,000	\$2,239,000	\$27,000
Supplies and materials	\$188,000	\$186,000	(\$2,000)
Equipment	\$79,000	\$78,000	(\$1,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$33,897,000</b>	<b>\$33,810,000</b>	<b>(\$87,000)</b>
<b>FTE</b>	<b>223.0</b>	<b>223.2</b>	<b>0.2</b>

## ES Common Services – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$3,603,000	\$3,764,000	\$161,000
Personnel benefits	\$955,000	\$1,084,000	\$129,000
Travel and transportation of persons	\$25,000	\$25,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$15,000	\$15,000	\$0
Printing and reproduction	\$15,000	\$15,000	\$0
Other services	\$5,061,000	\$1,241,000	(\$3,820,000)
Supplies and materials	\$44,000	\$44,000	\$0
Equipment	\$20,000	\$50,000	\$30,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$9,738,000</b>	<b>\$6,238,000</b>	<b>(\$3,500,000)</b>
<b>FTE</b>	<b>43.9</b>	<b>46.9</b>	<b>3.0</b>





## Retirement Services

Retirement Services (RS) requests **\$55,850,000** from the earned benefit Trust Funds. These funds will enable RS to continue to maintain the services it delivers to Federal employees, annuitants, and their families through the retirement program.

Retirement Services is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments. Their program activities will continue to focus on making initial eligibility determinations, adjudications, post retirement changes, and survivor processing based on applicable laws and regulations. RS will continue to respond to customer inquiries via email, fax, phone, and written correspondence.

In addition to the amounts requested above, Retirement Services has access to administrative resources from the earned benefit trust funds under its purview that are not subject to Congressional limitation to perform specific tasks. These sources are:

- Authority at 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer Cost of Living Adjustments, survivor annuities, alternative form of annuities, voluntary allotments and tax withholding in the amount of **\$33,896,000**.
- 5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A) provides for all administrative expenses to manage the Federal Employee Dental & Vision Insurance Program (FEDVIP) – (during Open Season and is fully reimbursed by contracted providers) in the amount of **\$800,000**.
- Public Law 106-265 provides for the Office’s administrative expenses implementing the Federal Erroneous Retirement Coverage Correction Act. Retirement Services requests **\$2,109,000**.

During FY 2012, Retirement Services will have access to another administrative resource provided by Section 743 of Division C of the “Consolidated Appropriations Act, 2012”, (Public Law 112-74). Section 743 includes the following language:

“During fiscal year 2012, for each employee who (1) retires under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code (USC), or (2) retires under any other provision of subchapter 83 or chapter 84 of such title 5 and receives a payment as an incentive to separate, the separating agency shall remit to the Civil Service Retirement and Disability Fund (CSRDF) an amount equal to OPM average unit cost of processing a retirement claim for the preceding fiscal year. Such amounts shall be available until expended to OPM and shall be deemed to be an administrative expense under section 8348(a) (1) (B) of title 5, USC”.

Each time an employee retires under the terms of a Voluntary Early Retirement Authority (VERA), or retires in conjunction with the receipt of a Voluntary Separation Incentive Payment (VSIP), or other form of monetary separation incentive (i.e., any form of buyout), the employing agency must pay into the CSRDF an amount equal to the FY 2011 average unit cost (\$107.62) of processing annuity cases. The FY 2013 budget proposes that this provision be extended for FY 2013.

## RS Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011		FY 2012		FY 2013		FY 2012-13	
	Enacted		Enacted		Request		Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Trust Fund Annual	\$54,845,000	450.0	\$61,509,000	466.0	\$55,850,000	510.0	(\$5,659,000)	44.0
<b>Total Appropriated</b>	<b>\$54,845,000</b>	<b>450.0</b>	<b>\$61,509,000</b>	<b>466.0</b>	<b>\$55,850,000</b>	<b>510.0</b>	<b>(\$5,659,000)</b>	<b>44.0</b>
FERCCA – Mandatory Authority	\$2,052,000	4.0	\$2,109,000	8.4	\$2,109,000	12.0	\$0	3.6
Dental & Vision – Mandatory Authority	\$800,000	0.0	\$800,000	0.0	\$800,000	0.0	\$0	0.0
5 USC 8348 (a)(1)(B) – Mandatory Authority	\$33,198,000	295.0	\$33,896,000	278.0	\$33,896,000	295.0	\$0	17.0
<b>Total Non-Appropriated</b>	<b>\$36,050,000</b>	<b>299.0</b>	<b>\$36,805,000</b>	<b>286.4</b>	<b>\$36,805,000</b>	<b>307.0</b>	<b>\$0</b>	<b>20.6</b>
<b>Total (dollars)</b>	<b>\$90,895,000</b>	<b>749.0</b>	<b>\$98,314,000</b>	<b>752.4</b>	<b>\$92,655,000</b>	<b>817.0</b>	<b>(\$5,659,000)</b>	<b>64.6</b>

### Highlights

Retirement Services is responsible for one of OPM’s Agency Goals – Reducing Federal Retirement Processing Time. One of the biggest challenges that prolongs the processing time of a claim is the receipt of incomplete and inaccurate retirement packages from the submitting agency. RS plans to improve the quality and completeness of retirement packages by allocating funds to focus on (a) auditing an agency’s retirement package utilizing a checklist of the various forms agencies submit and the errors found while reviewing the forms, (b) providing specific feedback to the submitting agencies regarding areas to focus on improving within the retirement package submissions, and (c) providing additional training vehicles to Agency Benefits Officers such as web based benefits training in conjunction with the normal annual benefits training conference. The knowledge gained and utilized from the afore-mentioned interactions will assist RS in processing claims that are complete and accurate in a more timely fashion. By July 31, 2013, Retirement Services will have eliminated its case backlog so that 90 percent of all claims will be adjudicated within 60 days.

OPM’s mission is to recruit, retain, and honor a world-class workforce to serve the American people. OPM developed five strategic goals and 22 strategies to help Federal agencies achieve their missions and to produce superior performance results. Retirement Services is responsible for achieving Strategic Goal 4 – Honor Service. RS’ strategy to meet this goal is to “*Develop a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner*”. To improve the quality and completeness of retirement packages, OPM will work with agencies to ensure the cases we receive are complete and removing obstacles from our Legal Administrative Specialists so they have more time each day to complete cases. This will be accomplished by (a) using performance measures to ensure quality customer service, (b) strengthening quality assurance processes, policies and procedures, (c) delivering optimal customer service experiences by improving processes, and (d) advising and providing technical assistance to all OPM offices and Congress on Federal retirement policy matters. The FY 2013 request will permit RS to hire additional staff to help strengthen and improve retirement processing procedures, reduce the current backlog, and reduce processing times down from 105 days to 60 days.

Strategic Goal 4 – Honor Service includes another strategy – “*Improve OPM Service to Federal Agency Benefits Officers*”. This strategy will be accomplished by (a) developing an agency benefits officer’s service delivery model emphasizing shared responsibility for benefits/retirement among employees, OPM, and agencies, and (b) defining standards for agency benefit officers, measuring their results, and recognizing them for exceptional service.

## Strategies

RS is the lead organization for the following Strategies within OPM's Strategic Plan:

	FY 2013 Request
4.01 – Develop a 21 <sup>st</sup> Century Customer Focused Retirement Processing System that Adjudicates Claims Timely and Accurately	\$89,691,000
4.02 – Improve OPM service to Federal Agency Benefit Officers	\$2,964,000
<b>Total (dollars)</b>	<b>\$92,655,000</b>

## RS Trust Fund Annual – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$35,540,000	\$35,661,000	\$121,000
Personnel benefits	\$9,877,000	\$9,893,000	\$16,000
Travel and transportation of persons	\$53,000	\$53,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$2,319,000	\$2,019,000	(\$300,000)
Printing and reproduction	\$643,000	\$643,000	\$0
Other services	\$12,295,000	\$7,399,000	(\$4,896,000)
Supplies and materials	\$185,000	\$85,000	(\$100,000)
Equipment	\$597,000	\$97,000	(\$500,000)
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$61,509,000</b>	<b>\$55,850,000</b>	<b>(\$5,659,000)</b>
<b>FTE</b>	<b>466.0</b>	<b>510.0</b>	<b>44.0</b>



## Merit System Audit & Compliance

OPM requests **\$13,542,000** for Merit System Audit & Compliance (MSAC). Funding will enable OPM to oversee Federal agency human resource (HR) programs to ensure they are operating effectively and meeting merit system principles, veterans' preference, and other critical civil service requirements.

Section 1104 of the Civil Service Reform Act of 1978 requires OPM to establish and maintain an oversight program to ensure that delegated human resources activities comply with merit system principles and OPM standards. In addition, Executive Order 13197 Government-wide Accountability for Merit System Principles; Workforce Information gives OPM the responsibility and authority to hold executive departments and agencies accountable for effective human resources management. MSAC ensures, through careful audit and evaluation, that Federal agency HR programs are effective and meet merit system principles and other civil service standards.

MSAC is also responsible for the Combined Federal Campaign (CFC) Program to ensure that charitable organization have met stringent eligibility requirements. In addition, MSAC ensures to federal employees that their donations will be distributed to the charitable organization of their choosing.

MSAC manages the Voting Rights program which sends observers to election sites at the request of the US Attorney General to monitor whether eligible voters are permitted to vote and whether votes are properly tabulated. The Department of Justice reimburses OPM for the direct cost of these observations, but the management cost of this activity is financed from OPM's appropriations. MSAC also adjudicates Federal employee classification and job grading appeals and employee claims under the Fair Labor Standards Act.

### MSAC Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses (Annual)	\$14,310,000	115.0	\$13,539,000	110.0	\$13,542,000	102.0	\$3,000	(8.0)
<b>Total Appropriated</b>	<b>\$14,310,000</b>	<b>115.0</b>	<b>\$13,539,000</b>	<b>110.0</b>	<b>\$13,542,000</b>	<b>102.0</b>	<b>\$3,000</b>	<b>(8.0)</b>
Advance & Reimbursement	\$3,000,000	0.0	\$3,000,000	0.0	\$3,000,000	0.0	\$0	0.0
<b>Total Non-Appropriated</b>	<b>\$3,000,000</b>	<b>0.0</b>	<b>\$3,000,000</b>	<b>0.0</b>	<b>\$3,000,000</b>	<b>0.0</b>	<b>\$0</b>	<b>0.0</b>
<b>Total (dollars)</b>	<b>\$17,310,000</b>	<b>115.0</b>	<b>\$16,539,000</b>	<b>110.0</b>	<b>\$16,542,000</b>	<b>102.0</b>	<b>\$3,000</b>	<b>(8.0)</b>

### Highlights

MSAC ensures that Federal agency human resources programs are effective and meet merit system principles and other civil service standards.

The Combined Federal Campaign Program (CFC) created in 1961 by President Kennedy and is celebrating its 50th anniversary. In FY 2010, \$281.5 million was donated. In FY 2011, OPM increased the effectiveness and efficiency of the campaign by merging seven campaigns, including five which had excessive campaign costs. In FY 2012, OPM observed the 50th anniversary of the CFC by convening a Federal Advisory Committee established to provide suggestions for increasing and strengthening the integrity of the CFC. The committee will submit its recommendations to OPM Director Berry during this later fiscal year.

OPM manages the Voting Rights program in collaboration with the Department of Justice (DOJ) under the authority of the Voting Rights Act of 1965. In FY 2011, OPM deployed 688 observers to 189 polling sites. In FY 2012 and FY 2013, OPM will continue to deploy appropriate numbers of observers to monitor polling sites at the request of DOJ throughout the year.

## Strategies

MSAC is the lead organization for the following Strategy within OPM's Strategic Plan:

	FY 2013 Request
3.04 Hold Agencies to Account for Improvements in Strategic Human Resources management	\$12,156,000
Activities Not Directly Mapped to Strategic Plan	\$1,386,000
<b>Total (dollars)</b>	<b>\$13,542,000</b>

## MSAC Salaries and Expenses Annual– Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$9,701,000	\$9,872,000	\$171,000
Personnel benefits	\$3,094,000	\$2,870,000	(\$224,000)
Travel and transportation of persons	\$516,000	\$407,000	(\$109,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$32,000	\$68,000	\$36,000
Printing and reproduction	\$2,000	\$27,000	\$25,000
Other services	\$159,000	\$226,000	\$67,000
Supplies and materials	\$25,000	\$45,000	\$20,000
Equipment	\$10,000	\$27,000	\$17,000
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$13,539,000</b>	<b>\$13,542,000</b>	<b>\$3,000</b>
<b>FTE</b>	<b>110.0</b>	<b>102.0</b>	<b>(8.0)</b>

## Federal Investigative Services

OPM estimates expenses of **\$1,142,975,000** for its Federal Investigative Services Revolving Fund in FY 2013.

The Federal Investigative Services (FIS) provides personnel background investigative services to determine individuals' suitability for Federal civilian, military, and contract employment and eligibility for access to classified national security information. Background investigations are performed for Federal agencies on a fee-for-service basis. OPM conducts over 90 percent of all background investigations for the Federal government. The mandates of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) continue to be a primary focus of the background investigations program. OPM continues to complete initial Top Secret clearances in less than 80 days and overall initial clearance investigations in less than 40 days, as required by IRTPA. This has been achieved through significant investments in information technology and stream-lined product realignment that has made the gathering, processing, and disseminating of investigative information more efficient and cost-effective.

Key OPM contributions to a comprehensive Federal government end-to-end process are:

- Increased user accessibility of the Central Verification System (CVS).
- Revised e-QIP functionality to improve quality of data.
- Implementation of revised SF-86. The SF-86 Questionnaire for National Security Positions) is a standard background investigation form within OPM's Electronic Questionnaire for Investigations Processing (e-Qip) system used by the entire U.S. Intelligence Community. The revised SF-86 utilizes branching questions making it easier for Subjects to navigate and complete the form to expedite the commencement of an investigation.
- Expanded customer suitability training.
- Enhanced case and investigative issue coding to optimize eAdjudication, and continued availability of eDelivery of investigative files to agencies.
- Implementation of an enhanced subject interview script (ESI). The ESI is an in-depth discussion between a trained and certified investigator and the subject that is conducted as a required part of an investigation, or to offer the subject an opportunity to explain, refute, or mitigate issues or discrepant information.
- Deployed quality assessment tool for all OPM customer agencies.

### FIS Resource Summary - includes all resources) (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
	Revolving Fund	\$1,138,317,000	2,578.0	\$1,097,080,000	2,829.5	\$1,142,975,000	2,478.6	\$45,895,000
<b>Total Non-Appropriated</b>	<b>\$1,138,317,000</b>	<b>2,578.0</b>	<b>\$1,097,080,000</b>	<b>2,829.5</b>	<b>\$1,142,975,000</b>	<b>2,478.6</b>	<b>\$45,895,000</b>	<b>(350.9)</b>
<b>Total (dollars)</b>	<b>\$1,138,317,000</b>	<b>2,578.0</b>	<b>\$1,097,080,000</b>	<b>2,829.5</b>	<b>\$1,142,975,000</b>	<b>2,478.6</b>	<b>\$45,895,000</b>	<b>(350.9)</b>

## Highlights

The Federal Investigative Services (FIS) provides personnel background investigative services to determine individuals' fitness or suitability for Federal civilian, military, and contract employment and/or eligibility for a security clearance. Background investigations are performed for Federal agencies on a fee-for-service basis. OPM conducts more than 90 percent of all background investigations for the Federal government and expects to complete over 2 million investigations in FY 2013.

In response to significant and continuing security clearance timeliness concerns, Congress called for improvements and established specific timeliness goals as part of the Intelligence Reform and Terrorism

Prevention Act of 2004 (IRTPA), which required OPM to reduce the average time it takes to conduct initial clearance background investigations. Additionally, the IRTPA requires OPM to operate and maintain the CVS database in furtherance or reciprocity requirements, and to evaluate the use of available technology in clearance investigations. OPM is committed to accomplishing the strategic reform objectives of Executive Order 13467, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information," to ensure an efficient, practical, reciprocal, and aligned system for investigating and determining suitability for Government employment, contractor employee fitness, and eligibility for access to classified information. OPM continues to develop policy and processes to address reciprocity, improve technology, and standardize investigations and adjudications.

In FY 2013, FIS will continue the redesign of investigative processes and procedures, laying the groundwork for implementation of federal investigative standards at the end of CY 2013. As part of the e-Clearance initiative and the IRTPA mandate regarding the use of available technology, FIS will continue automating and streamlining many aspects of the investigative process to provide a high quality clearance process for the Federal government. We will revise our position designation tool based on the federal investigative standards and will implement an automated toolbox to support suitability adjudications. The tiered investigative model and SF85P forms revision will be finalized and implemented for full adaptation by all customer agencies.

FIS continues implementation of the transformation investment begun in 2009 which combines disparate systems into an integrated environment, utilizing modern technology capabilities and reengineering business processes to take advantage of these new capabilities. The transformed environment will provide collective improvements in the timeliness and quality of the investigation, and improve and enhance the overall efficiency of the end-to-end process. The transformation will provide standardization of systems through effective use of technology and continue to securely preserve and protect the information. The transformation investment is scheduled to conclude in BY 2015. Resources have been utilized to revamp the Personnel Investigations Processing System (PIPS) that supports the core investigative processes such as the entry of the investigative data and the subsequent scheduling, reporting and closing of each investigation; its subsystem the Clearance Verification System that provides information on the status and the level of security clearance granted for federal employees and contractors; the OPM PIPS Imaging System (OPIS) that is the image repository of PIPS and handles the packaging and delivery of closed case files in an electronic format to requesting agencies; the Electronic Questionnaire for Investigations Processing (e-QIP) which is the primary system that FIS customers use to submit their Questionnaire for National Security positions (SF86, SP85, and SF85P) electronically through the internet; and the Fingerprint Transaction System that transmits fingerprint images to be stored in the FIS database and submits them electronically to the Federal Bureau of Investigations. FIS' IT transformation project seeks to further enhance the FIS mission and key goals to meet the ever-changing requirements and deliver the best customer value through the effective use of technology and processes. Resources have been utilized to revamp the core software and hardware infrastructure of all core case processing systems and tools, commencing with the transformation and modernization of the Case Processing and Customer Interfaces, providing agency access and investigative requests to be easier to submit, process and deliver. FIS' IT transformation project is conducting technology proofs of concept



and commencing the project releases for these enhancements. These primary initiatives will continue to support the timeliness goals set forth by IRTPA and allow FIS to continue to provide timely and quality services to Federal agencies.

### Strategies

FIS is the lead organization for the following OPMs Strategy:

	FY 2013 Request
1.03 – Ensuring Agencies Have Timely and Sufficient Information to Make Decisions such as Credentialing, Suitability, and/or Security Clearance Determinations	\$1,142,975,000
<b>Total (dollars)</b>	<b>\$1,142,975,000</b>

### FIS Revolving Fund – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$211,841,000	\$218,168,000	\$6,327,000
Personnel benefits	\$62,164,000	\$64,027,000	\$1,863,000
Travel and transportation of persons	\$18,247,000	\$18,610,000	\$363,000
Transportation of things	\$210,000	\$213,000	\$3,000
Communications, utilities, and rent	\$36,674,000	\$37,411,000	\$737,000
Printing and reproduction	\$437,000	\$446,000	\$9,000
Other services	\$744,069,000	\$778,513,000	\$34,444,000
Supplies and materials	\$3,513,000	\$3,584,000	\$71,000
Equipment	\$19,925,000	\$22,003,000	\$2,078,000
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$1,097,080,000</b>	<b>\$1,142,975,000</b>	<b>\$45,895,000</b>
<b>FTE</b>	<b>2,829.5</b>	<b>2,478.6</b>	<b>(350.9)</b>



## Human Resources Solutions

OPM estimates expenses in the amount of **\$622,044,000** for its Human Resources Solutions Revolving Fund in FY 2013.

As a Federal business enterprise, Human Resources Solutions (HRS) partners with agencies to provide effective human resources solutions that develop leaders committed to public service values, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. As a revolving fund program, HRS recovers costs of operations by managing agency reimbursable agreements from over 150 Federal customers. This is achieved by providing high quality and competitively priced programs and services. Both new and repeat customers continually affirm that HRS programs improved agency and individual employee performance.

In addition, HRS Technology Center in Macon, GA provides hosting and development services to OPM's USAJOBS program. Development includes enterprise integration to allow agencies the flexibility to connect relevant public and private assessment, on-boarding, and recruitment tools, using a plug-and-play model.

### HRS Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011		FY 2012		FY 2013		FY 2012-13	
	Enacted		Enacted		Request		Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
HR Solutions- Revolving Fund	\$909,204,000	741.0	\$850,381,000	705.0	\$622,044,000	600.0	(\$228,337,000)	(105.0)
<b>Total Non-Appropriated (dollars)</b>	<b>\$909,204,000</b>	<b>741.0</b>	<b>\$850,381,000</b>	<b>705.0</b>	<b>\$622,044,000</b>	<b>600.0</b>	<b>(\$228,337,000)</b>	<b>(105.0)</b>
<b>Total (dollars)</b>	<b>\$909,204,000</b>	<b>741.0</b>	<b>\$850,381,000</b>	<b>705.0</b>	<b>\$622,044,000</b>	<b>600.0</b>	<b>(\$228,337,000)</b>	<b>(105.0)</b>

### Highlights

HRS business planning for FY 2012-FY 2014 focuses on strategies to stabilize sales, manage costs and achieve high performance with improved efficiency in the two main reimbursable offerings: HR consulting services and training. Declines in budgetary resources across Federal agencies will pose a challenge to HRS to maintain current revenue levels.

HRS anticipates a decline in Federal agencies' spending on travel and training due to the extremely difficult fiscal position facing most agencies in FY 2012 and FY 2013. HRS plans to engage its vendor partners to conduct a comprehensive customer outreach and marketing strategy, explore a new pricing structure, and gather feedback from clients to continuously improve business development. HRS plans to retain customer loyalty by keeping prices at FY 2011 levels with only modest increases on some courses if necessary. HRS' primary strategy for generating revenue is to increase the number of participants enrolled in training by 3% over FY 2011 levels. The current financial environment suggests that this strategy is best achieved by bringing the training to locations where a concentration of Federal employees can access it without incurring high travel costs. HRS seeks to maintain previous years' enrollment levels at the residential training centers by enhancing marketing and offering courses that meet timely needs of Federal leaders, including implementing mandatory Administration initiatives.

After several successive years of rapid growth, HRS turned its attention to improving processes, systems and internal knowledge management across offerings. FY 2012 - FY 2014 management goals will build on FY 2011 reviews and results. HRS' goals are: to build future revenue streams wisely; to focus on HR initiatives dictated by the National Economy and Administration priorities; to ensure responsible control of operating costs through new tools and creative use of employee office space; to monitor and control of

all overhead costs; and to continue strong efforts aimed at improving procedural consistency, leading to decreased cost of service.

## Strategies

HRS shares responsibility with ES for the following Strategy within OPM's Strategic Plan:

	FY 2013 Request
3.03: Provide leadership and direction to Government-wide HR Programs	\$622,044,000
<b>Total (dollars)</b>	<b>\$622,044,000</b>

## HRS Revolving Fund – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$55,495,000	\$48,213,000	(\$7,282,000)
Personnel benefits	\$16,322,000	\$14,321,000	(\$2,001,000)
Travel and transportation of persons	\$6,047,000	\$4,000,000	(\$2,047,000)
Transportation of things	\$115,000	\$210,000	\$95,000
Communications, utilities, and rent	\$14,383,000	\$21,000,000	\$6,617,000
Printing and reproduction	\$730,000	\$700,000	(\$30,000)
Other services	\$749,350,000	\$528,800,000	(\$220,550,000)
Supplies and materials	\$2,867,000	\$1,800,000	(\$1,067,000)
Equipment	\$5,072,000	\$3,000,000	(\$2,072,000)
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$850,381,000</b>	<b>\$622,044,000</b>	<b>(\$228,337,000)</b>
<b>FTE</b>	<b>705.0</b>	<b>600.0</b>	<b>(105.0)</b>

## Planning and Policy Analysis

The mission of Planning and Policy Analysis (PPA) is to analyze program trends and policy issues that affect OPM and the Federal workforce. PPA's FY 2013 budget request is **\$17,283,000** which consists of **\$8,399,000** in Salaries and Expenses funds and **\$8,884,000** from annual Trust Funds.

In addition to the amounts requested above, PPA has access to administrative resources from the earned benefit trust funds under OPM purview that are not subject to Congressional limitation to perform specific tasks. These sources are:

- 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer cost of living adjustments, survivor annuities, alternate form of annuities, voluntary allotments, and tax withholdings **\$523,000**.
- 5 USC §8958(f)(2)(A) and 5 USC §8988(f)(2)(A) provides for all administrative expenses to manage the Federal Employee Dental and Vision Insurance Program (FEDVIP) (fully reimbursed by contracted providers) **\$271,000**.
- 5 USC §9004(f)(2) provides for all administrative expenses of the Office to manage the Federal Employee Long-Term Care Insurance Program (FLTCIP)(fully reimbursed by contracted providers) **\$271,000**.

The scope of PPA analysis spans the full range of human resource management issues facing Federal agencies (such as workforce supply, pay, benefits, diversity) and involves a variety of analytical tools (including actuarial analysis, surveys, economic analysis, and policy analysis).

### PPA Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$5,299,000	30.0	\$8,630,000	39.0	\$8,399,000	37.0	(\$231,000)	(2.0)
Trust Fund Annual	\$9,367,000	23.0	\$8,885,900	17.0	\$8,884,000	22.0	(\$1,900)	5.0
<b>Total Appropriated</b>	<b>\$14,666,000</b>	<b>53.0</b>	<b>\$17,515,900</b>	<b>56.0</b>	<b>\$17,283,000</b>	<b>59.0</b>	<b>(\$232,900)</b>	<b>3.0</b>
Long Term Care – Mandatory Authority	\$400,000	3.0	\$271,000	2.3	\$271,000	2.3	\$0	0.0
Dental & Vision – Mandatory Authority	\$500,000	2.0	\$271,000	2.3	\$271,000	2.3	\$0	0.0
5 USC 8348 (a)(1)(B) – Mandatory Authority	\$179,000	6.0	\$523,000	5.0	\$523,000	5.0	\$0	0.0
<b>Total Non-Appropriated</b>	<b>\$1,079,000</b>	<b>11.0</b>	<b>\$1,065,000</b>	<b>9.6</b>	<b>\$1,065,000</b>	<b>9.6</b>	<b>\$0</b>	<b>0.0</b>
<b>Total (dollars)</b>	<b>\$15,745,000</b>	<b>64.0</b>	<b>\$18,580,900</b>	<b>65.6</b>	<b>\$18,348,000</b>	<b>68.6</b>	<b>(\$232,900)</b>	<b>3.0</b>

### Highlights

PPA works closely with Healthcare and Insurance in order to provide comprehensive package of insurance benefits to employees, retirees and their dependents. This includes health benefits, life insurance, three voluntary, enrollee-pay-all programs: long term care insurance program; flexible spending accounts for medical and dependent care expenses; and a group dental and vision insurance program. PPA provides policy and analytical support for each of these benefits programs.

PPA's Office of Actuaries provides actuarial analysis, analyzes program claims data and negotiates health insurance, dental and vision premiums for upcoming contract years. This office also determines the actuarial liabilities for the Retirement, Health and Life Insurance programs and provides supporting

documentation as required by the annual audit of OPM’s Consolidated Financial Statements. In addition, the office provides analysis and actuarial oversight of the Long Term Care Program. To further support this goal, PPA is developing a health claims data warehouse. The Health Claims Data Warehouse project is an initiative to collect, maintain and analyze data on an ongoing basis. The data will be derived from health claims under the FEHB Program and the Multi-State Plan options under the Affordable Care Act. The warehouse will allow OPM to better understand the drivers of cost increases and to model the potential effects of health system reform or environmental changes on Federal employees. This will strengthen OPM’s ability to strategically shape future benefits design by better positioning the agency to negotiate effectively with FEHB carriers to keep premium increases below industry-wide levels. Enrollment and claims data from the Multi-State Plan options will enable better understanding of the demographics and utilization patterns for pricing and market analysis for this population. Ultimately, this initiative will build OPM’s knowledge base and expertise, strengthening the ability to strategically shape future benefits design and better positioning for OPM to negotiate with the private sector carriers. Over time, this initiative will result in contained premium growth. PPA administers the annual Federal Employee Viewpoint Survey, which will be administered as a census for the first time in 2012. The survey provides a quantification of measures, among other things, employee satisfaction with Health, Wellness, and Work-Life Flexibilities. In addition, it provides valuable feedback to the Administration, Congress, and to OPM management on the effectiveness of the programs.

The Data Analysis Group maintains key human resource data on more than 2 million Federal employees. Specifically, the Data Analysis Group manages the Statistical Data Mart (internal) and FedScope (public) databases which are used to support Federal agency workforce planning and monitoring activities, as well as inform the media and general public of the size and characteristics of the Federal workforce.

## Strategies

PPA shares responsibilities for the following Strategies under OPM’s Strategic Plan:

	FY 2013 Request
2.02: Ensure that available benefits align with best practices and employee's Needs	\$9,949,000
2.03: Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work-Life Flexibilities	\$0
3.01: Help Agencies Become High Performing Organizations with use of HR Tools	\$5,938,000
5.01 Contract with Multi-State Health Plans to be Offered on Health Insurance Exchanges	\$2,461,000
5.02 Offer FEHB and Federal Employee Life Insurance (FELI) program Benefits to Employees of Tribes and Tribal Organizations	\$0
<b>Total (dollars)</b>	<b>\$18,348,000</b>

### PPA Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012-13 Variance
Personnel compensation	\$3,383,000	\$3,345,000	(\$38,000)
Personnel benefits	\$880,000	\$926,000	\$46,000
Travel and transportation of persons	\$15,000	\$15,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$203,000	\$202,000	(\$1,000)
Printing and reproduction	\$86,000	\$86,000	\$0
Other services	\$3,741,000	\$3,503,000	(\$238,000)
Supplies and materials	\$22,000	\$22,000	\$0
Equipment	\$300,000	\$300,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$8,630,000</b>	<b>\$8,399,000</b>	<b>(\$231,000)</b>
<b>FTE</b>	<b>39.0</b>	<b>37.0</b>	<b>(2.0)</b>

### PPA Trust Fund – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012-13 Variance
Personnel compensation	\$3,263,000	\$3,263,000	\$0
Personnel benefits	\$1,045,000	\$1,043,000	(\$2,000)
Travel and transportation of persons	\$30,000	\$30,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$20,000	\$20,000	\$0
Printing and reproduction	\$20,000	\$20,000	\$0
Other services	\$3,222,000	\$3,222,000	\$0
Supplies and materials	\$1,185,000	\$1,184,000	(\$1,000)
Equipment	\$100,900	\$102,000	\$100
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$8,885,900</b>	<b>\$8,884,000</b>	<b>(\$1,900)</b>
<b>FTE</b>	<b>17.0</b>	<b>22.0</b>	<b>5.0</b>





## Healthcare and Insurance

OPM's FY 2013 budget request for Healthcare and Insurance (HI) includes **\$15,986,000** which consists of **\$5,801,000** in Salaries and Expenses Funds and **\$10,185,000** from annual Trust Funds.

The HI organization consolidates all of OPM's healthcare and insurance responsibilities into a single organization. This includes existing responsibilities for Federal Employee Health Benefit Program (FEHBP), Federal Employee Group Life Insurance (FEGLI), Flexible Spending Account Program (FSAFEDS), Federal Long Term Care Insurance Program (FLTCIP), and Federal Employee Dental Vision Insurance Plan (FEDVIP). HI also manages new functions such as the Affordable Care Act's Multi-State Plan Option and the work performed by OPM in support of the Pre-existing Condition Insurance Plan (PCIP) program. HI is comprised of the Healthcare Program Development and Implementation, National Healthcare Operations, and Federal Employee Insurance Operations.

5 USC §8958(f)(2)(A) and 5 USC §8988(f)(2)(A) provides for all administrative expenses to manage the Federal Employee Dental and Vision Insurance Program (FEDVIP) (fully reimbursed by contracted providers) **\$1,777,000**.

5 USC §9004(f)(2) provides for all administrative expenses of the Office to manage the Federal Employee Long-Term Care Insurance Program (FLTCIP)(fully reimbursed by contracted providers) **\$4,228,000**.

In FY 2013, OPM anticipates **\$2,100,000** in Advance and Reimbursement resources to support the Department of Health and Human Services Pre-existing Condition Insurance Plan. PCIP covers a broad range of health benefits, including primary, specialty, hospital care, and prescription drugs. States have the option to administer their own program or defer program administration to the Department of Health and Human Services. PCIP operates in 24 states which cover more than 45 percent of the U.S. population.

OPM also provides external review services to DHHS, as the Affordable Care Act (ACA) includes a provision for a Federal external review process when there is no applicable State process.

### HI Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011		FY 2012		FY 2013		FY 2012-13	
	Enacted		Enacted		Request		Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$261,000	4.0	\$1,262,000	17.0	\$5,801,000	27.0	\$4,539,000	10.0
Trust Fund Annual	\$8,679,000	79.0	\$8,196,000	84.0	\$10,185,000	82.0	\$1,989,000	(2.0)
<b>Total Appropriated</b>	<b>\$8,940,000</b>	<b>83.0</b>	<b>\$9,458,000</b>	<b>101.0</b>	<b>\$15,986,000</b>	<b>109.0</b>	<b>\$6,528,000</b>	<b>8.0</b>
Long Term Care – Mandatory Authority	\$1,507,000	2.0	\$1,777,000	3.0	\$1,777,000	3.0	\$0	0.0
Dental & Vision – Mandatory Authority	\$3,871,000	5.0	\$4,228,000	4.0	\$4,228,000	4.0	\$0	0.0
Advance & Reimbursement	\$2,500,000	0.0	\$2,100,000	17.0	\$2,100,000	17.0	\$0	0.0
<b>Total Non-Appropriated</b>	<b>\$7,878,000</b>	<b>7.0</b>	<b>\$8,105,000</b>	<b>24.0</b>	<b>\$8,105,000</b>	<b>24.0</b>	<b>\$0</b>	<b>0.0</b>
<b>Total (dollars)</b>	<b>\$16,818,000</b>	<b>90.0</b>	<b>\$17,563,000</b>	<b>125.0</b>	<b>\$24,091,000</b>	<b>133.0</b>	<b>\$6,528,000</b>	<b>8.0</b>

## Highlights

During FY 2013, HI will continue to negotiate FEHBP contracts with private insurance companies that offer a broad range of health insurance benefits. Federal employees, retirees and their survivors enjoy the widest selection of health plans in the country, consisting of over 200 plans. Customers can choose among Consumer-Driven and High Deductible plans that offer catastrophic risk protection with higher deductibles, health savings/reimbursable accounts and lower premiums, or Fee-for-Service plans, and their Preferred Provider Organizations (PPO), or Health Maintenance Organizations (HMO).

For FY 2012, the average premium for the FEHBP increased by 3.8 percent, which was approximately half of last year's increase of 7.3 percent. On average, enrollees with self only coverage will pay \$2.32 more per bi-weekly pay period; enrollees with family coverage will pay \$6.18 more. Premiums for HMOs will increase an average of 6.7 percent, while Fee-for-Service plans will see an average increase of 3.2 percent.

HI continues to work on implementing improved Pharmacy benefits for FEHB participants.

Under the Affordable Care Act, OPM has been designated as the agency responsible for implementing and overseeing Multi-State Plan Options. Under the Act, at least two Multi-State Plans will be offered on each Affordable Insurance Exchange beginning in 2014. Multi-State Plans will be one of several health insurance options that small employers and uninsured individuals will be able to choose from. In total, exchanges are expected to provide health insurance coverage for 31 million Americans.

The ACA also incorporated the Indian Health Care Improvement Reauthorization and Extension Act (IHCIREA) of 2009. This Act allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FEGLI). OPM has announced that Indian tribes, tribal organizations and urban Indian organizations may purchase FEHB coverage for their employees beginning in Spring of 2012. The earliest effective date of coverage for these employees is May 1, 2012. Tribes, tribal organizations and urban Indian organizations may also purchase FEHB coverage effective after this date.

## Strategies

HI shares responsibilities with PPA for the following Strategies under OPM's Strategic Plan:

	FY 2013 Request
2.02: Ensure that available benefits align with best practices and employee's Needs	\$14,452,000
5.01 Contract with Multi-State Health Plans to be Offered on Affordable Insurance Exchanges	\$ 5,539,000
5.02 Offer FEHB and FEGLI) benefits to employees of Tribes and Tribal Organizations	\$2,000,000
5.03 Manage a contract with a health insurer to provide health insurance coverage to people with pre-existing medical conditions	\$2,100,000
<b>Total (dollars)</b>	<b>\$24,091,000</b>

## HI Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$959,000	\$3,291,000	\$2,332,000
Personnel benefits	\$303,000	\$916,000	\$613,000
Travel and transportation of persons	\$0	\$70,000	\$70,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$0	\$10,000	\$10,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$0	\$1,484,000	\$1,484,000
Supplies and materials	\$0	\$15,000	\$15,000
Equipment	\$0	\$15,000	\$15,000
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$1,262,000</b>	<b>\$5,801,000</b>	<b>\$4,539,000</b>
<b>FTE</b>	<b>17.0</b>	<b>27.0</b>	<b>10.0</b>

## HI Trust Fund – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$6,405,000	\$6,030,000	(\$375,000)
Personnel benefits	\$1,527,000	\$1,491,000	(\$36,000)
Travel and transportation of persons	\$48,000	\$83,000	\$35,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$14,000	\$14,000	\$0
Printing and reproduction	\$48,000	\$98,000	\$50,000
Other services	\$121,000	\$2,386,000	\$2,265,000
Supplies and materials	\$13,000	\$38,000	\$25,000
Equipment	\$20,000	\$45,000	\$25,000
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$8,196,000</b>	<b>\$10,185,000</b>	<b>\$1,989,000</b>
<b>FTE</b>	<b>84.0</b>	<b>82.0</b>	<b>(2.0)</b>



## Office of Diversity and Inclusion

The OPM FY2013 budget requests **\$1,100,000** for the Office of Diversity and Inclusion (ODI) from Salaries and Expenses resources. Established in FY 2011, the ODI supports Executive Order 13583, which establishes a coordinated government-wide initiative to promote diversity and inclusion in the Federal Workforce. ODI also supports Executive Order 13548, which directs executive departments and agencies to increase Federal employment of individuals with disabilities. ODI examines policy options, Government-wide data trends, and employee survey findings that affect OPM's management of HR policy, specifically including diversity and inclusion throughout the Federal government. To ensure that Federal departments and agencies recruit and retain talented individuals from all communities, ODI will develop comprehensive strategies, like those found in the private sector and successful agencies, to drive and integrate diversity and inclusion practices throughout the Federal government and to help build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws. ODI will assist departments and agencies to accomplish their varied missions as they develop a strategic focus on diversity and inclusion, allowing them to prepare for shifting workplace demographics, improved services to all populations and innovation for the future.

### ODI Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$749,000	4.0	\$1,150,000	6.5	\$1,100,000	6.5	(\$50,000)	0.0
<b>Total Appropriated</b>	<b>\$749,000</b>	<b>4.0</b>	<b>\$1,150,000</b>	<b>6.5</b>	<b>\$1,100,000</b>	<b>6.5</b>	<b>(\$50,000)</b>	<b>0.0</b>

### Highlights

In support of the Executive Order 13548, OPM will advocate increase Federal government employment of individuals with disabilities and reasonable accommodation by an additional 100,000 within a five year period. The ODI will assist agencies in the implementation of agency diversity and inclusion in their respective strategic plans. ODI looks to provide diversity and inclusion learning opportunities throughout government through training and the sharing of developmental resources (i.e. reference guides, guidance, etc.). The ODI also plans to promote, encourage and provide guidance on work-life balance policies, including telework, wellness programs, and other work-life flexibilities and benefits to foster inclusion and the retention of a diverse workforce within the Federal government.

### Strategies

ODI is the organization responsible for the following Strategy under OPM's Strategic Plan:

	FY 2013 Request
1.02: Promote Diversity and Inclusion in the Federal Workforce	\$1,100,000
<b>Total (dollars)</b>	<b>\$1,100,000</b>

## ODI Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$762,000	\$762,000	\$0
Personnel benefits	\$235,000	\$235,000	\$0
Travel and transportation of persons	\$30,000	\$30,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$45,000	\$45,000	\$0
Printing and reproduction	\$5,000	\$5,000	\$0
Other services	\$64,000	\$14,000	(\$50,000)
Supplies and materials	\$7,000	\$7,000	\$0
Equipment	\$2,000	\$2,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$1,150,000</b>	<b>\$1,100,000</b>	<b>(\$50,000)</b>
<b>FTE</b>	<b>6.5</b>	<b>6.5</b>	<b>0.0</b>

## Facilities, Security, and Contracting

For FY 2013, Facilities, Security, and Contracting (FSC) requests **\$13,159,000** in Common Services Funds and **\$642,000** in Salaries and Expenses Funds. These funds will be used to continue to provide a wide variety of support services for OPM. Services include acquiring goods and services for the Office Personnel Management's (OPM) central office, facilities management, leasing and new construction oversight, providing contracting policy oversight and guidance to OPM's field locations, conducting suitability and national security clearance determinations for OPM personnel, Personal Identity Verification (PIV) card issuance and management, emergency management and continuity activities, physical security oversight, and countermeasure installation and maintenance. These services enable OPM to achieve the agency's mission and foster a high quality workforce environment.

The **Facilities Division** operates and maintains the OPM headquarters building, Theodore Roosevelt Federal Building (TRB) under authority delegated by the General Services Administration (GSA), and provides policy and administrative guidance for OPM's other Federally owned and leased facilities nationwide. It also maintains the Agency's real property inventory. In addition, Facilities provides in-house printing and document reproduction and graphic design services for the central office, and acquires commercial services for larger-scale needs.

Consistent with *42 U.S.C., Section 8255 – Budget Treatment for Energy Conservation Measures*, FSC's FY 2013 request includes funding in the amount of approximately \$3,450,000 for electric and energy costs for operating and maintaining OPM facilities. OPM currently occupies 32 GSA owned buildings throughout the country. OPM manages 3 delegated properties (Macon, GA, Boyers, PA, and Washington, D.C.) and does not plan to lease any more facilities for which it would have delegated authority.

It is the policy of OPM that all business and operations will be conducted with the least environmental impact possible and that energy and resource efficiency will be an agency priority. OPM has committed to reducing its Scope 1 and 2 greenhouse gas emissions by 20% from 2008 levels by FY 2020. OPM anticipates a significant portion of these reductions to come from renovations on the Theodore Roosevelt Building planned to begin late FY 2011 and continue through FY 2013. Approximately 200 OPM employees have already relocated to the Union Square facility while American Recovery Reinvestment Act (ARRA) renovations are completed in TRB. OPM will also assess its fleet for opportunities to reduce gas consumption and increase fuel economy. During FY 2011, OPM placed orders for 300 Alternative Fuel Vehicles (AFV) to replace existing vehicles. To date, OPM has received 205 AFV replacements.

The **Security Division** is responsible for OPM's Continuity of Operations (COOP) activity, Continuity of Government (COG) activity, and Occupant Emergency Programs (OEP). They manage the Guard Force for the Theodore Roosevelt Building,, maintain a 24 hour Operations Center to provide situational awareness to the Director regarding issues affecting the status of the Federal workforce, and administer the nationwide HSPD-12 mandated PIV program and investigative processes.

The **Contracting Division** performs all pre-award and post-award procurement actions in support of OPM's mission and goals. It also performs all actions in support of the procurement function including reporting, policy, purchase card program administration and special projects.

Resources for the Administration's Acquisition Improvement Initiative were included in OPM's FY 2012 Appropriation. FSC will use the \$642,000 appropriation to recruit five additional Contracting Specialists in order to establish a Quality Assurance/Policy Team within FSC's Contracting Group. The Group will be primarily responsible for establishing and maintaining OPM's acquisition policy, standards, and procedures. FSC will also use this funding to provide training for the additional staff.

FSC's acquisition staff must be well-trained and kept abreast of the latest advancements in their field. Technical requirements are constantly evolving and they must be kept informed of the latest industry standards. Training sessions and networking with peers enhances staff performance, motivation, and

behavior. Consistent with 41 U.S.C., Section 433(h) – Acquisition Workforce (Education and Training), FSC’s FY 2013 request includes funding in the amount of approximately \$30,000 for education and training, and \$10,000 for OPM’s Annual Acquisition Planning Conference.

### FSC Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Budget		FY 2013 Request		FY 2012–13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$499,000	0.0	\$642,000	0.0	\$0	0.0	(\$642,000)	0.0
Common Services	\$14,155,000	85.0	\$13,159,000	78.0	\$13,159,000	77.0	\$0	(1.0)
Salaries & Expenses*	\$0	0.0	\$642,000	5.5	\$642,000	5.5	\$0	0.0
<b>Total Appropriated</b>	<b>\$14,654,000</b>	<b>85.0</b>	<b>\$14,443,000</b>	<b>83.5</b>	<b>\$13,801,000</b>	<b>82.5</b>	<b>(\$642,000)</b>	<b>(1.0)</b>
Revolving Fund	\$3,708,000	35.0	\$3,602,000	36.0	\$3,602,000	35.0	\$0	(1.0)
<b>Total Non-Appropriated</b>	<b>\$3,708,000</b>	<b>35.0</b>	<b>\$3,602,000</b>	<b>36.0</b>	<b>\$3,602,000</b>	<b>35.0</b>	<b>\$0</b>	<b>(1.0)</b>
<b>Total (dollars)</b>	<b>\$18,362,000</b>	<b>120.0</b>	<b>\$18,045,000</b>	<b>119.5</b>	<b>\$17,403,000</b>	<b>117.5</b>	<b>(\$642,000)</b>	<b>(2.0)</b>

\* Funding for the Acquisition Improvement Initiative sought in Appropriation language.

### Highlights

FSC continues to provide quality administrative services that include the following:

- Manage the Agency’s inventory of personal property, coordinating with offices to achieve 100% compliance with the annual certification of OPM’s Personal Property Management Inventory System.
- Complete all OPM’s acquisitions within the associated procurement action lead time (PALT) – 95% of the time.
- Adjudicate 90% of closed National Security Investigations within 30 days of receipt.
- Plan, develop, and conduct one full scale COOP Exercise achieving “green” scores in 805 of the evaluated areas.
- Complete 20 facility risk assessments.

FSC has taken the following steps to improve the energy efficiency and sustainability of its facilities, particularly the headquarters building in Washington, D.C.

- Replaced and installed low flow, metered, water reducing faucets in all TRB common area restrooms.
- Replaced the HVAC System in the snack bar with a new, more energy efficient model.
- Cleaned the booster heating system to improve heat transfer and improve the energy efficiency of the system, therefore, reducing steam usage.
- Installed energy efficient stand-alone Liebert air conditioning units in the Macon, Georgia data center.
- Installed energy efficient lighting throughout the entire Macon facility.



Partnering with General Services Administration (GSA) who has received funding from the American Recovery and Reinvestment Act (ARRA), the following projects are works in progress:

- Installation of an upgraded energy management system in the Theodore Roosevelt Building. It will include new Variable Air Volume (VAV) boxes, air handler fans, variable speed motors, chill water coils, and dampeners on all floors.
- Installation of a second inner pane of glass to all windows in the TRB.
- Installation of a photovoltaic (solar) panel system on the roof.
- Replace all existing urinals and commodes with low volume fixtures.
- Replacement of a major portion of existing lighting fixtures with energy efficient units.

## Strategies

FSC activities do not directly support any one Strategy under OPM's Strategic Plan:

	FY 2013 Request
Activities Not Directly Mapped to Strategic Plan	\$17,403,000
<b>Total (dollars)</b>	<b>\$17,403,000</b>

## FSC Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Budget	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$456,000	\$456,000	\$0
Personnel benefits	\$152,000	\$152,000	\$0
Travel and transportation of persons	\$0	\$0	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$0	\$0	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$676,000	\$34,000	(\$642,000)
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$1,284,000</b>	<b>\$642,000</b>	<b>(\$642,000)</b>
<b>FTE</b>	<b>5.5</b>	<b>5.5</b>	<b>0.0</b>

## FSC Common Services – Budget by Object Class (dollars)

Object Class	FY 2012 Budget	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$6,624,000	\$6,835,000	\$211,000
Personnel benefits	\$1,859,000	\$1,781,000	(\$78,000)
Travel and transportation of persons	\$69,000	\$32,000	(\$37,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$191,000	\$167,000	(\$24,000)
Printing and reproduction	\$221,000	\$221,000	\$0
Other services	\$3,890,000	\$3,870,000	(\$20,000)
Supplies and materials	\$89,000	\$53,000	(\$36,000)
Equipment	\$216,000	\$200,000	(\$16,000)
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$13,159,000</b>	<b>\$13,159,000</b>	<b>\$0</b>
<b>FTE</b>	<b>78.0</b>	<b>77.0</b>	<b>(1.0)</b>

## Chief Information Officer

The Office of the Chief Information Officer (CIO) FY 2013 request is **\$53,310,000** composed of **\$2,000,000** in Salaries and Expenses Funds, **\$7,420,000** in Salaries & Expenses No-Year Funds, **\$6,694,000** in annual Trust Funds, and **\$37,196,000** in Common Services.

CIO estimates that it will require **\$2,003,000** in 5 USC 8348 (a) (1) (B) authority in FY 2013. 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer Cost of Living Adjustments, survivor annuities, alternative form of annuities, voluntary allotments and tax withholding. Additionally, CIO estimates receiving new budget authority of **\$64,956,000** for its Enterprise Human Resources Integration (EHRI) services and **\$3,000,000** for its Human Resources Line of Business (HR LOB) financed through OPM's Revolving Fund. EHRI supports the strategic management of human capital by providing agency customers with access to timely and accurate Federal workforce data. HRLOB established public and private Shared Service Centers to provide technology solutions to support multiple agencies with HR information technology, and HR management. The CIO is responsible for the successful introduction of technology to support OPM's strategic goals, as well as the tools and infrastructure needed to deliver world-class services to the federal workforce and retirees. The CIO develops the Information Technology (IT) Strategic Plan that defines the OPM IT vision and strategy. The IT Strategic Plan is posted to OPM's website at [http://www.opm.gov/StrategicPlan/pdf/OPM\\_IT\\_Strategic\\_Plan\\_FY10-13.pdf](http://www.opm.gov/StrategicPlan/pdf/OPM_IT_Strategic_Plan_FY10-13.pdf) and supports the CIO mission - "we are committed to delivering innovative, cost-effective, and secure IT solutions and infrastructure that support OPM's programs and initiatives".

The CIO provides strategic IT leadership within OPM and provides OPM program offices with the full range of infrastructure and information management services to enable OPM to build mission capacity. The CIO provides innovative technologies and IT services by: directing the implementation of the agency's IT architecture to ensure integration of IT components with each other, including reviews to ensure design consistency and compliance with federal standards; outlining the long-term strategic architecture and systems plans for the agency and through the agency IT capital planning process; managing compliance with oversight directives, including IT security and privacy programs for the Agency; managing government-wide and agency-specific programs in such areas as records management, forms management, and paperwork reduction, to ensure information and records under OPM's control are managed in the interests of the American public; working with other agencies on government-wide projects, such as e-Government; and leading the development of long-range IT human resource (HR) strategies for the Government as a whole.

The CIO's leadership of core IT infrastructure assets provides the backbone of OPM's business and management applications. Core IT assets are managed in CIO and include the following core mission areas: Network Management, Application Systems, Benefits Systems, and the OPM Data Center. The CIO also incorporates agency Enterprise Architecture, IT Security and Privacy, Records Management, Quality Assurance, and IT Investment Management through which all of our IT investments are managed in an oversight capacity. The CIO supports and manages pre and post implementation reviews of major IT programs and projects as well as project tracking at critical review points through the Investment Review Board (IRB). The CIO provides oversight of major IT acquisitions to ensure they are consistent with agency architecture and reflected in the IT budget. These interrelated core activities support the OPM mission and enable the CIO to provide solutions to all of OPM's programs as well as partner with internal and external stakeholders to ensure mission success.

Core agency infrastructure support, asset management, and policy compliance activities are largely funded through OPM's common services resources in the following table.

## CIO Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011		FY 2012		FY 2013		FY 2012-13	
	Enacted		Enacted		Request		Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$1,996,000	12.0	\$2,000,000	13.0	\$2,000,000	13.0	\$0	0.0
Salaries & Expenses - Multi-year	\$7,257,456	8.0	\$0	0.0	\$0	0.0	\$0	0.0
Salaries & Expenses - No-year	\$0	0.0	\$7,420,000	6.8	\$7,420,000	6.8	\$0	0.0
Common Services	\$39,682,000	121.0	\$34,976,000	132.2	\$37,196,000	132.2	\$2,220,000	0.0
Trust Fund Annual	\$6,681,000	35.0	\$6,799,000	30.0	\$6,694,000	30.0	(\$105,000)	0.0
<b>Total Appropriated</b>	<b>\$55,616,456</b>	<b>176.0</b>	<b>\$51,195,000</b>	<b>182.0</b>	<b>\$53,310,000</b>	<b>182.0</b>	<b>\$2,115,000</b>	<b>0.0</b>
5 USC 8348 (a)(1)(B) - Mandatory Authority	\$2,003,000	2.0	\$2,003,000	2.0	\$2,003,000	2.0	\$0	0.0
Revolving Fund - HRLOB	\$3,000,000	0.0	\$3,000,000	0.0	\$3,000,000	0.0	\$0	0.0
Revolving Fund - EHRI	\$72,094,000	7.0	\$75,525,000	8.2	\$64,956,000	7.0	(\$10,569,000)	(1.2)
Revolving Fund - Investigative	\$3,256,000	17.0	\$3,256,000	28.6	\$3,256,000	28.6	\$0	0.0
<b>Total Non-Appropriated</b>	<b>\$80,353,000</b>	<b>26.0</b>	<b>\$83,784,000</b>	<b>38.8</b>	<b>\$73,215,000</b>	<b>37.6</b>	<b>(\$10,569,000)</b>	<b>(1.2)</b>
<b>Total (dollars)</b>	<b>\$135,969,456</b>	<b>202.0</b>	<b>\$134,979,000</b>	<b>220.8</b>	<b>\$126,525,000</b>	<b>219.6</b>	<b>(\$8,454,000)</b>	<b>(1.2)</b>

### Highlights

The CIO is responsible for the day-to-day operations of OPM's technology infrastructure including: data centers, enterprise applications, data and voice communications, data networks, computer support, mobile device support, and server and mainframe computers. CIO runs the systems that handle 1323 million emails, processed \$56 billion in payment transactions, prevented 42.5 million network intrusions, and managed 4 million Federal investigations.

FY2011 was a very significant year in terms of CIO accomplishments. The CIO solidified many of the changes regarding the role and makeup of the office since OPM's reorganization in FY10. The CIO has succeeded in centralizing IT and IRM functions, ensuring that the agency is compliant with its many legal and regulatory responsibilities. Also, OCIO has worked closely with all OPM program areas to ensure continuity as well as establish strong relationships. FY2011 was also a key year for CIO offices across the federal government as OMB released its 25-point IT Reform Plan in January 2011. Several of the reform areas had important milestones in the first six months of the plan and the CIO met or exceeded deliverable targets for FY11.

In FY2012 and into FY2013, the CIO will continue to provide strategic IT leadership within OPM and provide OPM program offices with the full range of infrastructure and information management services to enable OPM to achieve its mission. The CIO will continue to execute on OMB's 25-point IT Reform

Plan and continue to leverage cost savings and program efficiencies where possible. The CIO will continue to strategically maintain and improve the core agency IT infrastructure and will continue to be a high performing organization and operate as one of the most efficient IT providers in the federal government. The Office of the CIO will also work to further institutionalize the CIO authorities promulgated in OMB Memorandum M-11-29 including governance, commodity IT, program management, and information security as well as provide active leadership on the Federal CIO Council.

Additional FY12 -13 anticipated accomplishments include:

- Completion of the opm.gov website overhaul.
- Completion of the Voice over Internet Protocol (VoIP) system rollout.
- Migration of three existing systems to the cloud.
- First phase of data center consolidation, including cloud migrations above as well as virtualizing additional servers into VM infrastructure (reducing physical footprint and energy consumption).

EHRI and HRLOB anticipated accomplishments are listed in Strategy 3.01 section above.

**CIO Benefits Systems** provides programming and development services for OPM's Retirement Services, Healthcare and Insurance, Actuarial, and Trust Fund financial management programs. Financial Systems provides quantitative and statistical support for retirement system actuary activities. CIO Benefits Systems maintains the Federal Annuity Claims Expert System which is utilized by Retirement Services legal administrative specialists to calculate estimates for employees subject to the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS) Plans. This system is also used to compute annuity and death benefits.

## Strategies

CIO is a contributing organization for the following strategies within OPM's Strategic Plan:

	FY 2013 Request
3.01: Help Agencies Become High Performing Organizations with use of HR Tools	\$75,376,000
Activities Not Directly Mapped to Strategic Plan	\$51,149,000
<b>Total (dollars)</b>	<b>\$126,525,000</b>

## CIO Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$772,000	\$772,000	\$0
Personnel benefits	\$182,000	\$182,000	\$0
Travel and transportation of persons	\$8,000	\$8,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$0	\$0	\$0
Printing and reproduction	\$1,000	\$1,000	\$0
Other services	\$1,034,000	\$1,034,000	\$0
Supplies and materials	\$2,000	\$2,000	\$0
Equipment	\$1,000	\$1,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>
<b>FTE</b>	<b>13.0</b>	<b>13.0</b>	<b>0.0</b>

### CIO No-Year Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$810,000	\$810,000	\$0
Personnel benefits	\$190,000	\$190,000	\$0
Travel and transportation of persons	\$31,000	\$31,000	\$0
Transportation of things	\$1,000	\$1,000	\$0
Communications, utilities, and rent	\$280,000	\$280,000	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$6,062,000	\$6,062,000	\$0
Supplies and materials	\$46,000	\$46,000	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$7,420,000</b>	<b>\$7,420,000</b>	<b>\$0</b>
<b>FTE</b>	<b>6.8</b>	<b>6.8</b>	<b>0.0</b>

### CIO Common Services– Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$14,553,000	\$14,553,000	\$0
Personnel benefits	\$3,567,000	\$3,567,000	\$0
Travel and transportation of persons	\$174,000	\$174,000	\$0
Transportation of things	\$24,000	\$24,000	\$0
Communications, utilities, and rent	\$5,725,000	\$5,725,000	\$0
Printing and reproduction	\$16,000	\$16,000	\$0
Other services	\$7,768,000	\$9,988,000	\$2,220,000
Supplies and materials	\$178,000	\$178,000	\$0
Equipment	\$2,971,000	\$2,971,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$34,976,000</b>	<b>\$37,196,000</b>	<b>\$2,220,000</b>
<b>FTE</b>	<b>132.2</b>	<b>132.2</b>	<b>0.0</b>

## CIO Trust Fund Annual – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$3,857,000	\$3,857,000	\$0
Personnel benefits	\$945,000	\$945,000	\$0
Travel and transportation of persons	\$4,000	\$4,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$52,000	\$52,000	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$1,921,000	\$1,816,000	(\$105,000)
Supplies and materials	\$20,000	\$20,000	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$6,799,000</b>	<b>\$6,694,000</b>	<b>(\$105,000)</b>
<b>FTE</b>	<b>30.0</b>	<b>30.0</b>	<b>0.0</b>





## Chief Financial Officer

OPM requests **\$31,006,000** for the Office of the Chief Financial Officer (CFO), composed of **\$22,188,000** in Common Services, and **\$8,818,000** in Trust Fund Annual resources.

The Office of the Chief Financial Officer provides OPM offices with a full range of financial management services, which includes accounting; financial system operation and management; financial performance measurement and evaluation; oversight of internal controls and risk assessments; and budget and performance planning and reporting.

### CFO Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011		FY 2012		FY 2013		FY 2012-13	
	Enacted		Enacted		Request		Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Common Services	\$24,479,000	84.0	\$24,458,000	98.4	\$22,188,000	99.4	(\$2,270,000)	1.0
Trust Fund - Annual	\$8,982,000	51.0	\$7,827,000	48.0	\$8,818,000	43.6	\$991,000	(4.4)
<b>Total Appropriated</b>	<b>\$33,461,000</b>	<b>135.0</b>	<b>\$32,285,000</b>	<b>146.4</b>	<b>\$31,006,000</b>	<b>143.0</b>	<b>(\$1,279,000)</b>	<b>(3.4)</b>
Revolving Fund	\$3,924,000	6.0	\$3,924,000	9.0	\$0	0.0	(\$3,924,000)	(9.0)
<b>Total Non-Appropriated</b>	<b>\$3,924,000</b>	<b>6.0</b>	<b>\$3,924,000</b>	<b>9.0</b>	<b>\$0</b>	<b>0.0</b>	<b>(\$3,924,000)</b>	<b>(9.0)</b>
<b>Total (dollars)</b>	<b>\$37,385,000</b>	<b>141.0</b>	<b>\$36,209,000</b>	<b>155.4</b>	<b>\$31,006,000</b>	<b>143.0</b>	<b>(\$5,203,000)</b>	<b>(12.4)</b>

### Highlights

In FY 2013, CFO will effectively and efficiently manage the Agency's financial resources. This will be accomplished by continuing to ensure our financial and procurement system (Consolidated Business Information System – CBIS) is operational and remains current with releases and patches from Oracle and CompuSearch which are the platforms that make up our financial and procurement systems. In FY 2012 CFO is completing a financial system upgrade to enhance system performance. Additionally, in FY 2013, we will continue to produce financial reports that are timely and accurate, meeting the needs of our program managers and ensure financial management policies and guidance are current and distributed appropriately. These combined efforts will continue our ability to demonstrate operational efficiency and produce records to maintain a clean audit opinion.

### Strategies

CFO activities do not directly support any one Strategy under OPM's Strategic Plan:

	FY 2013 Request
Activities Not Directly Mapped to Strategic Plan	\$31,006,000
<b>Total (dollars)</b>	<b>\$31,006,000</b>

### CFO Common Services – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$10,702,000	\$10,200,000	(\$502,000)
Personnel benefits	\$2,722,000	\$2,761,000	\$39,000
Travel and transportation of persons	\$41,000	\$54,000	\$13,000
Transportation of things	\$4,000	\$4,000	\$0
Communications, utilities, and rent	\$44,000	\$56,000	\$12,000
Printing and reproduction	\$126,000	\$114,000	(\$12,000)
Other services	\$10,642,000	\$8,781,000	(\$1,861,000)
Supplies and materials	\$104,000	\$120,000	\$16,000
Equipment	\$73,000	\$98,000	\$25,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$24,458,000</b>	<b>\$22,188,000</b>	<b>(\$2,270,000)</b>
<b>FTE</b>	<b>98.4</b>	<b>99.4</b>	<b>1.0</b>

### CFO Trust Fund Annual – Obligations by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$4,377,000	\$4,396,000	\$19,000
Personnel benefits	\$1,209,000	\$1,299,000	\$90,000
Travel and transportation of persons	\$8,000	\$8,000	\$0
Transportation of things	\$1,000	\$1,000	\$0
Communications, utilities, and rent	\$3,000	\$3,000	\$0
Printing and reproduction	\$1,000	\$3,000	\$2,000
Other services	\$2,162,000	\$3,027,000	\$865,000
Supplies and materials	\$37,000	\$37,000	\$0
Equipment	\$29,000	\$44,000	\$15,000
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$7,827,000</b>	<b>\$8,818,000</b>	<b>\$991,000</b>
<b>FTE</b>	<b>48.0</b>	<b>43.6</b>	<b>(4.4)</b>

## Executive Services

Executive Services is composed of the following offices/functions:

Office of the Director, Executive Secretariat & Ombudsman, Chief Human Capital Officers Council, Communications and Public Liaison, Congressional and Legislative Affairs, Office of the General Counsel, Internal Oversight and Compliance, Equal Employment Opportunity, Federal Prevailing Rate Advisory Committee, and the Present's Commission on White House Fellows. Additionally, OPM centrally finances rent, and other items for appropriation financed components of the agency. These costs are included in this section.

OPM's budget request for Executive Services will be used to fund these organizations which provide their support in OPM's execution of its Strategic Plan..

### Executive Services Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$18,470,304	9.0	\$15,564,065	6.0	\$10,691,000	6.0	(\$4,873,065)	0.0
Common Services	\$18,627,000	116.0	\$20,054,008	121.0	\$18,640,000	118.0	(\$1,414,008)	(3.0)
Trust Fund Annual	\$17,760,524	0.0	\$13,101,000	0.0	\$15,000,000	0.0	\$1,899,000	0.0
<b>Total Appropriated</b>	<b>\$54,857,828</b>	<b>125.0</b>	<b>\$48,719,073</b>	<b>127.0</b>	<b>\$44,331,000</b>	<b>124.0</b>	<b>(\$4,388,073)</b>	<b>(3.0)</b>
Advance & Reimbursement	\$821,000	2.0	\$821,000	2.5	\$821,000	2.5	\$0	0.0
Revolving Fund	\$628,000	4.0	\$571,000	4.0	\$593,000	4.0	\$22,000	0.0
<b>Total Non-Appropriated</b>	<b>\$1,449,000</b>	<b>6.0</b>	<b>\$1,392,000</b>	<b>6.5</b>	<b>\$1,414,000</b>	<b>6.5</b>	<b>\$22,000</b>	<b>0.0</b>
<b>Total (dollars)</b>	<b>\$56,306,828</b>	<b>131.0</b>	<b>\$50,111,073</b>	<b>133.5</b>	<b>\$45,745,000</b>	<b>130.5</b>	<b>(\$4,366,073)</b>	<b>(3.0)</b>

### Strategies

Executive Services' activities do not directly support any one Strategy under OPM's Strategic Plan:

	FY 2013 Request
Activities Not Directly Mapped to Strategic Plan	\$45,745,000
<b>Total (dollars)</b>	<b>\$45,745,000</b>

### Executive Services Salaries and Expenses – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$853,564	\$857,466	\$3,902
Personnel benefits	\$220,642	\$221,737	\$1,095
Travel and transportation of persons	\$46,000	\$51,000	\$5,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$11,736,500	\$9,324,000	(\$2,412,500)
Printing and reproduction	\$4,000	\$3,500	(\$500)
Other services	\$2,689,565	\$207,500	(\$2,482,065)
Supplies and materials	\$7,000	\$7,500	\$500
Equipment	\$6,794	\$18,297	\$11,503
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$15,564,065</b>	<b>\$10,691,000</b>	<b>(\$4,873,065)</b>
<b>FTE</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>

### Executive Services Common Services – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$13,043,400	\$13,601,980	\$558,580
Personnel benefits	\$3,395,571	\$3,626,326	\$230,755
Travel and transportation of persons	\$205,000	\$189,223	(\$15,777)
Transportation of things	\$1,200	\$1,200	\$0
Communications, utilities, and rent	\$450,173	\$451,648	\$1,475
Printing and reproduction	\$45,593	\$56,024	\$10,431
Other services	\$2,530,408	\$357,551	(\$2,172,857)
Supplies and materials	\$245,363	\$244,917	(\$446)
Equipment	\$137,300	\$111,131	(\$26,169)
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$20,054,008</b>	<b>\$18,640,000</b>	<b>(\$1,414,008)</b>
<b>FTE</b>	<b>121.0</b>	<b>118.0</b>	<b>(3.0)</b>

## Executive Services Trust Funds – Budget by Object Class (dollars)

Object Class	FY 2012 Enacted	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$0	\$0	\$0
Personnel benefits	\$0	\$0	\$0
Travel and transportation of persons	\$0	\$0	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$12,101,000	\$15,000,000	\$2,899,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$1,000,000	\$0	(\$1,000,000)
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$13,101,000</b>	<b>\$15,000,000</b>	<b>\$1,899,000</b>
<b>FTE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Office of the Director (OD)

### OD Resource Summary - all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012–13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Common Services	\$3,294,000	18.0	\$3,745,000	17.0	\$3,295,000	17.0	(\$450,000)	0.0
Salaries and Expenses	\$0	0.0	\$250,000	0.0	\$250,000	0.0	\$0	0.0
<b>Total (dollars)</b>	<b>\$3,294,000</b>	<b>18.0</b>	<b>\$3,995,000</b>	<b>17.0</b>	<b>\$3,545,000</b>	<b>17.0</b>	<b>(\$450,000)</b>	<b>0.0</b>

The Office of the Director provides guidance, leadership and direction necessary to make the Federal government the model employer in the United States, and OPM its model agency.

## Executive Secretariat & Ombudsman (ESO)

### ESO Resource Summary - all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012–13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
ESO Common Services	\$1,699,000	12.0	\$1,750,000	12.0	\$1,550,000	11.0	(\$200,000)	(1.0)
<b>Total (dollars)</b>	<b>\$1,699,000</b>	<b>12.0</b>	<b>\$1,750,000</b>	<b>12.0</b>	<b>\$1,550,000</b>	<b>11.0</b>	<b>(\$200,000)</b>	<b>(1.0)</b>

The Office of the Executive Secretariat and Ombudsman (ESO) is responsible for the administrative support of the Office of the Director (Chief Human Capital Officer's Council), Diversity & Inclusion, Congressional and Legislative Affairs, Communications and Public Liaison, Equal Employment Opportunity, Internal Oversight & Compliance, Federal Prevailing Rate and Advisory Council and some assistance is provided to the President's Commission on White House Fellows. Support includes coordination and review of agency correspondence, policy and program proposals, regulations and legislation. ESO is also responsible for the Agency Ombudsman function to provide a neutral, independent and confidential resource for customers and employees of OPM to raise issues of concern or complaints that their requests are not being addressed in a timely manner. In addition, ESO coordinates the OPM international affairs activities and contacts.

## Chief Human Capital Officers Council (CHCO)

### CHCO Council Resource Summary - all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
CHCO Advance & Reimbursement	\$821,000	2.0	\$821,000	2.5	\$821,000	2.5	\$0	0.0
<b>Total (dollars)</b>	<b>\$821,000</b>	<b>2.0</b>	<b>\$821,000</b>	<b>2.5</b>	<b>\$821,000</b>	<b>2.5</b>	<b>\$0</b>	<b>0.0</b>

The Chief Human Capital Officers Council (CHCO) advises and coordinates the activities of members' agencies on such matters as the modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations. The CHCO Council is financed from contributions from all CHCO Act agencies.

With OPM's leadership on the CHCO council, it has been identified as the most effective working group in government, with clear goals and a track record of high productivity and accountability. The CHCO Council is a proud partner of the Feds Feed Families food drive, which collected over 5.7 million pounds of food for local food banks across the country.

## Communications and Public Liaison (CPL)

### CPL Resource Summary - all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
CPL Common Services	\$2,369,000	17.0	\$2,480,000	16.0	\$2,220,000	16.0	(\$260,000)	0.0
<b>Total (dollars)</b>	<b>\$2,369,000</b>	<b>17.0</b>	<b>\$2,480,000</b>	<b>16.0</b>	<b>\$2,220,000</b>	<b>16.0</b>	<b>(\$260,000)</b>	<b>0.0</b>

The Communications and Public Liaison office coordinates a comprehensive effort to inform the public of the President's and the Director's goals, plans and activities through various media outlets. Also, CPL provides the American public, Federal agencies and its stakeholders with accurate information to aid in planning and decision-making. Lastly, CPL is responsible for the planning and coordination of all printed materials generated within OPM and develops briefing materials for Congress, the Director, and other OPM officials.

## Congressional and Legislative Affairs (CLA)

### CLA Resource Summary - all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
CLA Common Services	\$2,859,000	16.0	\$2,710,000	19.0	\$2,710,000	19.0	\$0	0.0
<b>Total (dollars)</b>	<b>\$2,859,000</b>	<b>16.0</b>	<b>\$2,710,000</b>	<b>19.0</b>	<b>\$2,710,000</b>	<b>19.0</b>	<b>\$0</b>	<b>0.0</b>

Congressional and Legislative Affairs (CLA) advocates for the legislative and policy priorities of the Director and the Administration. CLA is the focal point for all congressional and legislative activities for OPM. CLA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. CLA also counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters.

CLA staff accomplishes its mission by keeping informed of issues related to Federal personnel policy. CLA staffs attend meetings, briefings, mark ups and hearings in order to interact, educate and advice agency and congressional officials. Sensitive and confidential matters are handled accordingly. CLA has three subcomponents that work collaboratively to carry out its mission. They are Congressional Relations, Legislative Analysis, and Constituent Services.

Congressional Relations serves as OPM's principal interface with congressional committees and members of Congress, and is also OPM's congressional and legislative liaison with the White House and the Office of Management and Budget. Legislative Analysis reviews and prepares legislative documents and congressional testimony, and is also responsible for the clearance of testimony, congressional reports, questions for the record and other materials. Constituent Services provides services to members of Congress, their staffs, and active and retired Federal employees by responding to questions and providing opportunities to learn about OPM's retirement, health, and other benefit programs.

In addition, CLA publishes the CLA Quarterly, the Constituent Services Bulletin, and other documents to educate various audiences on what services CLA provides, and legislative and Congressional activities.

## Office of General Counsel (OGC)

### OGC Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
OGC Common Services	\$5,895,000	35.0	\$5,747,000	39.0	\$6,391,000	39.0	\$644,000	0.0
Revolving Fund	\$383,000	2.0	\$348,000	2.0	\$348,000	2.0	\$0	0.0
<b>Total (dollars)</b>	<b>\$6,278,000</b>	<b>37.0</b>	<b>\$6,095,000</b>	<b>41.0</b>	<b>\$6,739,000</b>	<b>41.0</b>	<b>\$644,000</b>	<b>0.0</b>

Office of the General Counsel (OGC) provides expert advisory and legal representation to the Director, Deputy Director, and OPM officials. OGC provides legal advice, and representation to OPM managers and leaders so they can ensure the Federal Government has an effective civilian workforce. OGC performs this by rendering opinions, providing advice, reviewing proposed policies, regulations legislative initiatives, executive orders, and other work products and commenting on their legal efficacy, serving as agency representatives in administrative litigation, and supporting the Department of Justice in its representation of the Government on matters concerning the civilian workforce. OGC is also

responsible for OPM’s ethics program, the disposition of certain claims and garnishment issues, and the disposition of appeals from OPM decisions concerning requests under the Freedom of Information and Privacy Acts.

## Internal Oversight and Compliance (IOC)

### IOC Resource Summary - all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012–13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
IOC Common Services	\$1,531,000	10.0	\$1,532,000	10.0	\$1,532,000	9.0	\$0	(1.0)
<b>Total (dollars)</b>	<b>\$1,531,000</b>	<b>10.0</b>	<b>\$1,532,000</b>	<b>10.0</b>	<b>\$1,532,000</b>	<b>9.0</b>	<b>\$0</b>	<b>(1.0)</b>

The Office of Internal Oversight and Compliance (IOC) proactively provides internal oversight while holding OPM officials accountable for operating effectively and efficiently in accordance with applicable policy, regulations and other criteria as further defined by the Director of OPM.

FY 2013 we will strive for continuous improvement, pursuing our goal of being the model in the Federal government for effectively managing the resolution of audit recommendations and strengthening operational performance. We will provide advice and assistance to program office managers and staff in responding to engagements and inquires, and preparing responses to draft finding and recommendations. IOC will continue to support GAO and OIG in facilitating their OPM audit activities, addressing information request and enduring timely response to request for comment and report review. IOC will also continue to strengthen the IOC program review capability to improve the efficiency or effectiveness of selected OPM programs.

## Equal Employment Opportunity (EEO)

### EEO Resource Summary - all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012–13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
EEO Common Services	\$980,000	8.0	\$982,000	8.0	\$942,000	7.0	(\$40,000)	(1.0)
Revolving Fund	\$245,000	2.0	\$223,000	2.0	\$245,000	2.0	\$22,000	0.0
<b>Total (dollars)</b>	<b>\$1,225,000</b>	<b>10.0</b>	<b>\$1,205,000</b>	<b>10.0</b>	<b>\$1,187,000</b>	<b>9.0</b>	<b>(\$18,000)</b>	<b>(1.0)</b>

The mission of Equal Employment Opportunity (EEO) is to promote equal employment opportunity and diversity, to retain and honor a world-class workforce to serve the American People. EEO’s primary responsibility is to provide a fair, legally-correct and expedient EEO complaints process that includes EEO counseling, Alternative Dispute Resolution, intake, investigations, adjudications and appellate actions. Other responsibilities include monitoring and promoting diversity and inclusion within OPM.

In FY 2013 EEO will publish a quarterly MD-715 Report to advise Director and Associate Directors of the state of EEO, implement Phase I of the EEO Affirmative Employment Program, and provide updated training on the recently implemented Genetic Discrimination Act and revised Americans with Disabilities Act. EEO will begin planning for online training of employees for required EEO training and MD-715 training for supervisors and hiring managers. EEO will also implement Harassment Prevention program.



## Federal Prevailing Rate Advisory Committee (FPRAC)

### FPRAC Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
FPRAC Salaries & Expenses	\$247,000	1.0	\$247,000	1.0	\$247,000	1.0	\$0	0.0
<b>Total (dollars)</b>	<b>\$247,000</b>	<b>1.0</b>	<b>\$247,000</b>	<b>1.0</b>	<b>\$247,000</b>	<b>1.0</b>	<b>\$0</b>	<b>0.0</b>

The Federal Prevailing Rate Advisory Committee studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title 5, United States Code, and advises the Director of OPM on the administration of the pay system that covers approximately 230,000 blue-collar Federal employees.

## President's Commission on White House Fellows (WHF)

### WHF Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
WHF Salaries & Expenses	\$871,000	4.0	\$873,000	5.0	\$873,000	5.0	\$0	.0
<b>Total (dollars)</b>	<b>\$871,000</b>	<b>4.0</b>	<b>\$873,000</b>	<b>5.0</b>	<b>\$873,000</b>	<b>5.0</b>	<b>\$0</b>	<b>0</b>

The White House Fellow program was established under Executive Order 11183. The President's Commission on White House Fellowships (WHF) program is responsible for providing gifted and highly motivated Americans with firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of society. The Executive Order requires OPM to provide administrative assistance to the Commission.

The program attracts a broad range of qualified applicants and participants receive valuable leadership development and public service opportunities.



# Office of the Inspector General

The OPM's Office of the Inspector General (OIG) is **requesting \$25,404,000** for its fiscal year 2013 budget. Our request is comprised of our FY 2012 enacted funding level of **\$24,316,000** for our current areas of oversight and responsibility plus a new funding request for **\$1,088,000** and **6 FTE** for the startup of oversight of OPM's implementation of the Patient Protection and Affordable Care Act (ACA), including the Indian Health Care Improvement Reauthorization and Extension Act of 2009 (IHCIREA), which was enacted as part of the ACA. Our request includes **\$4,232,000** from the Salaries and Expenses (S&E) General Fund and **\$21,172,000** from the OPM Trust Fund.

## **New Responsibilities under the Affordable Care Act**

The ACA was signed into law on March 23, 2010. In accordance with ACA, OPM is to contract with health insurance issuers to offer Multi-State qualified health plans through Exchanges run by each State. OPM will contract with at least two Multi-State qualified health plans (MSPs) that will offer health insurance coverage for purchase to individuals and small employers through Exchanges beginning in January 2014. OPM is to operate this program similar to the FEHBP. However, FEHBP funding must not be used to administer and provide oversight of this program.

Our office will be partnering with the Department of Health and Human Services to implement the Level Playing Field provisions of the ACA. Of specific concern to the OIG is one of the enumerated areas, fraud and abuse. These provisions will impact the drafting of the Multi-State Plan Program (MSPP) contracts in the area of fraud and abuse control requirements and will impact the ability of the OIG to provide oversight to the MSPP. Additionally, the new funds will enable the startup implementation of investigation, audit and corresponding information technology (IT) resources to perform the necessary duties involved in oversight of the Affordable Care Act, or specifically the Multi-State plans.

One of our greatest challenges at this time is the many unknowns associated with the ACA. For example, we simply do not know how many MSPs there will be in 2014 or how many beneficiaries will enroll in the MSPs. The Congressional Budget Office (CBO) estimates that 26 million beneficiaries will obtain insurance through the Exchanges, rising to 30 million by 2019.

## **Impact of the FY 2013 Passback Funding Levels**

### **Background:**

The FY 2013 OMB Passback Funding Level is \$25,404,000, which is built upon the FY 2012 Enacted Funding Level of \$24,316,000 plus new funding of \$1,088,000 from the S&E General Fund for the implementation of the ACA oversight.

### **Impact:**

During a time of fiscal austerity in the Federal government, we did not appeal the lack of funding for pay and inflationary increases on our operation. Without funding for pay and inflationary increases for three years, the OIG must continue to absorb these cost increases within its current operational funding levels. The vast majority of the OIG appropriation is used for personnel compensation. The impact of absorbing pay and inflationary increases from FY 2011 through FY 2013 equates to a reduction of approximately five FTEs overall in addition to other operational cutbacks and efficiencies in areas of training, travel, and information technology. We have been able, to date, to backfill some of the vacated positions at a significantly lower grade level, which reduces our expenditures for several years, but also reduces our on board experience level for several years. With historically low attrition and no projected retirements known for FY 2012, achieving these reductions may be more difficult. The increases in personnel

compensation are due primarily to the mandatory career ladder promotions and step increases for our staff. If a cost of living increase is approved for Federal employees in FY 2013, the impact of absorbing pay inflation will be much greater and could require our office to explore involuntary separations, buyouts and other means to achieve the reductions.

In addition, the overall impact of the reductions without factoring in a cost of living increase includes the potential for lost positive financial impact of approximately \$10 million for the Federal government and the American taxpayers; increased health and safety risks within the Federal Employees Health Benefits Program (FEHBP); less oversight to identify and combat improper payments in OPM's large benefit programs; and increased National Security risks due to our inability to work some cases of fraud and abuse within the Federal background investigations program.

### Office of the Inspector General Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2011 Results		FY 2012 Enacted		FY 2013 Request		FY 2012-13 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$3,141,704	7.0	\$3,142,000	17.0	\$4,232,000	23.0	\$1,090,000	6.0
Trust Fund Annual	\$21,172,570	119.0	\$21,174,000	117.0	\$21,172,000	116.0	(\$2,000)	(1.0)
<b>Total Appropriated (dollars)</b>	<b>\$24,314,274</b>	<b>126.0</b>	<b>\$24,316,000</b>	<b>134.0</b>	<b>\$25,404,000</b>	<b>139.0</b>	<b>\$1,088,000</b>	<b>5.0</b>

\* Updated FY2011 FTE based on actuals submitted to OMB for year-end. Actual on-board FTE level was 134 at FY2011 year-end, with a lower number represented in the table due to prorating FTE count with hiring in the last half of the FY, after the enactment of the budget.

### Program Overview

The Office of the Inspector General was established as a statutory entity on April 16, 1989. It operates under the authority of the Inspector General Act of 1978 (P.L. 95-452) and the 1988 amendments (P.L. 100-504).

The IG Act requires that each OIG:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations;
- Promote economy, effectiveness, and efficiency within the agency;
- Prevent and detect fraud, waste, and abuse in agency programs and operations;
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations; and
- Keep the agency head and Congress fully and currently informed of problems in agency programs and operations.

The three core organizational units within the OIG are the audit, investigation, and the FEHBP administrative sanction programs. Specific activities include:

### Audits

**Experience-Rated Federal Employees Health Benefits Program (FEHBP) Audits.** Conduct audits of experience-rated health plans (fee-for-service, with the most popular being the various Blue Cross and Blue Shield plans) participating in the Federal Employees Health Benefits Program. The universe of experience-rated plans currently consists of approximately 95 audit sites. When auditing these plans, the

focus is generally on three key areas: the legitimacy of contract charges and the recovery of appropriate credits, including refunds; the effectiveness of carriers' claims processing, financial, and cost accounting systems; and the adequacy of internal controls to ensure proper contract charges and benefit payments.

**Community-Rated FEHBP Audits.** Conduct audits of community-rated health plans (comprehensive medical plans, commonly referred to as health maintenance organizations [HMOs]) participating in the FEHBP. The community-rated HMO audit universe covers approximately 140 rating areas. Audits of these plans are designed to ensure the plans assess the appropriate premium rates in accordance with their respective FEHBP contracts and applicable Federal regulations.

**Pharmacy Benefit Manager (PBM) Audits.** Pharmaceutical-related expenditures comprise approximately 29 percent of all FEHBP costs, or over \$13 billion in 2012, most of them handled through third-party PBMs. The OIG conducts a series of audits that deal directly with PBMs. Based on experience and results to date, these audits will identify significant findings related to the handling of the complex series of refunds, rebates, credits, and incentives that characterize the relationships among pharmaceutical manufacturers, PBMs, health insurance carriers, and the FEHBP.

**Financial Statement Audits.** Each year, the agency contracts with an independent public accounting firm to perform the Office of Personnel Management's consolidated financial statements audit. The OIG monitors the firm's performance to ensure all work was conducted in accordance with the contract and in compliance with government auditing standards and other authoritative references pertaining to OPM's financial statements.

**Performance Audits.** Performance audits provide an independent assessment of how well the OIG operates its various programs and activities. Two types of performance audits are conducted: economy and efficiency audits, and program audits. Economy and efficiency audits determine whether the agency is acquiring and managing resources prudently and proficiently, and whether the agency has complied with laws and regulations relating to its operations. Program audits determine the extent to which the desired results or benefits established by Congress or other authorizing bodies are being achieved; the effectiveness of organizations, programs, activities, or functions; and the agency's compliance with significant laws and regulations.

**Pre- and Post-Award Contract Audits.** Pre-award contract audits are conducted to ensure a bidding contractor is capable of meeting contractual requirements, assess whether estimated costs are realistic and reasonable, and determine if the contract complies with all applicable Federal regulations. Post-award audits are conducted to ensure costs claimed to have been incurred, are accurate and in accordance with Federal contract regulations.

**Information Systems Audits.** Information systems audits are conducted of health and life insurance carriers that participate in the FEHBP and the Federal Employees Group Life Insurance Program. The agency's computer systems development and management activities are also audited. These audits cover both general controls (the policies and procedures that apply to an entity's overall computing environment) and application controls (those directly related to individual computer applications).

**FEHBP Data Warehouse.** The OIG will continue to operate its FEHBP claims data warehouse in 2012. The data warehouse streamlines and enhances the various administrative and analytical procedures involved in the oversight of the FEHBP. This project captures data from experience-rated insurance carriers in a data warehouse of health care information. The system's software tools support a variety of analytical procedures, including data mining, using the data in the warehouse. The project has facilitated more efficient and effective oversight of the FEHBP by enhancing the ability of auditors and investigators to identify improper payments.

The OIG has agreed to assist OPM in developing and implementing an FEHB data warehouse and will host it within OIG's existing IT infrastructure. This approach will save OPM significant setup time and costs, as well as ongoing operating costs. Sharing costs associated with common data warehouse

functions should also make OIG IT operations more affordable and allow for the critically needed expansion of the automated audit tools and techniques.

**Combined Federal Campaign Audits.** Audits of the Combined Federal Campaign focus on the eligibility of participating local charities and local campaigns' compliance with Federal regulations and OPM guidelines, as well as testing financial records of the various local campaigns.

## **Investigations**

**FEHBP Investigations.** The OIG investigates potential fraud committed against the Federal Employees Health Benefits Program. Much of this work is coordinated with the Department of Justice, the Federal Bureau of Investigation, and other Federal, state, and local law enforcement agencies. In addition, OIG special agents work closely with the numerous health insurance carriers participating in the FEHBP, providing an effective means for reporting instances of possible fraud by FEHBP health care providers and subscribers. Our efforts target cases of maximum exposure within the FEHBP as a means of protecting enrollees and their families as well as recovering millions of dollars to the trust fund.

**Retirement Investigations.** The OIG conducts investigations of potential fraud associated with the Civil Service Retirement System and the Federal Employees Retirement System. Proactive efforts to identify fraud within these programs takes two forms: (1) retirement annuity records are routinely reviewed for indications of unusual circumstances; and (2) contact with the Federal annuitant population is maintained, including through telephone calls and on-site visits to the homes of annuitants listed in OPM's retirement records. The OIG also works cases of potential fraud referred to our office through our hotlines or from the OPM program and quality assurance offices.

**Revolving Fund Investigations.** The Revolving Fund (RF) programs are the most rapidly growing OPM component and employ the majority of OPM employees. OPM projects RF expenditures over \$1.7 billion in FY 2013. For the Federal background investigation portion of the RF, the risks are inherent in a widely dispersed program where much of the work is performed by background investigators in a setting where they are not directly subject to face-to-face supervision, but whose work product is relied upon as the basis for crucial governmental decisions. The vulnerabilities of the background investigations program lie not only in the fact that fraudulent, falsified, incomplete, or incorrect background investigations represent a poor quality work product, but rather that they may render the national security vulnerable by allowing the employment of unsuitable persons or the granting of security clearances to individuals who would compromise the national security of the United States.

**Other Investigations.** Potential instances of fraud against OPM's non-Trust Fund program activities, along with employee misconduct and other wrongdoing, are also investigated.

## **Administrative Sanctions**

Under authority delegated from the agency head, the OIG debars and suspends health care providers whose actions indicate they present a threat to the integrity of the FEHBP. This is accomplished through authorities established by the Federal Employees Health Care Protection Act of 1998 (P.L. 105-226). This legislation gives the OIG the ability to issue sanctions—including suspensions, debarment, and financial assessments of health care providers—for violations committed against the FEHBP, even if there is no indication that offenses occurred in other Federal health care programs.

**Office of the Inspector General Salaries and Expenses – Obligations by Object Class (dollars)**

Object Class	FY 2012 Budget	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$2,128,000	\$2,990,000	\$862,000
Personnel benefits	\$500,000	\$600,000	\$100,000
Travel and transportation of persons	\$50,000	\$70,000	\$20,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$238,000	\$312,000	\$74,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$156,000	\$156,000	\$0
Supplies and materials	\$30,000	\$35,000	\$5,000
Equipment	\$40,000	\$69,000	\$29,000
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$3,142,000</b>	<b>\$4,232,000</b>	<b>\$1,090,000</b>
<b>FTE</b>	<b>17.0</b>	<b>23.0</b>	<b>6.0</b>

**Office of the Inspector General Trust Fund – Obligations by Object Class (dollars)**

Object Class	FY 2012 Budget	FY 2013 Request	FY 2012–13 Variance
Personnel compensation	\$13,860,000	\$14,036,000	\$176,000
Personnel benefits	\$3,474,000	\$3,490,000	\$16,000
Travel and transportation of persons	\$790,000	\$700,000	(\$90,000)
Transportation of things	\$20,000	\$10,000	(\$10,000)
Communications, utilities, and rent	\$1,630,000	\$1,630,000	\$0
Printing and reproduction	\$20,000	\$18,000	(\$2,000)
Other services	\$1,100,000	\$1,030,000	(\$70,000)
Supplies and materials	\$180,000	\$170,000	(\$10,000)
Equipment	\$100,000	\$88,000	(\$12,000)
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$21,174,000</b>	<b>\$21,172,000</b>	<b>(\$2,000)</b>
<b>FTE</b>	<b>117.0</b>	<b>116.0</b>	<b>(1.0)</b>

## Office of the Inspector General Objectives

### Office of the Inspector General, Oversight

Program Outcome	Performance Measures	FY 2010	FY 2011	FY 2012	FY 2013		
		Result	Result	Target	Target		
OPM is a model of performance for other Federal agencies	Return on investment	\$3*	\$7	\$6	\$6		
	Carrier audit cycle (years)	3.2**	3.9	4.0	4.0		
	FEHBP audit recovery rate	71%***	73%	80%	90%		
	Positive financial impact****	\$120.7M	\$137.0M*	\$130.0M	\$130.0M		
<b>Budgetary Resources</b>							
		<b>FY 2012 Budget</b>		<b>FY 2013 Request</b>		<b>FY 2012-13 Variance</b>	
<b>Fund</b>		<b>\$</b>	<b>FTE</b>	<b>\$</b>	<b>FTE</b>	<b>\$</b>	<b>FTE</b>
OIG Salaries & Expenses		\$1,750,000	10.0	\$2,450,000	14.0	\$700,000	4.0
OIG Trust Funds Annual		\$13,650,000	78.0	\$13,800,000	78.0	\$150,000	0.0
<b>Total (dollars)</b>		<b>\$15,400,000</b>	<b>88.0</b>	<b>\$16,250,000</b>	<b>92.0</b>	<b>\$850,000</b>	<b>4.0</b>

\* In addition to financial returns to the OPM Trust Funds, the OIG's investigative activity also results in positive financial returns to the General Treasury. These amounts are now reflected in our Semi-Annual Report (SAR) to Congress as Fines, Penalties, Assessments, and Forfeitures in the chart entitled "Statistical Summary of Enforcement Activities." In our SARs from FY 2011, the amounts recorded total **\$859,941,856**. This figure includes asset forfeitures and court assessments and/or fees resulting from criminal investigations conducted by our office. Many of these criminal investigations were conducted jointly with other Federal agencies, who share the credit for the fines, penalties, assessments, and forfeitures. At this time this amount is not factored into our Return on Investment or Positive Financial Impact measures since these measures reflect only those dollars to be returned to the OPM Trust Funds.

\*\* This measure includes the Wellpoint audit where 14 audit sites were completed as one consolidated audit. If these were counted as one instead of 14, the audit cycle would be 3.6.

\*\*\* The FEHBP Audit Recovery Rate is a five year rolling average of the amount recovered plus the remaining receivable balance. As such, the reported result for a year may change slightly in following years if, for example, some of the receivable is written-off as unrecoverable.

\*\*\*\* Positive financial impact shown is calculated as a five-year average.

### Office of the Inspector General, Enforcement

Program Outcome	Performance Measures	FY 2010	FY 2011	FY 2012	FY 2013		
		Result	Result	Target	Target		
OPM is a model of performance for other Federal agencies	Number of arrests	75	46	60	60		
	Number of indictments	80	64	60	60		
	Number of convictions	107	63	60	60		
	Number of debarments and suspensions	682	770	800	800		
<b>Budgetary Resources</b>							
		<b>FY 2012 Budget</b>		<b>FY 2013 Request</b>		<b>FY 2012-13 Variance</b>	
<b>Fund</b>		<b>\$</b>	<b>FTE</b>	<b>\$</b>	<b>FTE</b>	<b>\$</b>	<b>FTE</b>
OIG Salaries & Expenses		\$1,392,000	7.0	\$1,782,000	9.0	\$390,000	2.0
OIG Trust Funds Annual		\$7,522,000	39.0	\$7,372,000	38.0	(\$150,000)	(1.0)
<b>Total (dollars)</b>		<b>\$8,914,000</b>	<b>46.0</b>	<b>\$9,154,000</b>	<b>47.0</b>	<b>\$240,000</b>	<b>1.0</b>



The following information is provided to adhere to requirements of the Inspector General Reform Act of 2008 (P.L. 110-498)

**Participation in Council of the Inspector General on Integrity and Efficiency Resource Summary - includes all resources (dollars)**

Budget Source	FY 2012 Budget		FY 2013 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$6,322	0.0	\$10,822	0.0	\$4,500	0.0
OIG Trust Funds	\$56,899	0.0	\$61,325	0.0	\$4,426	0.0
<b>OIG Total (dollars)</b>	<b>\$63,221</b>	<b>0.0</b>	<b>\$72,147</b>	<b>0.0</b>	<b>\$8,926</b>	<b>0.0</b>

**Office of the Inspector General Training Resources Summary - includes all resources (dollars)**

Budget Source	FY 2012 Budget		FY 2013 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$37,000	0.0	\$75,000	0.0	\$38,000	0.0
OIG Trust Funds	\$220,000	0.0	\$195,000	0.0	(\$25,000)	0.0
<b>OIG Total (dollars)</b>	<b>\$257,000</b>	<b>0.0</b>	<b>\$270,000</b>	<b>0.0</b>	<b>\$13,000</b>	<b>0.0</b>



# Earned Benefit Trust Funds

## Payment Accounts<sup>3</sup>

- Government Payment for Annuitants, Employees Health Benefits
- Government Payment for Annuitants, Employees Life Insurance
- Payment to the Civil Service Retirement and Disability Fund

## Government Payment for Annuitants, Employees Health Benefits

### Government Payment for Annuitants, Employees Health Benefits (millions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2012–13 Variance
Budget Authority	\$10,260	\$10,475	\$11,027	\$552
Obligations	\$10,260	\$10,475	\$11,027	\$552
Outlays	\$10,156	\$10,737	\$10,970	\$233

This appropriation has historically funded the Government’s share of health benefits costs for annuitants and survivors who no longer have an agency to contribute the employer’s share. The Office of Personnel Management requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. This appropriation covers (1) the Government’s share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of title 5, United States Code (2) the Government’s share of the cost of health insurance for annuitants (who were retired when the Federal Employees Health Benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960, and (3) the Government’s contribution for payment of administrative expenses incurred by OPM in administration of the Retired Federal Employees Health Benefits Act.

The budget authority for this account recognizes the amounts being remitted under current law by the U.S. Postal Service to finance a portion of its post-1971 annuitants’ health benefits costs.

Funds appropriated to this account remain available until expended for the purpose of funding the Government’s share of health benefits costs for annuitants and survivors who no longer have an agency to contribute the employer’s share. OPM has the authority to notify the Secretary of the Treasury of “such sums as may be necessary” to carry out these provisions.

<sup>3</sup> The performance goals and measures applicable to the Government payments for annuitants’ health benefits and life insurance, and to the Civil Service Retirement and Disability Fund can be found in Part 3 of this document.

## Government Payment for Annuitants, Employees Life Insurance

### Government Payment for Annuitants, Employees Life Insurance (millions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2012 –13 Variance
Budget Authority	\$45	\$45	\$45	\$0
Obligations	\$45	\$45	\$45	\$0
Outlays	\$45	\$45	\$45	\$0

P.L. 96-427, Federal Employees Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for the purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage (currently \$0.33 per month for each \$1,000 of coverage). As with active Federal employees, the Government is required to contribute one-third of the cost of the premium (currently \$0.17 per month for each \$1,000 of coverage) for basic coverage for annuitants. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution associated with annuitants' post-retirement basic life coverage.

Funds appropriated to this account remain available until expended for the sole purpose of financing post-retirement life insurance benefits. OPM notifies the Secretary of the Treasury of "such sums as may be necessary" to carry out these provisions each fiscal year.

## Payment to the Civil Service Retirement and Disability Fund

### Payment to the Civil Service Retirement and Disability Fund (millions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2012–13 Variance
Budget Authority	\$31,282	\$31,978	\$31,878	(\$100)
Obligations	\$31,282	\$31,978	\$31,878	(\$100)
Outlays	\$31,282	\$31,978	\$31,878	(\$100)

The Payment to the Civil Service Retirement and Disability Fund consists of an appropriation and a permanent indefinite authorization to pay the Government's share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (P.L. 91-93), the Federal Employees Retirement Act of 1986 (P.L. 99-335), and the Civil Service Retirement Spouse Equity Act of 1985 (P.L. 98-615). The payment is made directly from the General Fund of the U.S. Treasury into the Civil Service Retirement and Disability Fund and is in addition to appropriated funds that will be contributed from agency budgets.

The unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C.8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: provided, annuities authorized by the Act of May 29, 1944, and the Act of August 19, 1950 (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

## Detail of Payment Account (millions)

	<b>FY 2011 Actual</b>	<b>FY 2012 Estimate</b>	<b>FY 2013 Estimate</b>	<b>FY 2012–13 Variance</b>
Current Appropriation	\$9,505	\$9,200	\$9,100	(\$100)
Permanent Indefinite Authorization	\$21,700	\$22,700	\$22,700	\$0
Payment for Spouse Equity	\$76	\$76	\$76	\$0
<b>Total (millions)</b>	<b>\$31,282</b>	<b>\$31,978</b>	<b>\$31,878</b>	<b>(\$100)</b>

### Current Appropriation: Payment of Government Share of Retirement Costs

P.L. 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments (COLAs). OPM notifies the Secretary of the Treasury each year of “such sums as may be necessary” to carry out these provisions.

### Permanent Indefinite Authorization:

#### Transfers for Interest on Static Unfunded Liability and Payment of Military

#### Service Annuities

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement System’s current statutory unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service. These values reflect the additional liability for military service credit of former United States Postal Service employees enacted by the Postal Accountability and Enhancement Act (P.L.109-435).

#### Payment for Spouse Equity

The permanent, indefinite authorization also includes a payment in accordance with P.L. 98-615 which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

## Earned Benefit Trust Funds

### Employees Health Benefits Fund & Retired Employees Health Benefits Fund

#### Employees Health Benefits Fund & Retired Employees Health Benefits Fund (millions)

	FY 2011	FY 2012	FY 2013	FY 2012–13
	Actual	Estimate	Estimate	Variance
Start of Year Balance	\$14,070	\$16,587	\$17,746	\$1,159
Receipts from the Public	\$12,784	\$13,041	\$13,987	\$946
Receipts from Federal Sources	\$30,482	\$31,274	\$33,010	\$ 1,736
Interest Earnings	\$286	\$362	\$278	(\$84)
Program Obligations (Mandatory)	\$40,887	\$43,564	\$47,404	\$3,840
Administrative Obligations (Appropriated)	\$ 33	\$32	\$31	(\$1)
Administrative Obligations (Mandatory)	\$2	\$5	\$5	\$0
End of Year Balance	\$16,587	\$17,746	\$17,729	(\$17)

Note: this display combines the FEHB and REHB Funds

### Federal Employees Health Benefits Fund

The Federal Employees Health Benefits (FEHB) Fund is a Trust Revolving Fund created by Federal Employees Health Benefits Act of 1959. The FEHB fund provides for the cost of health benefits for: 1) active employees; 2) employees who retired after June 1960, or their survivors; 3) those annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law 93-246; 4) tribal organizations and 5) the related expenses of OPM in administering the program.

### Retired Employees Health Benefits Fund

The REHB fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for: 1) the cost of health benefits for retired employees and survivors who enroll in a Government-sponsored uniform health benefits plan; 2) the contribution to retired employees and survivors who retain or purchase private health insurance; and 3) expenses of OPM in administering the program. The REHB program is closed to new enrollees, and the population is gradually dwindling. Projected population for FY 2011 is about 500 and FY 2012 is about 400.

The FEHB and REHB funds are financed by: 1) withholdings from active employees and annuitants; 2) agency contributions for active employees; 3) Government contributions for annuitants appropriated to OPM; 4) withholdings from tribal organizations and employees and 5) contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508. Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods. OPM maintains a contingency reserve, funded by employee and Government contributions that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates. In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

The FEHB program directly bears the cost of health services. It is currently difficult to analyze those costs and actively manage the FEHB program to ensure the best value for both Federal employees and

taxpayers as OPM has not routinely collected, or analyzed, program-wide claims data. In FY 2011, OPM began leveraging claims data collected from some FEHB carriers by OPM's Inspector General to implement an interim health claims data warehouse. This interim warehouse will permit us to begin analytical and evaluation projects while a program-wide warehouse is developed and implemented in FY 2012. The ability to collect, manage, and analyze health services data on an ongoing basis will allow OPM to: 1) understand the drivers of cost increases for Federal employees; 2) determine the best approach to developing worksite wellness programs; and 3) model the potential effects of health system reform or environmental changes on Federal employees. This database will build OPM's knowledge base and expertise, and strengthen its ability to strategically shape future benefits design. Over time, this database will result in contained premium growth. The magnitude of the savings is not concrete at this time; however, just a 0.1 percent reduction in annual premium growth for three consecutive years yields savings of approximately \$1.25 billion to the FEHB program over ten years, and more specifically, \$400 million in payments from the Government's general fund for annuitant premiums over the same period.

The Affordable Care Act (ACA) included provisions that impacted the FEHB Program, such as coverage of dependent children to age 26 and preventive care coverage. These were implemented in 2011 contracts. The ACA also incorporated the Indian Health Care Improvement Reauthorization and Extension Act (IHCIREA) of 2009. This Act allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FEGLI) coverage. The Tribal organization enrollments in FEHB will start in May 2012.

### Legislative Proposal, subject to PAYGO

The Budget proposes that the Patent and Trademark Office (PTO) continue to fund the accruing costs associated with post-retirement health benefits for its employees. The Budget also proposes that the Office of Personnel Management be given authority to streamline pharmacy benefit contracting within the FEHB program and leverage enrollees' purchasing power to reduce costs and obtain greater value for enrollees.

## Employees Life Insurance Fund

### Employees Life Insurance Fund (millions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2012-13 Variance
Start of Year Balance	\$36,747	\$38,783	\$40,834	\$2,051
Receipts from the Public	\$2,782	\$2,996	\$3,022	\$26
Receipts from Appropriated Federal Sources	\$514	\$491	\$517	\$26
Receipts from Mandatory Federal Sources	\$45	\$45	\$45	\$0
Interest Earnings	\$1,310	\$1,246	\$1,306	\$60
Program Obligations (Mandatory)	\$2,611	\$2,723	\$2,841	\$118
Administrative Obligations (Discretionary)	\$2	\$2	\$2	\$0
Administrative Obligations (Mandatory)	\$2	\$2	\$2	\$0
End of Year Balance	\$38,783	\$40,834	\$42,879	\$2,045

The Federal Employees' Group Life Insurance Program (FEGLI) was established by passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. The FEGLI Program is an employer-sponsored life insurance trust fund program under which benefit payments are made following the death or dismemberment of employees and retired employees. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, as well as many of their family members. The FEGLI program offers Federal employees the opportunity to purchase

group term life insurance which provides financial protection to beneficiaries in the event of enrollee death or dismemberment. It also strengthens the appeal of Federal government employment for highly qualified applicants, keeping Federal employment competitive with private industry.

This fund finances payments to private insurance companies for Federal employees' group life insurance and expenses of the Office of Personnel Management in administering the program. The Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

Non-Postal Service employees, employees of Tribal organizations, and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies pay the remaining third. Optional and certain post-retirement Basic coverage are paid entirely by enrollees.

The Affordable Care Act (ACA) incorporated the Indian Health Care Improvement Reauthorization and Extension Act (IHCIREA) of 2009. This Act allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FEGLI) coverage. OPM is currently working with tribal organizations to finalize operational details related to the program.

## Civil Service Retirement and Disability Fund

### Civil Service Retirement and Disability Fund (millions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2012-13 Variance
Start of Year Balance	\$774,160	\$797,478	\$817,929	\$20,451
Receipts from the Public	\$3,990	\$4,294	\$4,083	(\$211)
Receipts from Discretionary Federal Sources	\$54,532	\$56,890	\$57,125	\$235
Receipts from Mandatory Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$35,472	\$33,937	\$32,301	(\$1,636)
Program Obligations	\$70,530	\$74,567	\$77,923	\$3,356
Administrative Obligations (Discretionary)	\$102	\$102	\$105	\$3
Administrative Obligations (Mandatory)	\$44	\$0	\$0	\$0
End of Year Balance	\$797,479	\$817,929	\$833,409	\$15,479

The Civil Service Retirement and Disability Fund is the oldest and largest of the four trust funds administered by the Compensation Group. The Fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget Authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must be thus be determined at some future point in time (e.g. when actual receipts and expenses become known).

The Civil Service Retirement and Disability Fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. The Retirement Fund is a single plan even though there are two different benefit tiers and funding methods. CSRS is basically a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a thrift savings plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS.



The Patent and Trademark Office (PTO) will continue to fund the full cost for retirement benefits for PTO's employees covered under the Civil Service Retirement System.

CSRS has been financed under a statutory funding method passed by Congress in 1969. This funding method is based on the "static" economic assumptions of no future inflation, no future general schedule salary increases, and a 5 percent interest rate. Under CSRS, regular employees contribute 7 percent of pay. Law Enforcement Officers, Firefighters, and Congressional employees contribute an extra 0.5 percent of pay, and Members of Congress an extra 1.0 percent of pay. Non-Postal Agencies match the employee contributions. Also under the static funding method for CSRS, the Treasury pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-Postal employees that occurred during the year, and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a "dynamic" entry age funding method as prescribed in Chapter 84 of Title 5, United States Code, and employees and agencies together contribute the full amount of the dynamic normal cost. During fiscal year 2011, the normal cost was 12.5 percent (employees share, 0.8% and employer's share, 11.5%), and for fiscal year 2012, the normal cost is projected to be 12.7% (employees share, 0.8% and employer's share, 11.9%). An extra 0.5 percent of pay is contributed by Law Enforcement Officers, Firefighters, Air Traffic Controllers, Congressional employees, and Members of Congress. This normal cost is for the defined benefit plan only, and does not include the cost of Social Security or the Thrift Plan. FERS regular employees contribute a percentage of salary that is equal to the difference between the contribution rate for CSRS employees, as set forth above, and the tax rate under the Old Age, Survivors and Disability Insurance (OASDI) portion of Social Security, which was 6.2 percent of pay. However, when Public Law 111-312 was enacted in December 2010, which reduced the Social Security payroll tax from 6.2% to 4.2%, it included a provision that maintained FERS employee contribution rates as would have occurred without reduction in the tax.

### **Civil Service Retirement and Disability Fund – Legislative Proposals**

The FY 2013 Budget contains two separate legislative proposals that impact the financing and benefits payable under the Civil Service Retirement System and the Federal Employee Retirement System. The first proposal increases employee contributions to the retirement programs by 1.2% of salaries phased in over three years and eliminates the FERS annuity supplement for employees hired after the date of enactment. The second proposal seeks to provide Federal agencies an additional tool to help ensure continuity of operations and facilitate knowledge management by allowing valued employees to transition into retirement.

The proposal to increase employee contributions to the CSRS and FERS systems and eliminate the FERS annuity supplement has the following impacts:

- (1) Increase Executive Branch Employee contributions to defined benefit retirement systems.

**CSRS Impact** – Beginning in FY 2013, employee contributions to the Civil Service Retirement System would increase by 1.2% of employee salaries phased in over three years. Currently, employee contributions are 7.0% of most employees' salary. This modification would increase the rate to 7.4% in FY 2013, 7.8% in FY 2014, and 8.2% in FY 2015 and beyond. The employer contribution rate would remain at its current rate of 7.0%.

**FERS Impact** – Beginning in FY 2013, employee contributions to the Federal Employee Retirement System would increase by 1.2% of most employees' salary phased in over three years. Currently, employee contributions are 0.8% of an employee's salary. This modification would increase the rate to 1.2% in FY 2013, 1.6% in FY 2014, and 2.0% in FY 2015 and beyond. The employer contribution rate would remain at its current rate of 11.9% through FY 2021. While this proposal maintains the FERS and CSRS employer rate at its current contribution rate, it directs

the amount contributed above normal cost to the reduction of CSRDF's unfunded liability as described below.

- (2) Excess Agency Contributions to be used for purpose of reducing CSRS unfunded liabilities.

CSRS and FERS Impact – This modification would require agency FERS contributions in excess of the amount necessary to satisfy the FERS normal cost percentage (as described in item 1, equaling 0.4% to 1.2% of their FERS employees' basic pay) to be credited to the assets of the Civil Service Retirement System in the CSRDF to reduce the CSRS unfunded liability.

- (3) Elimination of the Federal Employee Retirement System (FERS) annuity supplement for new employees.

FERS Impact – This modification would eliminate the FERS supplemental annuity for new FERS employees (hired after date of enactment) and not required to retire at a mandatory age. The legislative proposal excludes certain classes of employees including law enforcement, firefighters, and air traffic controllers, and does not apply to similar supplemental annuity provisions contained in other retirement systems.

The proposal to give Federal agencies an additional tool to help ensure continuity of operations and facilitate knowledge management by allowing valued employees to transition into retirement has the following benefits:

- (1) It would permit eligible employees, subject to certain limitations, to reduce their work schedules at the end of their careers and receive income from a combination of reduced salary and a partial retirement annuity.
- (2) These individuals would be required to mentor employees, sharing institutional knowledge and helping with succession planning.
- (3) The proposal would encourage experienced employees who are planning to retire to stay with the Federal Government temporarily, in a part-time capacity, while less-experienced employees acquire needed skills and expertise.
- (4) The proposal can reduce the potential disruption in performance of mission-critical functions to agencies that will have to undergo downsizing in the near future.

In addition to the two proposals described above that affect the benefits and financing of the CSRDF, the FY 2013 budget proposes to provide financial relief to the United States Postal Service by refunding \$10.9 billion of FERS contributions that exceed the projected liability for future Postal Service retirees covered under the FERS. The budget proposes refunding half of this amount (\$5.45 billion) in FY 2012, and the remainder FY 2013.

## Postal Service Retiree Health Benefits Fund

### Postal Service Retiree Health Benefits Fund (millions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2012 -13 Variance
Start of Year Balance	\$42,115	\$43,708	\$56,576	\$12,868
Receipts from the Public (Postal Svc)	\$0	\$0	\$0	\$0
Receipts from Discretionary Federal Sources	\$0	\$11,100	\$5,600	(\$5,500)
Receipts from Mandatory Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$1,592	\$1,768	\$1,892	\$124
Program Obligations (Mandatory)	\$0	\$0	\$0	\$0
Administrative Obligations (Discretionary)	\$0	\$0	\$0	\$0
Administrative Obligations (Mandatory)	\$0	\$0	\$0	\$0
End of Year Balance	\$43,708	\$56,576	\$64,068	\$7,492

The Postal Service Retiree Health Benefits Fund (PSRHBF) is a special trust fund established by The Postal Accountability and Enhancement Act of 2006 (P.L. 109-435). It was created to help fully fund the Postal Service's retiree health benefits liabilities, and requires annual payments (defined in the statute) from the Postal Service. Starting in 2017, the "employer" share of the health insurance premiums of Postal Service retirees will be paid from this fund instead of from direct remittances from the Postal Service. The Postal Service frequently attributes some of their current financial difficulties to their required payments to this fund. In FY 2009, Congress reduced the amount of the Postal Service's payment for FY 2009 from \$5.4 billion to \$1.4 billion. Congress also deferred payment of the \$5.5 billion required under P.L. 109-435 in FY 2011 to August 1, 2012.

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108-18) that were held in escrow during 2006; 2) payments defined within P.L. 109-435, and modified by P.L. 111-68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service.

As a result of this health benefits financing system, beginning in 2017, the Postal Service will cease to pay annual premium costs for its post-1971 current annuitants directly to the Employees and Retired Employees Health Benefits Fund. Instead, these premium payments will be paid from amounts that the Postal Service remits to this fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service would continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

The FY 2013 Budget contains a legislative proposal to begin paying premium costs for the Postal Service's post-1971 current annuitants from the PSRHBF immediately (retroactively for all of FY 2012) instead of in 2017 as required under current law. This would eliminate the current need for the Postal Service to make these payments to the Employees and Retired Employees Health Benefits Fund. The proposal would also alter the annual payments that the Postal Service is currently required to pay to the PSRHBF from FY 2012 to FY 2016. Payments required under current law in FY 2017 and beyond would remain unchanged.

## Federal Flexible Spending Risk Reserve Account

### Federal Flexible Spending Account (thousands)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate	FY 2012-13 Variance
Start of Year Balance	\$63,143	\$88,911	\$97,878	\$8,967
Receipts from the Public	\$32,071	\$28,400	\$29,252	\$852
Receipts from Discretionary Federal Sources	\$0	\$0	0	\$0
Receipts from Mandatory Federal Sources	\$17,159	\$4,250	\$4,378	\$128
Program Obligations (Mandatory)	\$23,462	\$23,683	24,431	\$748
End of Year Balance	\$88,911	97,878	\$107,077	\$9,199

This account represents the accumulated balance of fees collected from employing agencies whose employees participate in the FSAFEDS program. These fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to the FSA program administrator when claims against FSA accounts exceed resources contributed to the accounts from participating employees (generally early in the program year). Once account contributions exceed benefits, the FSA program administrator reimburses the reserve account. Account resources are also available for program enhancement, such improvements to the Benefeds enrollment portal.

FSAFEDS is a voluntary tax-advantaged benefit plan. This account also allows the federal employees to pay for eligible out-of-pocket health care and dependent care expenses with the employee's own pre-tax dollars. The average person will save about 30% with after-tax dollars each year.

There are three types of Flexible Spending Accounts: Health Care Spending Accounts (HCFSA), Limited Expense Health Care Flexible Spending Account (LEX HCFSA), and Dependent Care Flexible Spending Account (DCFSA). Each account type currently has a minimum annual election of \$250 and a \$5,000 maximum. In 2013, the maximum annual election amount will decrease to \$2,500.

# Appropriation Language

## Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$90,541,000, of which \$6,004,000 shall remain available until expended for the Enterprise Human Resources Integration project, of which \$642,000 shall be for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management, and of which \$1,416,000 shall remain available until expended for the Human Resources Line of Business project; and in addition \$114,708,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2013, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

## OIG Salaries and Expenses (Including Transfer of Trust Funds)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$4,232,000, and in addition, not to exceed \$21,172,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.



# OPM Participation in E-Gov Activities

## Budget

Budget Source	FY 2012 Enacted		FY 2013 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses	\$244,476	0.0	\$245,519	0.0	\$1,043	0.0
<b>OPM total</b>	<b>\$244,476</b>	<b>0.0</b>	<b>\$245,519</b>	<b>0.0</b>	<b>\$1,043</b>	<b>0.0</b>

## OPM Participation by E-Gov Project

Initiative	FY11 Agency Contributions (Includes In-Kind)	FY11 Agency Service Fees*	FY12 Agency Contributions (Includes In-Kind)	FY12 Agency Service Fees*	FY13 Agency Contributions (Includes In-Kind)	FY13 Agency Service Fees*
Budget Formulation and Execution LOB	\$105,000	\$0	\$105,000	\$0	\$105,000	\$0
E-Rulemaking	\$0	\$101,000	\$0	\$78,789	\$0	\$15,536
E-Travel	\$0	\$260,884	\$0	\$260,884	\$0	\$308,392
Recruitment One-Stop (USAJOBS)	\$0	\$36,132	\$0	\$30,499	\$0	\$41,709
EHRI	\$0	\$197,776	\$0	\$202,464	\$0	\$208,230
Financial Management LOB	\$44,444	\$0	\$44,444	\$0	\$44,444	\$0
Human Resources Management LOB- OPM agency contribution	\$65,217	\$0	\$65,217	\$0	\$65,217	\$0
Integrated Acquisition Environment	\$0	\$123,453	\$0	\$36,132	\$0	\$40,477
Disaster Assistance Improvement Program	\$41,241	\$0	\$29,815	\$0	\$30,858	\$0
Performance Management LOB	\$0	\$0	\$0	\$0	\$0	\$0
<b>OPM Total</b>	<b>\$255,902</b>	<b>\$719,245</b>	<b>\$244,476</b>	<b>\$608,768</b>	<b>\$245,519</b>	<b>\$614,344</b>

\* Agency Service Fees represent the estimated cost of services rendered under complete or nearly complete initiatives.

This section describes the investments OPM is making in e-Government initiatives managed by other Federal agencies. It does not include investments in Government-wide initiatives where OPM is the managing partner.

The e-Gov initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently at a lower price. Instead of expensive “stove-piped” operations, agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs. OPM participates in eight initiatives managed by other Federal agencies. Benefits realized through the use of these initiatives are as follows:

**Budget Formulation and Execution (BFE) LOB (Managing Partners: Department of Energy and Department of Education)** BFE LOB is a collaborative interagency effort to devise strategies that will enable agency and OMB budget personnel to reduce manual processes, improve efficiency and effectiveness, and redirect limited time to a backlog of high-priority analytical activities. BFE LOB has provided invaluable knowledge that has been utilized in considering a budget formulation system for OPM’s current financial management and procurement system implementation, known as CBIS

(Consolidated Business Information System). OPM's current financial system implementation will provide helpful lessons learned to BFE LOB that will contribute to its decisional matrix that agencies can use in assessing budgeting systems. Additionally, it provides agencies the ability to share lessons learned for budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government. In FY 2011, the BFE LOB will provide all agencies with more information about collaboration tools and technologies that can ease communications in the Federal budget environment.

**E-Rulemaking (Managing Partner: Environmental Protection Agency)** OPM is tasked with building a high-quality and diverse Federal workforce. OPM works to ensure Federal agencies adopt human resources management systems that improve their ability to build successful organizations and use effective merit-based human resources strategies to create a rewarding work environment that accomplishes this mission. Regulatory actions are a critical part of OPM's work in meeting its mission. A single online website utilized by e-Rulemaking, the Federal Docket Management System, enables OPM to improve public access to rulemaking material, provides a central location for the Federal workforce to find and comment on regulatory actions that affect their lives, reduces data storage costs for IT and other agency data to the agency, and allows regulation writers an easy way to collaborate on development of regulations.

**E-Gov Travel (Managing Partner: General Services Administration)** In FY 2008, OPM moved its travel services to E-Gov Travel through a cross-service arrangement with the General Services Administration. By doing so, OPM is able to provide more efficient and effective travel management services. The benefits include cost savings associated with cross-Government purchasing agreements and on-line booking, streamlined travel policies and processes, strict security and privacy controls, and enhanced agency oversight and audit capabilities. OPM employees also benefit through more efficient travel planning, authorization, and reimbursement processes. OPM expects that services under E-Gov Travel will cost \$260,884 in FY 2011. This service is financed out of the Office of the Chief Financial Officer.

**Recruitment One-Stop (Managing Partner: Office of Personnel Management)** Since the inception of the Recruitment One Stop initiative, federal Agencies have enjoyed the uninterrupted use of USAJOBS® System. USAJOBS® is the United States Government's official system and program for Federal jobs and employment information. The USAJOBS® system delivers the service by which Federal agencies meet their legal obligation (5 USC 3327 and 5 USC 3330) to provide public notice of Federal employment opportunities to Federal employees and American citizens.

**Financial Management Line of Business (Managing Partner: General Services Administration)** The FM LOB initiative will improve the cost, quality, and performance of financial management systems by leveraging shared service providers and implementing other Government-wide reforms that foster efficiencies in Federal financial systems and operations. The initiative benefits OPM by providing the reference tools and templates needed in planning and managing the migration to a shared service provider and providing the ability to compare OPM finance system operations to the levels available at a shared service provider.

**Integrated Acquisition Environment (Managing Partner: General Services Administration)** Integrated Acquisition Environment will support a common, secure business environment, which facilitates and supports cost effective acquisition of goods and services. This Initiative benefits OPM by providing integrated business processes and increased data sharing within OPM and among the participating agencies.



**Disaster Assistance Improvement Program (Managing Partner: Federal Emergency Management Agency)** The Disaster Assistance Improvement Program (DAIP) will establish a single disaster assistance portal through which victims of disasters can request Federal disaster assistance more quickly and efficiently. This one stop portal would offer the potential for retirees and other members of the Federal community to easily apply for benefits in the event of a disaster

**Performance Management Line of Business (PMLOB)** Following the passage of the Government Performance and Results Act (GPRA) in 1993, agencies developed a strategic plan, an annual performance plan, and an annual performance report. While we have improved the content of these plans, reports, and underlying performance measures over the past twenty years, they are still produced primarily as static printed documents. This traditional printed format, and even the PDF version of it, limits the usefulness of the performance information contained in the report, for people both within and outside the agency. For example, the format does not make it easy to see what other Federal agencies sharing similar objectives or working with the same community are doing, learn from others experience, allow for frequent updates, or support analysis of the data to find relationships and patterns.

In December 2010, Congress enacted the GPRA Modernization Act, signed into law on January 4, 2011. The GPRA Modernization Act shifts the focus of its predecessor from the production of plans and reports to the active use of goals and performance data to improve outcomes. Among other changes, it strengthens leadership engagement in setting ambitious goals, reviewing progress, and clearly communicating results. The GPRA Modernization Act also requires greater Congressional consultation as agencies establish their goals.

One of the key changes in the law also included required modernizing the Federal government's nearly two-decade old performance reporting framework. Specifically, the Act requires the following by the end of 2012:

1. Development of a single Federal website which provides progress updates on Federal and agency Priority Goals, including quarterly measures and milestones;
2. Development of a consolidated list of Federal government programs for inclusion on the site; and
3. The consolidation of all agency strategic plans, annual performance plans, and annual performance reports on this website in a "searchable and machine readable format".

To meet these requirements, the OPM will participate in the Performance Management Line of Business (PMLOB), an interagency effort to develop government-wide performance management capabilities and meet the transparency requirements of the GPRA Modernization Act. Starting at the end of 2012, our performance information will be reported through a Federal website which includes advanced data display and reporting capabilities, the ability to extract raw data, and, over time, will integrate other government-wide data, such as program, human capital, and spending information. All information currently provided publicly will be updated more frequently and will be provided in user-friendly formats that the public can more easily access and analyze.

We also expect these new capabilities to improve agency decision-making and enhance external visibility into OPM performance and the public's understanding of what OPM is trying to accomplish, the challenges faced, results achieved, and areas needing improvement. Just as important, pursuing this effort through an inter-agency collaboration will result in government-wide efficiencies by not requiring each agency to build this capability on its own but instead by leveraging shared technologies and those developed on a government-wide basis.

For Additional information, please contact the General Services Administration's Office of Citizen Services, the Managing Partner of the PMLOB.