

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Congressional Budget Justification

Fiscal Year 2021



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Executive Summary

FY 2021 Budget Overview

Over 40 years ago, the U.S. Office of Personnel Management (OPM) was established to serve as the chief human resources (HR) and personnel policy manager for the Federal Government. The mission of the agency is to lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted, effective civilian workforce. Further, OPM executes, enforces, and administers the laws governing the civil service, including directing HR and employee management services, administers retirement benefits, manages healthcare and insurance programs, and oversees merit-based and inclusive hiring into the civil service.

In June 2018, as part of its overall Government modernization agenda, the Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*. This plan presents recommendations for structural realignment of the Executive Branch to better serve the mission, service, and stewardship needs of the American people in the 21st Century. To better address Government-wide workforce management issues, the Administration continues to propose a reorganization that would elevate Government-wide workforce policy strategy to the Executive Office of the President, and drive greater effectiveness for HR services via a merger of OPM with the General Services Administration (GSA). The functions of the National Background Investigations Bureau (NBIB) have transitioned to the Department of Defense (DOD).

OPM, as a separate division of GSA, would continue to play a critical role in supporting the people management needs of Government agencies in a manner that would further merit system principles, in conjunction with operative law, to improve the mission, service, and stewardship of every agency.

OPM requests **\$294,931,000** in discretionary resources for FY 2021 to support OPM's executive leadership, administrative operations, and services to the Federal Government, its employees, retirees, and the American people. This FY 2021 budget request includes funding to carry out existing statutory responsibilities, while advancing the goals set forth in the President's Management Agenda (PMA) and OPM's strategic plan.

OPM Budget FY 2019 through FY 2021 – Discretionary Resources

OPM Budget Authority	FY 2019 Enacted	FY 2020 Enacted	FY 2021 CBJ
Salaries and Expenses Total	\$132,172,000	\$145,130,000	\$147,322,000
Salaries & Expenses	\$118,172,000	\$131,130,000	\$138,511,000
IT Modernization S&E	\$14,000,000	\$14,000,000	\$8,811,000
Trust Fund Total	\$133,483,000	\$154,625,000	\$147,609,000
Trust Fund Annual	\$133,483,000	\$154,625,000	\$147,609,000
Discretionary Appropriation	\$265,655,000	\$299,755,000	\$294,931,000
OIG Discretionary Appropriation *	\$30,265,000	\$30,265,000	\$0
OPM Total	\$295,920,000	\$330,020,000	\$294,931,000

Note: *The Office of the Inspector General's FY 2021 budget request can be found in the GSA OIG FY 2021 request section of the Congressional Budget Justification.

President’s Management Agenda (PMA)

The President’s Management Agenda lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. The PMA addresses critical challenges for the Government and focuses on improvements in three areas:

- IT modernization;
- a modern workforce; and
- data transparency and accountability.

Improvements in these areas will be made through transformational Cross-Agency Priority (CAP) goals. OPM supports the PMA and is a co-leader for two of the CAP goals. These two goals are CAP Goal 3, “Developing a Workforce for the 21st Century” and CAP Goal 13, “Security Clearance, Suitability, and Credentialing Reform.” OPM contributes to nine other CAP goals.

OPM initiatives that support the PMA include civil service modernization, which aligns to CAP Goal 3 “Developing a Workforce for the 21st Century.” These and other OPM contributions to the PMA are more fully detailed in the “President’s Management Agenda” chapter of this submission.

OPM Strategic Plan

In addition to the PMA priorities, OPM’s strategic plan sets forth four goals: three strategic goals to transform the way OPM delivers on its core mission, and one operational excellence goal to improve agency operations and management. The strategic goals and related objectives are designed to advance OPM’s core mission, contribute to efficiency across Government in the area of human capital management, and more effectively serve job-seekers, employees, beneficiaries, and other Federal agencies. OPM’s goals are as follows:

- Transform hiring, pay, and benefits across the Federal Government to attract and retain the best possible civilian workforce
- Lead the establishment and modernization of human capital information technology and data management systems and solutions
- Improve integration and communication of OPM services to Federal agencies to meet emerging needs
- Optimize agency performance

OPM also performs key functions required by law or Executive Order. These functions fall within three areas: *Human Capital Management Leadership*, which includes policy, service, and oversight; *Benefits*, which includes the policy shaping and the delivery of Federal retirement programs, health benefits, and life insurance for employees and annuitants, and related oversight and adjudicative functions; and *Vetting*, which includes policy, adjudications, and oversight functions related to suitability, and new responsibilities relating to fitness and credentialing.

OPM’s strategic plan supports the PMA and serves as a blueprint for allocating resources, guides leadership decision-making to attain goals and improve outcomes, and communicates its core values to

stakeholders. OPM's divisions, offices, and their employees implement the programs and deliver the services that enable the agency to achieve its mission. By focusing on the areas defined in the strategic plan and aligning resources to these areas, OPM will lead and serve Federal agencies in human capital management.

Agency Priorities

Key priorities funded in OPM's budget request are resources to sustain the retirement program, strengthen our information technology and cybersecurity posture, finance agency operations, and modernize the financial system used to account for and manage Federal Earned Benefits Trust Funds.

Federal Retirement Program

Functions and Workload:

OPM's Retirement Services (RS) is responsible for developing, administering, and providing Federal employees, retirees and their families with benefits programs and services to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving nearly 2.7 million Federal retirees and survivors who receive monthly annuity payments. RS seeks to provide these retirees timely, appropriate, transparent, seamless, and accurate retirement benefits. In FY 2019, OPM disbursed \$82 billion dollars to retirees receiving benefits. Last year, the average CSRS monthly annuity was \$3,939 and the FERS monthly annuity was \$1,576.

Claims Adjudication

RS is responsible for claims adjudication for new retirees. RS receives retirement packages from agency payroll offices, verifies that benefits are properly requested, and calculates the value of those benefits. Additionally, RS determines applicant eligibility for refunds of retirement deductions, authorizes payment of refunds, and collects deposits for service.

Post-Adjudication Services

The scope of RS' duties is much greater than processing new retirement claims. After an annuitant or survivor is placed on the annuity rolls, RS essentially becomes the personnel and payroll office for these annuitants for the rest of their lives, and provides a wide array of important services for these annuitants as well as for their survivors and family members. For example, RS re-determines benefits when agencies submit additional information about an employee's employment history, or when an annuitant re-marries or divorces. RS conducts Federal Employees Health Benefits (FEHB) Open Season activities, and maintains annuitant accounts when customers move or make changes to tax withholdings, health benefits, or life insurance. Further, RS responds to a wide range of benefits-related customer service inquiries, answering approximately 1.7 million calls, 345,000 emails, 150,000 letters, and thousands of other actions requiring personal attention each year.

Services to Federal Agencies

Aside from servicing annuitants, RS' other major functions include providing advice and direction to Federal agencies on retirement issues. RS services all three branches of the Government, including the US

Postal Service and dozens of independent agencies and organizations. This requires RS to provide oversight and communication with these customer agencies and organizations so that they institute standardized practices and submit complete retirement packages to RS. RS provides training for agency personnel and responds to inquiries from agency headquarters Benefits Officers.

Legislative Reforms

Further, RS makes recommendations to the President and Congress for changes to improve the retirement system.

Planned Actions:

Retirement Services' budget is more than 80 percent personnel costs, and 18 percent is required by law or regulation (for example, mail, printing, and Open Season expenses). RS has made progress over the last few years without a significant budget increase. However, the focus on reducing the claims inventory has resulted in lower prioritization of the IT infrastructure as well as other important services.

RS IT Modernization Progress

RS's strategic IT vision is to transition the Retirement Program from paper-based process into a paperless system that will truly honor Federal employees' service by authorizing accurate retirement benefit payments on the day they are due, answering customers' questions in the time and manner they expect, and promoting self-service account maintenance via PC, tablet, or mobile device.

In FY 2019 and FY 2020 (planned), RS invested incrementally in automating and modernizing several integral components of retirement processing, including the creation of an online retirement application that is nearing completion and that will move into proof of concept testing soon; receipt of electronic retirement records from one government payroll provider to the Retirement Data Repository; automated transfer of electronic retirement record data to the retirement calculator (that is, data bridge); and a new retirement calculator (planned for procurement in FY 2020).

These incremental automation improvements highlight the longstanding need for a single case management system. The absence of such a system currently requires RS staff to log into multiple systems and manually transfer information to serve their customers. A case management system would result in all information in one place, improving the efficiency and effectiveness of staff.

Call Center Challenges

One of RS' continuing challenges is the ability to respond to the customer when contacted. The capacity of the call center is insufficient to meet current customer demand. Currently, there are thousands of callers who may receive busy signals each day and do not reach the call queue. Customers are typically satisfied once they are able to reach OPM -- either on the phone or online -- however, the agency acknowledges that customer needs are not currently being met through existing channels.

The Future:

The one known is that RS' customer base is not going to decrease and will likely continue to grow year after year. As more employees work longer and accrue the years of service required to become eligible for Federal retirement benefits, RS' new retiree caseload will increase. Further, as retirees live longer, RS'

post-adjudication workload will increase. OPM continues to see increases in retirements throughout the year and at different times of the year than previously. In FY 2019, the number of new retirees reached 109,991, which was higher than in any of the preceding four years, and represented a 14 percent increase from FY 2017, when the number was 96,459.

It is vital that RS maintain the level of service that is expected by customers.

Modernizing the Civil Service and Federal Retirement Benefits

OPM Strategic Goal: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce

OPM aims to modernize the Federal personnel system to better enable agencies to acquire and leverage talent to meet critical mission objectives. OPM has designed legislative and administrative proposals to help meet agency needs for hiring and managing the Federal workforce. In addition, OPM has developed proposals to improve healthcare quality and affordability in the Federal Employees Health Benefits Program, and to modernize Federal employee retirement benefits for the needs of a 21st century workforce. OPM is also seeking technical corrections and clarifications to the Federal Employee Paid Leave Act to extend its coverage to all Federal civilian employees and simplify its administration. More information on the legislative proposals for modernizing the Civil Service and Federal retirement benefits is provided in the “Legislative Proposals” chapter of this submission.

Stability and Security of Information Technology Infrastructure

In support of the PMA’s focus to modernize information technology to prioritize improved stability and sustainability in the agency’s IT systems, the Office of the Chief Information Officer (OCIO) has focused on reducing risks and enhancing customer benefits of OPM’s IT systems, applications, and infrastructure through the migration of its systems to strategic data centers or other shared services, which is also consistent with the requirements of OMB Memorandum M-19-19. It is also modernizing the existing computing infrastructure with common security controls, current technology, and modern operations practices. By FY 2021, the OCIO will have disentangled the legacy NBIB systems and data from core OPM systems, and will have redeployed the systems onto modern hardware with fully redundant capabilities (if one system fails, another can automatically take over). OCIO will do this while continuing to support the background investigation mission recently moved from OPM to the Defense Counterintelligence and Security Agency (DCSA), pending DCSA’s assumption of that support. Success in OCIO’s modernization efforts has enhanced security, reduced risks to IT operations, and improved services to internal and external OPM customers. While efforts are underway to increase stability of IT operations, we note that the OPM reform proposal would further enhance sustainability and service delivery excellence of core OPM missions.

In an effort to gain additional insight on the direction of efforts to further stabilize and secure OPM's IT infrastructure, OPM secured third-party consultants to review and analyze the agency's efforts and recommend needed improvements. This OPM-wide IT Assessment netted resource estimates and program recommendations to facilitate needed improvements. Given these recommendations, the FY 2021 budget request for OCIO will prioritize funding to further stabilize and secure OPM's technology infrastructure in light of the transfer of the background investigation function to DOD. This will be accomplished through developing an enhanced enterprise architecture, expanding resource management planning efforts to specifically support OCIO, migrating OPM's mainframes to new, more stable infrastructure while migrating and modernizing legacy applications to the cloud, implementing numerous digital modernization efforts, and building a more modern development security and operations team. Further, by FY2021, opm.gov public-facing pages will be modernized through upgraded hardware, updated software, and broadened accessibility improvements fueled by human-centered design and ongoing section 508 compliance efforts.

OPM's Administrative Functions Without NBIB

Section 925 of the National Defense Authorization Act (NDAA) for Fiscal Year 2018 established that the Secretary of Defense has the authority to conduct all types of background investigations for Department of Defense (DOD) personnel and mandated that, not later than October 1, 2020, the Secretary of Defense shall commence carrying out its implementation plan developed pursuant to section 951(a)(1) of the NDAA for Fiscal Year 2017. In June 2018, the Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, which identified its intent to keep the NBIB background investigation mission together, subsequently realigning the entire program from OPM to DOD. Pursuant to Executive Order 13869 and OPM delegations, the responsibility for most background investigations was formally shifted to DOD on October 1, 2019. This budget request reflects the complete shift of NBIB functions to DOD with associated personnel and resources. However, as part of the transition, DOD has entered into Economy Act service agreements to "buy back" services provided by OPM's financial management systems and expertise, including NBIB's existing background investigations systems, hardware and infrastructure, and facilities and procurement support. Although the transfer of NBIB functions removed more than 2,700 employees and more than \$1 billion in revenue, the background investigations program will still rely on OPM infrastructure and administrative services for mission accomplishment throughout FY 2020 and FY 2021. The enclosed budget assumes that the support agreements will also continue through at least FY 2021.

In FY 2021, OPM expects a \$60 million budget shortfall as a result of the transfer of NBIB functions to DOD. To mitigate this shortfall in FY 2021, \$25 million is requested in this budget, and OPM plans to continue interagency agreements with DOD for administrative services to support the background investigations program. Much of the funding gap reflects fixed costs that had previously been shared with NBIB.

OPM's administrative backbone functions, such as finance, information technology, human resources, and procurement, have traditionally been financed by proportionate contributions from all of OPM's funding sources. The NBIB was the largest program within OPM's Revolving Fund and as such, historically the largest contributor to the financing of common services. While one would assume that the

departure of NBIB would precipitate an immediate drop in the size of the common service budget, the nature of the services provided and the continued use of OPM's administrative backbone by DCSA in FY 2020 and FY 2021 makes this unlikely in the immediate future.

Many of OPM's administrative functions have fixed costs and other requirements that do not scale immediately or proportionately with the transfer of NBIB functions to DOD. Certain contracts and interagency agreements have firm fixed prices to which OPM will continue to be bound in spite of the agency's new, smaller size. Additionally, NBIB frequently paid directly for its administrative services separately from its common services financing when it had unique requirements, or when they needed enhanced or dedicated support. OPM's support services to meet its mission is possible over the long term, but it will require maintaining this requested funding level in FY 2021 while the analysis, planning, and strategy is executed. OPM intends to continue to seize opportunities to achieve cost savings, operational efficiencies, and other strategies.

The FY 2021 budget proposes \$73,314,000 for common services in FY 2021. When combined with the \$35,288,000 assumed value of interagency agreements with DOD, this represents a budget of \$108,602,000 for administrative support activities. This total reflects that estimated costs to operate IT networks, financial systems, and HR systems will not change until these systems are replaced, or contractual arrangements (such as those with shared service providers) are renegotiated. It further reflects that many administrative activities do not diminish in the absence of NBIB's workload and staff. Examples of these fixed activities include financial management accounting and reporting, where resource requirements are primarily driven by the number and complexity of accounts, and the IT compliance reporting requirements required by multiple laws.

OPM received \$34.5 million in FY 2020 discretionary appropriations, roughly 11.5 percent of the overall enacted amount, to mitigate the impacts of a common services shortfall in FY 2020. It is important to emphasize this additional funding is not enabling new functions or activities at OPM, but is required to maintain stability for current operations that were previously being funded by NBIB's Revolving Fund contributions to common services. This level of additional funding is not sustainable within OPM's current structure and will not be appropriately geared toward the success of its long-term mission. While OPM supports the administration of background investigations at DCSA throughout FY 2020 via Economy Act service agreements, which the agency anticipates continuing in FY 2021, OPM is also evaluating its current common services methodology to better align available support resources to deliver on its mission. These efforts will help OPM identify the precise amount of resources needed to steward its significant mission of managing a 21st Century Federal workforce, while at the same time supporting a transition to becoming a smaller financial, operational, and physical entity without NBIB.

Trust Funds Federal Financial System Modernization

One strategic priority that is vital to meeting the “optimize agency performance” goal and enabling resources to be focused on more high value work is the replacement of the financial system used to manage OPM’s Earned Benefits Trust Funds. The Federal Financial System (FFS), the core centralized accounting system deployed in 1998, supports accounting and financial management activities. This legacy system supports management of the \$1 trillion in combined assets for the retirement, health benefits, and life insurance programs for Federal employees, with over 8 million participants in the Federal Employees Health Benefits Program and more than 2.7 million monthly annuitant payments. Because of the outdated systems, OPM implemented additional manual processes to meet the business needs for Trust Funds management. The combination of legacy systems and manual processes has resulted in the use of highly specialized, scarce resources to maintain ongoing operations. To address these challenges, the FFS-R Project within the Trust Funds Modernization (TFM) Program, is working to modernize the current FFS platform and associated business processes. This will enable OPM to streamline agency investment accounting, transaction processing, debt collection, and financial reporting for Trust Funds.

In FY 2018, OPM conducted a Trust Funds Operations assessment which resulted in a future state that encompasses a modernized solution, optimizes business capabilities, and recommends an incremental delivery strategy. Subsequently in FY 2019, OPM engaged the Department of the Treasury’s Bureau of the Fiscal Service, Administrative Resource Center (ARC) as the federal financial management solution provider. This partnership with ARC aligns with OMB Memoranda M-19-16, M-16-11, and M-17-22. In FY 2019, development activities required to streamline cash management automation (Treasury Online Bill Pay (OLBP) services) for Trust Funds business processes were also initiated. In FY 2019, OPM also conducted a pilot to automate the semi-annual earned benefit program enrollment data collection with 53 Federal payroll offices.

In FY 2020 and FY 2021, OPM plans to continue to partner with Treasury ARC on the development and configuration activities associated with core financial management functionality and investment management functionality, which will be operational in FY 2022. OPM will complete the automated collection of seven payment streams using the Treasury OLBP service and leverage its Centralized Receivables Services to streamline the agency’s trust fund receivables collections processes.

Future development includes replacing the SF-2812 system used to record the amounts and details of withholdings and contributions that OPM receives from Federal payroll offices for health benefits, life insurance, and retirement. The SF-2812 system information is essential for recording transactions between the Government and its health insurance carriers. OPM will also develop and deploy enhanced reporting and analytics functionality. All TFM project components should be complete and operational in FY 2023.

Looking ahead, the outcomes of this multi-year endeavor will significantly reduce manual business processes, reduce errors, strengthen internal controls, and improve overall customer service to the American people.

FY 2021 Budget Request by Fund

OPM estimates that its total operating budget in FY 2021 will be **\$1,460,313,235**. OPM is funded by a variety of sources. One of its largest sources is the Revolving Fund, which was created by statute and is comprised of fees and reimbursements provided by agencies for various required activities and other services OPM provides. Revolving Fund activity reflected below includes human resources services, the policy, adjudicative, and oversight work of the Suitability Executive Agent, credit monitoring services resulting from prior cybersecurity incidents involving OPM systems, and the administration of tools and technologies used to carry out such services, or statutory requirements, such as the posting requirement effectuated through USAJOBS.

OPM Budget by Fund FY 2019 through FY 2021

OPM Budget Authority	FY 2019 Enacted	FY 2020 Enacted	FY 2021 CBJ
Discretionary Appropriation	\$265,655,000	\$299,755,000	\$294,931,000
Salaries and Expenses Total	\$132,172,000	\$145,130,000	\$147,322,000
Salaries & Expenses	\$118,172,000	\$131,130,000	\$138,511,000
IT Modernization S&E	\$14,000,000	\$14,000,000	\$8,811,000
Trust Fund Annual Total	\$133,483,000	\$154,625,000	\$147,609,000
Mandatory Administrative Authorities	\$59,186,687	\$66,956,125	\$68,695,358
Trust Fund Mandatory Authority	\$59,186,687	\$66,956,125	\$68,695,358
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$49,179,612	\$56,471,571	\$57,672,505
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$5,989,086	\$7,226,455	\$8,501,704
5 U.S.C. § 9004(f)(B) - Long-Term Care	\$1,977,626	\$1,036,367	\$1,082,185
FERCCA (P.L. 106-265) - Retirement	\$2,040,363	\$2,221,732	\$1,438,964
Revolving Fund	\$1,692,776,887	\$857,237,726	\$928,728,045
Advance and Reimbursements	\$10,195,343	\$169,255,203	\$167,958,832
OIG Discretionary Appropriation	\$30,265,000	\$30,265,000	\$0
Salaries & Expenses - OIG	\$5,000,000	\$5,000,000	\$0
Trust Fund Annual - OIG	\$25,265,000	\$25,265,000	\$0
OPM Total	\$2,058,078,917	\$1,423,469,054	\$1,460,313,235

OPM's discretionary request consists of an appropriation for OPM's program and leadership activities, and a limitation on transfers from the Earned Benefits Trust Funds under OPM management. OPM's FY 2021 discretionary request for is **\$294,931,000**.

OPM also manages the mandatory appropriations that provide for the transfer of resources from the Government's general fund to the Earned Benefits Trust Funds for Federal employees and annuitants' benefits. The Trust Funds and the associated mandatory appropriations are discussed in more detail in the Earned Benefit Trust Funds section of this budget. Each OPM fund is described below.

Salaries and Expenses

OPM requests **\$147,322,000** in Salaries and Expenses (S&E) funds for personnel and non-personnel resources, which includes **\$8,811,000** of No-Year funds for IT Modernization. The IT Modernization

efforts will be focused on continuing the Trust Fund Modernization initiated in FY 2017. The S&E appropriation funds the agency's various program offices as they implement OPM's strategic plan and perform OPM's core statutory roles, including providing direction and oversight to other Federal agencies.

Trust Fund Transfers

For the administration of the civil service retirement and insurance programs, OPM requests **\$147,609,000** in administrative transfers from the Earned Benefits Trust Funds. OPM is responsible for managing the Federal Government's health benefits and life insurance programs under the Federal Employees Health Benefits (FEHB) Program and the Federal Employees' Group Life Insurance (FEGLI) Program. In addition, OPM administers the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), which are financed by the Civil Service Retirement and Disability Fund (CSRDF). The administrative Trust Fund transfers partially fund Retirement Services (RS), Healthcare and Insurance (HI), Office of the Chief Information Officer (OCIO), and Office of the Chief Financial Officer (OCFO) operations.

These transfers are described as Trust Fund Annual in this request and come from the following Trust Funds subject to Congressional limitation:

- Civil Service Retirement and Disability Fund (CSRDF);
- Federal Employees Health Benefits Fund (FEHBF); and
- Federal Employees' Group Life Insurance Fund (FEGLI).

Mandatory Administrative Authorities

Several provisions under Title 5 of the United States Code (U.S.C.) and the Federal Erroneous Retirement Coverage Corrections Act (FERCCA) authorize OPM to administer specific retirement program and insurance activities, and to transfer funds for the administrative cost of these activities from the Trust Funds. These authorities provide additional administrative transfers from the Trust Funds. Per 5 U.S.C. §8348 (a)(1)(B), OPM incurs expenses from Civil Service Retirement and Disability Fund (CSRDF) for the following activities:

- Administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);
- Making discretionary allotments and assignments and withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request; and
- Withholding taxes pursuant to section 3405 of Title 26 or section 8345(k) or 8469 of this Title.

Within the CSRDF, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (P.L. 106-265, Title II, Sept. 19, 2000, 114 Stat. 762). OPM may incur expenses to administer the Federal Long Term Care Insurance Program (FLTCIP) from Federal Employees' Group Life Insurance FEGLI (Id. at Title I, §1002(a), codified at 5 U.S.C. §9004(f)(B)). Within FEHBP, OPM may defray reasonable expenses to administer the Federal Employees Dental and Vision Insurance Program (FEDVIP) (5 U.S.C. §8958 (f)(2)(A) and §8988 (f)(2)(A)). Resources used to administer the

FLTCIP and FEDVIP are reimbursed to the FLTCIP and FEDVIP funds by the participating insurance carriers.

Revolving Fund Activities

Business Line		FY 2020 Revised Estimate	FY 2021 Estimate	Increase Decrease
Suitability Executive Agent	Revenue	\$8,342,000	\$9,833,981	\$1,491,981
	Obligations	\$8,342,000	\$9,833,981	\$1,491,981
Human Resources Solutions**	Revenue	\$494,145,000	\$705,182,941	\$211,037,941
	Obligations	\$495,516,726	\$710,906,913	\$215,390,187
Enterprise Human Resources Integration	Revenue	\$42,624,000	\$42,940,000	\$316,000
	Obligations	\$40,983,000	\$36,696,589	(\$4,286,411)
HR Line of Business	Revenue	\$3,150,000	\$3,150,000	\$0
	Obligations	\$3,150,000	\$3,150,000	\$0
Human Resources Tools & Technology	Revenue	\$63,258,000	\$77,550,000	\$14,292,000
	Obligations	\$66,141,000	\$83,140,562	\$16,999,562
Credit Monitoring	Revenue	\$85,105,000	\$85,149,094	\$44,094
	Obligations	\$85,105,000	\$85,000,000	(\$105,000)
National Background Investigations Bureau	Revenue	\$158,000,000	\$0	(\$158,000,000)
	Obligations	\$158,000,000	\$0	(\$158,000,000)
Total Revenue		\$854,624,000	\$923,806,016	\$69,182,016
Total Obligations*		\$857,237,726	\$928,728,045	\$71,490,319

Notes:

* When obligations exceed revenue, it is because business lines use unobligated balances from prior years (i.e., carryover).

** HRS revised its FY 2020 budget estimates by \$264 million due to anticipated increase in business from DOD for USA Learning (Training Program). This upward trend is expected to continue in FY 2021. See the Revolving Fund section for additional details.

*** NBIB functions transitioned to DOD in FY 2020; however, NBIB's revenue and obligations amounts reflected in the Revolving Fund activities table reflect residual resources to handle cases related to the data breach, legacy tort claims, upward and downward adjustments for legacy case work, and agreements to administer the Presidential Rank Awards program.

OPM requests authority in FY 2021 to incur **\$928,728,045** of obligations in our Revolving Fund. OPM's Revolving Fund was established by the Congress as a means of financing those activities that OPM is required or authorized to perform on a reimbursable basis (such as OPM's obligation to oversee the governmentwide suitability, fitness, and credentialing programs and itself assess the suitability of applicants for the service when certain issues arise), and allows OPM to provide personnel management services to other Federal agencies via several well-established programs. Federal agencies pay OPM based on customer transactions, orders, fixed fees, or proportional contribution to cost. Broadly classified into four groups -- the Office of the Suitability Executive Agent (SuitEA), Human Resources Solutions (HRS), Enterprise Human Resources Integration (EHRI), and Credit Monitoring Services (CMS) -- these activities are performed by Federal staff and contractors qualified for the service throughout several OPM organizations.

FY 2020 & FY 2021 Comparison of FTE — All Resources

OPM Budget Authority	FY 2020 Enacted	FY 2021 CBJ
Salaries and Expenses	726.8	656.4
Trust Fund Annual	763.5	739.6
Trust Fund Mandatory Authority	489.0	448.2
5 U.S.C. § 8348 (a)(1)(B) - Retirement	456.0	416.1
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	15.0	17.3
5 U.S.C. § 9004(f)(B) - Long-Term Care	6.0	4.8
FERCCA (P.L. 106-265) - Retirement	12.0	10.0
Revolving Fund	648.0	704.0
Advances & Reimbursements	132.0	138.6
OIG Discretionary Total	154.0	0.0
Salaries & Expenses - OIG	20.0	0.0
Trust Fund Annual - OIG	134.0	0.0
OPM Total	2,913.3	2,686.9

OPM's FY 2021 budget will support approximately 2,687 full-time-equivalents (FTEs). Of this total, the discretionary appropriation and Mandatory Trust Fund transfers will fund 1,844 FTEs (the sum of the Salaries and Expenses, Trust Fund Limitations, and Mandatory Trust Fund Authority totals). These employees deliver OPM's Government-wide responsibilities relating to human capital management leadership, benefits, and additional mission and mission support activities. The agency's remaining allocation of 843 FTEs are funded by the Revolving Fund and Advances and Reimbursements. The FY 2021 FTE level is 226 FTEs lower than the FY 2020 CBJ level. This is mainly attributable to two drivers: the growth in costs of financing agency personnel due to increased normal costs and pay raises, and the reporting of OIG funding and FTE with GSA's Inspector General request in FY 2021.

FY 2020 FTE by Organization and Fund — All Resources

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Chief Human Capital Officer Council	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0
Congressional, Legislative and Intergovernmental Affairs	12.7	0.0	0.0	0.0	0.0	0.0	0.0	12.7
Employee Services	178.0	0.0	0.0	0.0	0.0	0.0	0.0	178.0
Equal Employment Opportunity	0.0	0.0	0.0	0.0	6.8	0.0	0.0	6.8
Facilities, Security & Emergency Management	3.0	0.0	0.0	0.0	62.9	2.5	0.0	68.4
Federal Prevailing Rate Advisory Committee	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Healthcare & Insurance	5.9	0.0	134.8	22.0	0.0	0.0	0.0	162.7

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
HR Solutions	0.0	0.0	0.0	0.0	0.0	0.0	465.0	465.0
Merit System Accountability & Compliance	81.9	0.0	0.0	0.0	7.8	6.0	0.0	95.7
Office of Communications	10.7	0.0	0.0	0.0	0.0	0.0	0.0	10.7
Office of Procurement Operations	3.9	0.0	0.0	0.0	19.3	9.0	0.0	32.2
Office of Small and Disadvantaged Business Utilization	0.0	0.0	0.0	0.0	2.0	0.0	0.0	2.0
Office of Strategy and Innovation	30.3	0.0	0.0	0.0	0.0	0.0	0.0	30.3
Office of the Chief Financial Officer	0.0	6.4	38.8	0.0	63.3	9.6	3.0	121.2
Office of the Chief Information Officer	37.0	0.0	28.3	4.0	64.5	90.9	124.0	348.7
Office of the Director	31.3	0.0	0.0	0.0	0.0	0.0	0.0	31.3
Office of the General Counsel	0.0	0.0	0.0	0.0	33.2	0.0	0.0	33.2
Office of Privacy and Information Management	2.9	0.0	0.0	0.0	15.6	0.0	0.0	18.6
OPM Human Resources	0.0	0.0	0.0	0.0	41.5	0.0	0.0	41.5
Retirement Services	0.0	0.0	561.6	463.0	0.0	0.0	0.0	1,024.6
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	0.0	13.0	0.0	13.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	0.0	56.0	56.0
White House Fellows	4.9	0.0	0.0	0.0	0.0	0.0	0.0	4.9
Office of the Inspector General	20.0	0.0	134.0	0.0	0.0	0.0	0.0	154.0
OPM Total	423.3	6.4	897.5	489.0	317.1	132.0	648.0	2,913.3

FY 2021 FTE by Organization and Fund — All Resources

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Chief Human Capital Officer Council	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Congressional, Legislative and Intergovernmental Affairs	12.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
Employee Services	167.1	0.0	0.0	0.0	0.0	0.0	0.0	167.1
Equal Employment Opportunity	0.0	0.0	0.0	0.0	6.0	0.0	0.0	6.0

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Facilities, Security & Emergency Management	0.0	0.0	0.0	0.0	58.5	15.7	0.0	74.3
Federal Prevailing Rate Advisory Committee	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Healthcare & Insurance	0.0	0.0	143.3	23.7	0.0	0.8	0.0	167.8
HR Solutions	0.0	0.0	0.0	0.0	0.0	0.0	469.0	469.0
Merit System Accountability & Compliance	84.8	0.0	0.0	0.0	0.0	2.3	0.0	87.0
Office of Communications	11.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0
Office of Procurement Operations	5.3	0.0	0.0	0.0	18.1	8.3	0.0	31.7
Office of Small and Disadvantaged Business Utilization	0.0	0.0	0.0	0.0	1.8	0.0	0.0	1.8
Office of Strategy and Innovation	27.0	0.0	0.0	0.0	0.0	0.0	0.0	27.0
Office of the Chief Financial Officer	0.0	6.7	40.4	0.0	56.0	8.9	3.0	115.0
Office of the Chief Information Officer	19.0	0.0	31.0	2.0	63.8	91.6	176.0	383.4
Office of the Director	26.0	0.0	0.0	0.0	5.0	0.0	0.0	31.0
Office of the General Counsel	0.0	0.0	0.0	0.0	31.0	0.0	0.0	31.0
Office of Privacy and Information Management	3.0	0.0	0.0	0.0	13.0	0.0	0.0	16.0
OPM Human Resources	0.0	0.0	0.0	0.0	35.5	0.0	0.0	35.5
Retirement Services	0.0	0.0	524.9	422.5	0.0	0.0	0.0	947.4
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	0.0	11.0	0.0	11.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	0.0	56.0	56.0
White House Fellows	5.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
Office of the Inspector General	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPM Total	361.1	6.7	739.6	448.2	288.6	138.6	704.0	2,686.9

FY 2021 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM intends to utilize our resources.

Discretionary Appropriation Budget by Object Class

Object Class	FY 2020 Enacted	FY 2021 CBJ	Increase/Decrease
Personnel Compensation	\$137,641,142	\$132,041,743	(\$5,599,399)
Personnel Benefits	\$47,230,316	\$44,492,334	(\$2,737,982)
Travel and transportation of person	\$1,495,909	\$950,705	(\$545,204)
Transportation of things	\$65,025	\$67,968	\$2,943
Communications, utilities and rent	\$30,765,274	\$44,021,610	\$13,256,336
Printing and Reproduction	\$1,127,668	\$750,204	(\$377,464)
Other Services	\$78,923,653	\$68,423,003	(\$10,500,650)
Supplies and Materials	\$1,143,166	\$587,963	(\$555,203)
Equipment	\$1,362,847	\$3,595,470	\$2,232,623
Total Object Class	\$299,755,000	\$294,931,000	(\$4,824,000)
FTE	1,490.3	1,396.1	(94.3)

Salaries and Expenses Budget by Object Class

Object Class	FY 2020 Enacted	FY 2021 CBJ	Increase/Decrease
Personnel Compensation	\$59,215,057	\$56,186,694	(\$3,028,363)
Personnel Benefits	\$20,031,471	\$18,024,076	(\$2,007,395)
Travel and transportation of person	\$806,548	\$381,943	(\$424,605)
Transportation of things	\$2,614	\$4,222	\$1,608
Communications, utilities and rent	\$13,654,900	\$25,989,106	\$12,334,206
Printing and Reproduction	\$559,946	\$202,467	(\$357,479)
Other Services	\$50,193,249	\$44,436,716	(\$5,756,533)
Supplies and Materials	\$299,341	\$173,616	(\$125,725)
Equipment	\$366,874	\$1,923,160	\$1,556,286
Total Object Class	\$145,130,000	\$147,322,000	\$2,192,000
FTE	726.8	656.4	(70.4)

Trust Fund Limitations – Budget by Object Class

Object Class	FY 2020 Enacted	FY 2021 CBJ	Increase/Decrease
Personnel Compensation	\$78,426,085	\$75,855,049	(\$2,571,036)
Personnel Benefits	\$27,198,845	\$26,468,258	(\$730,587)
Travel and transportation of person	\$689,361	\$568,762	(\$120,599)
Transportation of things	\$62,411	\$63,746	\$1,335
Communications, utilities and rent	\$17,110,374	\$18,032,504	\$922,130
Printing and Reproduction	\$567,722	\$547,737	(\$19,985)
Other Services	\$28,730,404	\$23,986,287	(\$4,744,117)
Supplies and Materials	\$843,825	\$414,347	(\$429,478)
Equipment	\$995,973	\$1,672,310	\$676,337
Total Object Class	\$154,625,000	\$147,609,000	(\$7,016,000)
FTE	763.5	739.6	(23.9)

OPM's FY 2021 discretionary budget decreased by approximately \$5 million from FY 2020's enacted budget, with an increase of \$2 million in Salaries and Expenses (S&E) and a decrease of about \$7 million in Trust Fund Limitation.

The FY 2021 S&E increase of \$2 million above is mostly attributable to the following funding changes:

- A \$5 million decrease in 'Personnel Compensation' and 'Benefits' attributable to a \$3 million reduction in OCIO due to the elimination of vacant positions, a \$3 million decrease in S&E resources used to finance administrative support activities across OPM, offset by a \$1 million increase in awards funding based on the FY 2021 OMB Circular A-11 Guidance;
- A \$12 million increase in 'Communications, utilities and rent' attributable to a \$7 million increase for OCIO's upgrades to communications software and security systems support in order to continue to improve the security of OPM's IT systems, and a \$5 million increase in rent to cover an increase of \$2 million in shell rent due to the revocation of OPM's delegation of authority from GSA and a \$3 million increase in indirect rent costs for space occupied by staff that provide administrative support activities as well as common areas at OPM's headquarters building (TRB). This indirect rent formally was funded by NBIB;
- A \$6 million decrease in 'Other services' due to a \$2 million reduction in OCFO for Financial System support, the removal of \$2 million in one-time funding for FSEM to reconfigure and improve space efficiencies post transition and a \$2 million reduction in Rent/CFI for one-time costs to fund the NAPA study mandated by Congress as part of the NDAA for FY 2020;
- A \$1 million increase in 'Equipment' attributable to CIO laptop purchases required to regularly replenish laptops that have reached their end-of-life.

The FY 2021 Trust Fund Limitation fund request for basic operating expenses totals \$147,609,000 which is approximately \$7 million less than the FY 2020 enacted level of \$154,625,000. The \$7 million decrease is attributable to the reduction of Trust Fund Limitation resources used to finance administrative support activities across OPM. This reduction impacts all object classes; however, the most significant impact is in the financing of personnel compensation.

OPM Budget FY 2020 Enacted & FY 2021 CBJ by Organization and Fund - Discretionary Resources

Organization	FY 2020 Enacted				FY 2021 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Office of the Chief Information Officer	\$36,300,000	\$8,272,000	\$21,525,782	\$66,097,782	\$41,673,000	\$8,418,000	\$21,788,000	\$71,879,000
Congressional, Legislative and Intergovernmental Affairs	\$1,969,000	\$0	\$0	\$1,969,000	\$1,928,000	\$0	\$0	\$1,928,000
Employee Services	\$29,841,000	\$0	\$0	\$29,841,000	\$30,761,800	\$0	\$0	\$30,761,800
Equal Employment Opportunity	\$0	\$0	\$1,026,000	\$1,026,000	\$0	\$0	\$1,055,000	\$1,055,000
Facilities, Security & Emergency Management	\$2,500,000	\$0	\$11,078,243	\$13,578,243	\$0	\$0	\$10,743,000	\$10,743,000
Federal Prevailing Rate Advisory Committee	\$167,000	\$0	\$0	\$167,000	\$176,000	\$0	\$0	\$176,000
Healthcare & Insurance	\$955,000	\$29,362,000	\$0	\$30,317,000	\$0	\$28,043,000	\$0	\$28,043,000
HR Solutions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Merit System Accountability & Compliance	\$12,781,000	\$0	\$1,200,000	\$13,981,000	\$13,193,000	\$0	\$0	\$13,193,000
Office of Communications	\$1,769,000	\$0	\$0	\$1,769,000	\$2,225,000	\$0	\$0	\$2,225,000
Office of Procurement Operations	\$1,068,000	\$0	\$3,231,000	\$4,299,000	\$1,048,000	\$0	\$3,143,000	\$4,191,000
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$431,000	\$431,000	\$0	\$0	\$423,000	\$423,000
Office of the Chief Financial Officer	\$11,425,000	\$8,370,000	\$16,681,215	\$36,476,215	\$9,591,000	\$8,336,000	\$16,135,000	\$34,062,000
Office of the Director	\$5,327,692	\$0	\$0	\$5,327,692	\$4,946,700	\$0	\$871,000	\$5,817,700
Office of the General Counsel	\$0	\$0	\$6,179,000	\$6,179,000	\$0	\$0	\$6,220,000	\$6,220,000
Rent/Centrally Funded Items	\$12,118,555	\$12,786,000	\$0	\$24,904,555	\$14,996,000	\$13,145,000	\$0	\$28,141,000
Retirement Services	\$0	\$59,748,000	\$0	\$59,748,000	\$0	\$61,362,000	\$0	\$61,362,000
Security, Suitability and Credentialing Line of Business	\$500,000	\$0	\$0	\$500,000	\$508,000	\$0	\$0	\$508,000
White House Fellows	\$808,000	\$0	\$0	\$808,000	\$786,000	\$0	\$0	\$786,000

Organization	FY 2020 Enacted				FY 2021 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Office of Strategy and Innovation	\$5,643,188	\$0	\$0	\$5,643,188	\$5,763,500	\$0	\$0	\$5,763,500
Office of Privacy and Information Management	\$572,565	\$0	\$4,664,556	\$5,237,121	\$591,000	\$0	\$4,844,000	\$5,435,000
OPM Human Resources	\$0	\$0	\$7,608,000	\$7,608,000	\$0	\$0	\$8,092,000	\$8,092,000
OPM Sub Total	\$123,745,000	\$118,538,000	\$73,624,796	\$315,907,796	\$128,187,000	\$119,304,000	\$73,314,000	\$320,805,000
Appropriated Contribution to Common Services	\$21,385,000	\$36,087,000			\$19,135,000	\$28,305,000		
Non-Appropriated Contribution to Common Services								
Total	\$145,130,000	\$154,625,000	\$73,624,796	\$299,755,000	\$147,322,000	\$147,609,000	\$73,314,000	\$294,931,000

The budgets for several programs in the table above have changed in FY 2021 due to planned organizational consolidations.

OPM’s Internal Oversight and Compliance (IOC) group, previously under Merit System Accountability and Compliance (MSAC) will be transferred to OPM’s Office of the Director. IOC staff serve as liaisons between OPM program offices and oversight groups such as the OIG and GAO, and help to coordinate audit activities to resolve recommendations. Specifically, IOC staff schedule entrance conferences and audit meetings, track responses to audits to keep them timely and consistent with operative law, and work with the program offices to address findings, plan corrective actions, collect data, and present evidence that lead to the closure of recommendations. Merging IOC with the OD Executive Secretariat function will streamline the audit response approval process. Executive Secretariat staff already coordinate senior leadership clearances for the majority of reports, memos, and other correspondence for the agency, and can assist IOC with administrative tasks so that IOC staff can focus on other auditing functions. As a result of this merger, the Office of the Director will gain common service funding, but not backfill vacancies in the merged functions, which result in an estimated overall saving of approximately \$400,000. MSAC will not receive any Common Services funding for IOC in FY 2021.

Further, OPM established the Office of Privacy and Information Management (OPIM), realigning a number of personnel and functions from the OCIO and the Office of the Director, to include, among other functions, privacy, records management, Freedom of Information Act management, and forms management. By creating a separate OPIM office, the agency is better positioned to establish and implement clear, repeatable policies and procedures across all of OPIM’s complementary functional areas (privacy, Freedom of Information Act management, records management, Section 508 accessibility, forms management/Paperwork Reduction Act, and controlled unclassified information) and call attention to the significance of these areas in the agency’s day-to-day business operations. As a result of the realignment, 16 FTE and \$5.4 million in personnel costs and other expenses such as travel and training that were formerly aligned to CIO are now allotted to OPIM.

FY 2021 Budget Request by Strategic Goals

OPM's FY 2018-2022 strategic plan includes four key goals that are focused on improving OPM systems and processes, which enable the agency to provide more efficient and effective services to its customers. As required by the Government Performance and Results Modernization Act of 2010 (P.L. 111-352), OPM's budget request maps to its strategic plan.

OPM's FY 2021 performance budget reflects how the agency will fulfill its mission to *Lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted, effective civilian workforce*. The agency's vision is *Empowering Excellence in Government through Great People*.

The Performance Budget by Strategic Goal section of this document describes each strategic goal and the resources budgeted for each objective in FY 2021. The following table displays OPM's planned resource allocation against each strategic goal, excluding Revolving Fund program activities.

OPM Budget FY 2021 by Strategic Goal—Discretionary Resources

STRATEGIC_GOAL	FY 2021 CBJ	
	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	\$37,189,166	193.1
Lead the establishment and modernization of human capital information technology and data management systems and solutions	\$4,098,702	20.4
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	\$15,245,292	92.7
Optimize Agency Performance	\$103,168,472	635.8
Additional Mission and Mission Support Activities	\$161,103,368	454.1
Subtotal	\$320,805,000	1,396.1
Non-Appropriated Contribution to Common Services	(\$25,874,000)	
OPM Total	\$294,931,000	1,396.1

FY 2020-2021 Agency Priority Goals

Agency Priority Goals (APGs) reflect the top performance improvement priorities of agency leadership and the Administration. APGs reflect measurable results that leadership wants to accomplish over a two-year period, advancing progress toward longer-term strategic goals and objectives in the agency's strategic plan.

For the FY 2020-2021 cycle, OPM developed APGs in two areas where agency leadership will drive progress:

1. **Enable agencies to effectively address current and projected workforce needs to meet mission objectives.** By September 30, 2021, OPM will provide agencies with at least 48 significant tools, flexibilities, and authorities needed to advance their human capital objectives including mitigating skill gaps in 80 percent of identified high risk mission critical occupations, compared to a 2017 baseline.

Significant tools, flexibilities, and authorities will include regulations, policy guidance, flexibilities (in areas such as hiring and pay), and electronic or other tools.

2. **Establish an FEHB Master Enrollment Index.** By September 30, 2021, OPM will establish a Master Enrollment Index for the FEHB Program that includes at least 90 percent of FEHB subscribers and family members. The Master Enrollment Index will consist of a Master Person Index that includes FEHB subscribers and family members and a Master Enrollment File that includes FEHB enrollment transactions.

The Federal Government uses a three-pronged approach to manage APGs: 1) public goal setting, 2) data-driven performance review meetings with agency leadership no less than quarterly, and 3) quarterly public updates on [Performance.gov](https://www.performance.gov). For additional information on APGs, please refer to [www.Performance.gov](https://www.performance.gov).

President's Management Agenda

Contributions to Cross-Agency Priority Goals

OPM supports the President's Management Agenda and is the co-leader for Cross-Agency Priority (CAP) Goal 3: Developing a Workforce for the 21st Century, and CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform. Further, OPM contributes to nine other CAP goals.

Per the GPRA Modernization Act requirement to address CAP goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to www.Performance.gov for the agency's contributions to these goals and progress where applicable.

CAP Goal 3: Developing a Workforce for the 21st Century

OPM is a co-leader for CAP Goal 3: Developing a Workforce for the 21st Century. OPM is leading efforts to modernize the Federal civil service by:

- improving employee performance management and engagement;
- reskilling and redeploying human capital resources; and
- enabling efficient and strategic hiring practices.

During FY 2019, the second year of the President's Management Agenda, the Workforce CAP goal milestones were injected with new momentum with the addition of seven Lighthouse Projects. These projects are designed to lead the way to Federal enterprise-wide progress through research to make decisions informed by data, pilots to strategically test concepts within current legal boundaries, and regulatory and legislative proposals to rapidly scale up solutions that work, with full implementation of the efforts expected during FY 2021.

OPM's work to improve employee performance management and engagement focuses on efforts to transform agency culture through targeted approaches to support Federal supervisors, bolster employee engagement, accelerate high performance, and support employee retention to increase mission delivery and service to the American taxpayer. In a manner consistent with Federal law, performance management solutions in which managers provide real-time feedback to employees will be reviewed and tested to assess the value of a proactive approach to performance management. Through a total reward study, OPM is also evaluating options available under current Federal law to strengthen the link between pay and performance and reward high-performing employees and those with mission critical skillsets. The findings are expected to be integrated into policy and guidance during FY 2021.

As Federal agencies identify opportunities to increase efficiency by adopting automation, OPM supports their efforts by identifying emerging and mission critical skills, as well as career path options, and investing in opportunities to develop these skillsets in the Federal workforce with opportunities such as the Cybersecurity Reskilling Academy, so employees can be reskilled and redeployed to other work.

Through the simple and strategic hiring sub-goal, OPM is testing approaches to make it easier and faster to recruit and hire top talent and considering the viability and advisability of legislative and regulatory changes that might expand hiring and pay authorities and flexibilities. OPM is on track to conclude and

apply the findings, during FY 2021, of a hiring pilot to use subject-matter experts during applicant assessments to improve agencies' abilities to establish whether applicants are qualified up front, and better differentiate candidates' relative levels of knowledge, skills, and abilities. This pilot also implemented some of the recommendations that appeared in OPM's updated Delegated Examining Operations Handbook. The development of Human Capital Robotic Process Automation in FY 2021 will test the use of technology to conduct routine recruitment and staffing processes in order to expand the capacity of the HR workforce to serve managers and applicants.

Supporting these efforts is a continuous learning approach to identify, share, and scale-up promising ideas across the Federal workforce. OPM's ongoing research agenda will continue research with Federal agencies and other partners through strategic foresight, demonstration projects, and pilots to gather data on current and emerging needs. Innovative ideas and solutions on employee engagement, performance, reskilling, hiring and retention will be distributed rapidly to Federal leaders and managers.

CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform

OPM is also a co-leader of the CAP Goal on Security Clearance, Suitability, and Credentialing Reform. The agency will continue to direct resources to this goal in FY 2021 to continue mitigating risks posed by personnel with access to Government facilities, systems, and other personnel. To achieve this objective, OPM and the Office of the Director of National Intelligence, the two Executive Agents, will work in consultation with the Performance Accountability Council (PAC) to achieve the following:

- develop aligned and consistent policy for reporting potential security risks or observable behaviors of concern;
- establish an agile, data-driven, and transparent policy-making process that simplifies traditional policy development processes, as appropriate;
- review current end-to-end Security Clearance, Suitability, and Credentialing processes and identify the most cost-effective and efficient methods to vet the Federal workforce, in accordance with applicable law;
- as appropriate and consistent with applicable law, modernize the lifecycle through the use of agency federated systems and shared services; and
- as appropriate and consistent with applicable law, expand the use of outcome-based performance measures.

The Performance Accountability Council's Program Management Office (PAC PMO) is administratively housed at OPM. The PAC PMO supports the PAC and the Security, Suitability, and Credentialing Line of Business (SSCLoB), more broadly, in driving Government-wide implementation of these goals, and identifying recommended solutions to further safeguard personnel and protect the nation's most sensitive information.

Other CAP Goals

OPM also contributes to the following CAP goals:

CAP Goal 1: Modernize IT and Increase Productivity and Security. OPM continues to lead efforts to improve the way the Federal government recruits, retains, and reskills IT and cybersecurity talent. Specifically, OPM will continue to support efforts related to the Cybersecurity Reskilling Academy, improved cybersecurity assessments, and strategic IT and cybersecurity hiring.

CAP Goal 2: Leveraging Data as a Strategic Asset. By developing solutions to provide training and close competency gaps related to data management and data transformation skills, OPM plans to support strategies to advance the use of data in decision-making and to improve accountability across Government. OPM will continue to participate in the Federal Data Strategy team.

CAP Goal 4: Improving Customer Experience with Federal Services. OPM is improving the customer experience with respect to Federal employment services and retirement services. Please see strategic objectives 1.1 and 4.4 for additional information.

CAP Goal 5: Sharing Quality Services. OPM will continue to collaborate with GSA on the New Pay Initiative and provide guidance where needed. As part of its Federal human capital mission and responsibility, OPM continues to advance human capital strategies and policies for more effective human capital operations, increase the value of human capital services delivery to Federal agencies, and facilitate compliance with innovative and transformational standards and requirements, in partnership with Federal agencies across the government.

CAP Goal 6: Shifting from Low-Value to High-Value Work. Although mindful that enforcing the civil service law is, in fact, a central mission for OPM, 5 U.S.C. 1103(a)(5), OPM is considering whether to pursue changes to statutes or regulations, where possible and appropriate, and examining whether it can simplify the processes by which agencies request flexibilities available under existing law, and still render the effective stewardship the Congress and the President expect.

CAP Goal 7: Category Management. OPM leads the Human Capital Category to identify ways to help the Government improve the procurement of human capital services and manage spending under this category. Human Capital Category Management is working closely with GSA to collaborate on the use of common contract solutions, primarily best-in-class (pre-vetted, Government-wide) contract solutions, to meet the human capital needs of customer agencies.

CAP Goal 9: Getting Payments Right. OPM is a participating agency in efforts to prevent improper payments that result in a monetary loss to taxpayers.

CAP Goal 11: Improve Management of Major Acquisitions. OPM is strengthening the talent capabilities of program and project managers with respect to managing major acquisitions by developing program and project management competencies and career paths, as well as deploying a competency assessment tool.

CAP Goal 12: Modernizing the Infrastructure Permitting Process. OPM is providing guidance on integrating permitting-related performance goals into appropriate agency personnel performance plans.

Legislative Proposals

OPM prepares various legislative proposals during the preparation of its annual budget submission, which align with the strategic goals and objectives of the agency. OPM designs these proposals to enhance and improve its programs, increase efficiency in executing these programs, and reduce overall costs for the Government.

The FY 2021 legislative proposals for OPM are divided into four groups: Technical Corrections to the Federal Employee Paid Leave Act, Civil Service Modernization, Healthcare and Insurance, and Retirement.

Technical Corrections to the Federal Employee Paid Leave Act

This proposal would make technical corrections and clarifications to the Federal Employee Paid Leave Act, which was enacted as part of the National Defense Authorization Act for Fiscal Year 2020. (See subtitle A of title LXXVI of division F of Public Law 116-92, December 20, 2019.)

The proposed changes include the following:

- Provide that paid parental leave may be used only after the birth or placement of a given child. (This would simplify administration, provide a reasonable limit on the amount of paid parental leave that may be used in connection with the birth/placement of a child, and be consistent with the objective of allowing parents to bond with a new child.)
- Provide that employees of the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA) are covered by the Family and Medical Leave Act (FMLA) provisions 5 U.S.C. chapter 63, subchapter V. (Thus, FAA and TSA employees would be entitled to paid parental leave on the same basis as employees of other agencies.)
- Provide that employees of the Veterans Health Administration (VHA) who are covered under a leave system established under 38 U.S.C. 7421 may not be excluded from coverage under the FMLA law in 5 U.S.C. chapter 63, subchapter V. (Since VA has authority to establish a separate leave system for certain employees, it is necessary to guarantee entitlement to FMLA leave and paid parental leave by limiting use of the section 7421 authority.)
- Establish limitations on the use of paid parental leave in the case of foster care placements. (This change recognizes that, in some cases, foster care placements may be designed to be for temporary periods of less than 1 year, which undermines the justification for paid parental leave to allow for long-term bonding with a child.)
- Clarify when annual and sick leave may be substituted for unpaid FMLA leave. (The 12 weeks of paid parental leave would cover the entire 12 weeks of FMLA leave to be used during the 12-month period after the birth/placement of a child—leaving no need for substitution of annual or sick leave. We would revise the law to limit use of FMLA leave under 5 U.S.C. 63829(a)(1)(A) and (B) to periods of time after birth or placement of a child, except for those making adoption arrangements prior to birth or placement. Thus, only in adoption situations would an employee be

substituting sick or annual leave for FMLA unpaid leave based on placement of a child. If a prospective birth mother requires medical care before giving birth, FMLA leave under section 6382(a)(1)(C) or (D) (i.e., leave based on a serious medical condition) could be granted (and sick or annual leave could be substituted); or sick leave or annual leave could be used without invoking FMLA leave to avoid limiting when paid parental leave could be used after birth of the child.)

- Provide that the paid parental leave benefit must be offset if an employee has received paid parental leave as a Federal employee under an authority other than 5 U.S.C. 6382(d) during the 12-month period following birth or placement of a child. (Because 12 weeks of paid parental leave is provided as an entitlement under various authorities, it is necessary to address the scenario of an employee being covered by multiple authorities during the leave eligibility period.)
- Provide that the 12-month service requirement for eligibility can be met by any service as a civil service employee of the Government of the United States, rather than being generally limited to service of a type that covers an employee under the chapter 63 annual and sick leave system. (Some employees may move to a chapter 63 covered position and could fail to qualify for paid parental leave based on the lack of service under a chapter 63 covered position—e.g., a movement from the legislative branch to the executive branch—even though they may have already been receiving paid parental leave under the former position. Also, this conforms with the proposal to provide FMLA coverage to employees at FAA, TSA, and VHA who are not covered by the chapter 63 annual and sick leave system.)

Civil Service Modernization Proposals

The following proposals are designed to help meet agency needs for hiring and managing the Federal workforce:

Improve the Critical Position Pay authority

This proposal would amend the existing Critical Position Pay authority to allow OPM, in consultation with OMB, to grant critical pay up to the rate for the Vice President (\$246,900 in 2019). This proposal would also expand the total number of positions that may be approved for critical pay from 800 to 2,000.

Create a new Critical Skills Incentive

This proposal would allow the OPM Director to authorize agencies to pay a special incentive to employees (or subsets of employees) who possess high-demand or shortage skills that serve a critical need, up to 25 percent of basic pay. The proposal would also allow OPM to designate high-demand or shortage skills that serve a critical need across the Federal Government and to review such critical skills at least once each year for recertification, revision, or elimination.

Slow progression through the GS and Prevailing Rate pay scales

The proposal would add one year to each GS within-grade increase waiting period resulting in a waiting period of two years (instead of one year) for progression to steps 2, 3, and 4; three years (instead of two years) for progression to steps 5, 6, and 7; and four years (instead of three years) for progression to steps

8, 9, and 10. The proposal would remove an employee's right to appeal the agency's determination that his or her performance does not warrant advancement to the next higher rate within the grade to the Merit Systems Protection Board (MSPB).

Reserve advancement into highest steps for high performers

The proposal would maintain the current standard that a GS employee's performance be at an acceptable level in order to advance to steps 2, 3, 4, 5, 6, or 7, but would require performance above Fully Successful in order to advance to steps 8, 9, or 10.

Eliminate credit toward within-grade increase waiting periods for periods during which an employee was serving on a performance improvement plan due to unacceptable performance

The proposal would extend a GS within-grade increase waiting period by the amount of time that an employee spends under a performance improvement plan. As a within-grade increase waiting period would be two years, three years, or four years under this proposal, it would include multiple performance appraisal periods. While the current regulations require that an agency withhold a within-grade increase when the employee's most recent rating of record is below Fully Successful or equivalent, there is no authority to delay a within-grade increase based on a rating of record of below Fully Successful that is assigned earlier than the most recently completed appraisal period.

Correct an anomaly in the Federal Service Labor-Management relations statute, which is part of the Civil Service Reform Act of 1978

This proposal is designed to correct an anomaly in the Federal Service Labor-Management relations statute, which is part of the Civil Service Reform Act of 1978, and is codified at 5 U.S.C. Chapter 71. The current language undermines the purpose of a uniform civil service.

The statutory provision makes it an unfair labor practice "to enforce any rule or regulation (other than a rule or regulation implementing section 2302 of this title) which is in conflict with any applicable collective bargaining agreement if that agreement was in effect before the date the rule or regulation was prescribed."

Currently, under 5 U.S.C. § 7116(a)(7) Government-wide regulations, including OPM's personnel regulations relating to such subjects as discipline, performance management, and leave, among many other topics, may not be enforced when an existing collective bargaining agreement covering a particular bargaining unit conflicts with the intervening regulation.

Government-wide regulations are promulgated to achieve Government-wide uniformity in interpreting and implementing the underlying statute. Permitting agencies and unions to preempt the comprehensive scope of these regulations by agreement during the life of their contract wittingly or unwittingly creates incongruences among agencies and often within agencies for a number of years. Because agencies' authority to promulgate Government-wide regulations have their source in statute and Executive Order, the current statutory provision has the effect of permitting local agreements to preempt the authority to interpret and apply statutes through regulation that are authorized or mandated by law. This inversion is detrimental to efficient and effective Government, one of the stated rationales for the Federal Service Labor-Management Statute. 5 U.S.C. § 7101(b).

Awards Cap

This proposal would provide greater flexibility for agencies to provide cash incentive awards by raising the current caps/thresholds requiring OPM or POTUS approval. Specifically, the cap for awards requiring OPM approval would increase from \$10,000 to \$25,000, and the cap requiring POTUS approval would increase from \$25,000 to \$50,000. These caps would also be subject to automatic annual adjustment in accordance with the Consumer Price Index. This proposal would also improve equity between SES performance awards and performance awards for SL/ST employees by excluding SL/ST performance awards up to 20 percent of pay from the cash award approval cap (same as SES performance awards up to 20 percent, which are not subject to the cap).

Healthcare and Insurance Proposals

Government Contribution Adjustment Based on Plan Performance Assessment

Effective with the plan year beginning no earlier than 18 months after enactment, this proposal would revise the calculation of the Government contribution to premium so that the contribution is adjusted based on a plan's score from the FEHB Plan Performance Assessment (PPA). All FEHB health plans are required to participate in the PPA, which includes measures of quality, customer service, and resource use pursuant to 48 CFR 1615.404-70.

Currently, the Government contribution that a health plan option receives for an annuitant or non-Postal employee is the lesser of 72 percent of the weighted average premium of all health plans or 75 percent of that plan option's individual premium. Under this proposal, FEHB plans will be divided into two groups representing higher performing plans and all other plans. The base Government contribution would be established as 71 percent of the weighted average of all plan premiums up to 75 percent of an individual plan's premium. For higher performing plans, the Government contribution would be raised by 5 percent, up to a maximum of 80 percent of the plan's premium. Health plans not categorized in the high-performing group would receive the base contribution amount. OPM would support informed decision-making by designating the plans receiving the additional Government contribution on plan informational material.

OPM estimates this proposal would result in a savings of about 1.1 percent of the Government share of premium for annuitants and non-Postal employees, who represent nearly 90 percent of those enrolled in FEHB. This estimate was calculated using 2019 premium amounts and enrollment and 2017 Clinical Quality, Customer Service and Resource Use (QCR) PPA scores. The U.S. Postal Service's contribution toward premiums for Postal employees would continue to be subject to collective bargaining pursuant to the Postal Reorganization Act of 1970 (39 U.S.C. §1005(f)).

This proposal aligns with OPM's strategic goal 1.4 to improve healthcare quality and affordability in the FEHB Program with 75 percent of enrollees in quality, affordable plans.

OPM is currently drafting legislative language for this proposal.

Voluntary Benefits

This proposal would enhance OPM's ability to continue to offer a competitive employee benefits package by establishing authority for OPM to launch new voluntary (i.e., employee-pay-all) benefit programs. Under this authority, OPM could contract with insurers or other appropriate vendors to offer one or more specific benefits to Federal employees and, if applicable, annuitants. OPM does not have authority to contract or hold funds for these benefits under current law. In recognition of the constraints on the Federal budget, enrollees would be responsible for the full cost of these benefits. However, because OPM would harness the group purchasing power of the Federal workforce, the cost could be more affordable than if enrollees seek similar benefits in the retail market on an individual basis. As employee benefits in the private sectors evolve, this authority would enhance OPM's ability to provide a competitive, modern benefits package that fosters recruitment and retention of the highly skilled workforce that the Federal government needs. This authority would allow Title 5 agencies to follow the strategy of several agencies with independent human resources authority, such as those operating under the Federal Institutions Reform, Recovery and Enforcement Act (FIRREA), who offer additional benefits to aid in recruitment. Illustrative examples of the types of benefits that OPM is considering offering under this authority include short-term disability insurance, prepaid legal plans, emergency short-term childcare, and personal accident insurance.

Tax Preemption for the Federal Employees Dental and Vision Insurance Program

This proposal provides a technical change to align FEDVIP with other Federal benefit programs. This technical correction would equalize the treatment of all Federal insurance programs and clarify that no tax, fee, or other monetary payment may be imposed on a FEDVIP carrier by any State, the District of Columbia, or the Commonwealth of Puerto Rico, or by any political subdivision or other Governmental authority thereof.

Medical Liability Reform

The Administration's medical liability reform proposal would:

1. Cap awards for noneconomic damages at \$250,000 indexed to inflation;
2. Allow evidence of a claimants' income from other sources such as workers compensation and auto insurance to be introduced at trial;
3. Provide for a three-year statute of limitations;
4. Establish a fair-share rule to replace the current rule of joint and several liability;
5. Provide safe harbors for providers based on clinical standards;
6. Authorize the Secretary of Health and Human Services to provide guidance to States to create expert panels and administrative health care tribunals;
7. Allow courts to modify attorney's fee arrangements;
8. Exclude provider expressions of regret or apology from evidence; and

9. Require courts to honor a request by either party to pay damages in periodic payments for any award equaling or exceeding \$50,000.

If enacted, the Administration's medical liability reform proposal would affect the FEHB Program beginning in 2023. Capping awards and shortening the statute of limitations could potentially reduce costs for malpractice insurance carriers. Additional costs to carriers are reflected in malpractice insurance premiums. Therefore, this proposal has the potential to lower malpractice insurance premiums, which in turn lowers healthcare costs overall. In addition, these reforms have the potential to reduce unnecessary healthcare utilization, or 'defensive medicine,' also reducing healthcare costs.

Retirement Proposals

Change Retirement Calculation from High-3 to High-5 Years

This proposal would change the annuity benefit calculation of future retirees. Rather than using the current average of a Federal employee's three highest salary earning years (High-3), the calculation would use the highest five consecutive salary years.

The financial impact of utilizing the High 5 average salaries versus the High 3 for all new retirees would create a savings to the Government of approximately \$8.1 billion over ten years. Annual savings are projected to reach approximately \$1.2 billion in FY 2030, and are expected to continue to grow because of an increasing fraction of retirees would receive annuity benefits under this new calculation.

Elimination of the Cost-of-Living Adjustment (COLA) for current and future Federal Employee Retirement Systems (FERS) participants and Reduce the COLA for Civil Service Retirement System (CSRS) retirees by 0.5 percent

This proposal would eliminate the COLA for current and future FERS annuitants. Under current law, FERS retirees (starting at age 62) receive a full COLA if the Consumer Price Index (CPI) is up to 2 percent and up to 1 percent less than the change in the CPI if the change is more than 2 percent. This legislative proposal would change the policy by eliminating the FERS COLA and reducing the COLA for CSRS retirees by 0.5 percent. Approximately 75 percent of current retirees receiving benefits are from the CSRS population.

The financial impact of eliminating the COLA for FERS annuitants and reducing the COLA by 0.5 percent for CSRS retirees would create a savings to the Government of approximately \$12.6 billion over five years and \$53.6 billion over ten years.

Eliminate the Annuity Supplement for all new Federal Employee Retirement Systems (FERS) retirees

This proposal would eliminate the temporary FERS annuity supplement employees who retire early receive until they reach age 62, the age when they become eligible for Social Security. It would apply to all new FERS retirees that meet the criteria for receiving a FERS Annuity Supplement.

The financial impact of eliminating the Annuity Supplement for FERS retirees would create a savings to the Government of approximately \$20.0 billion over ten years.

Increase in employee contributions to 50 percent of cost, phased in at 1 percent per year

This proposal would increase employee contributions to the Federal Employees Retirement System (FERS) such that an employee and employer would each pay half the normal cost. Under current law, Federal employees contribute between 0.8 percent and 4.4 percent of their salary towards their Federal pension. Federal agencies contribute the remainder of the normal cost. To mitigate the impact on employees, this provision would be phased in over several years, with individuals contributing an additional 1 percent of their salary each year until equalized.

The financial impact of this proposal, agency contributions decreasing and employee contributions increasing, would create a savings to the Government of \$2.2 billion in the first phased-in year, approximately \$34.7 billion over five years, and approximately \$101 billion over ten years.

Federal Employees' Defined Contribution Plan for Term Employees

This proposal would provide new term employees with an enhanced defined contribution retirement plan during their appointment. Currently, certain term employees receive both a defined benefit through the Federal Employees Retirement System (FERS) as well as a defined contribution plan through the Thrift Savings Plan (TSP). Typically, private employers provide only one type of retirement plan, usually through a defined contribution plan. This proposal helps bring Federal retirement benefits more in line with the private sector, and more in line with the expectations of the newer civil servants, by increasing the mobility of benefits for term employees. Increasing mobility of benefits is in line with the expectations of America's workforce.

Prospectively, new term employees would receive an agency automatic contribution to TSP increased to 5 percent of basic salary from the current 1 percent. The Government TSP matching contribution will increase to 5 percent of basic salary, dollar for dollar, on top of the automatic contribution. Term employee contributions above 5 percent would not be matched; however, employees would retain the right to contribute from their salary up to IRS limits on contributions to the TSP.

Under the Federal Employees Retirement System Defined Contribution Plan for Term Employees, employees that maximize the matching contributions would aggregate a total of 15 percent of pay contributed to their TSP account.

For certain new term employees in the public safety field, the automatic Government contribution will be 7 percent of basic pay, with a Government match of up to 7 percent. Employees that maximize the matching contributions would aggregate a total of 21 percent of pay contributed to their TSP account.

By aligning Federal benefits with prospective term employee expectations, our Government will be better positioned to attract qualified talent. Additionally, the increased mobility of benefits will allow for a natural cycle where employees can enter the public sector, transition to the private sector, and re-enter the public sector – bringing with them the best practices of industry to foster continued revitalization of Government processes.

Appropriations Language

REVISED SALARIES AND EXPENSES as Federal Workforce Service

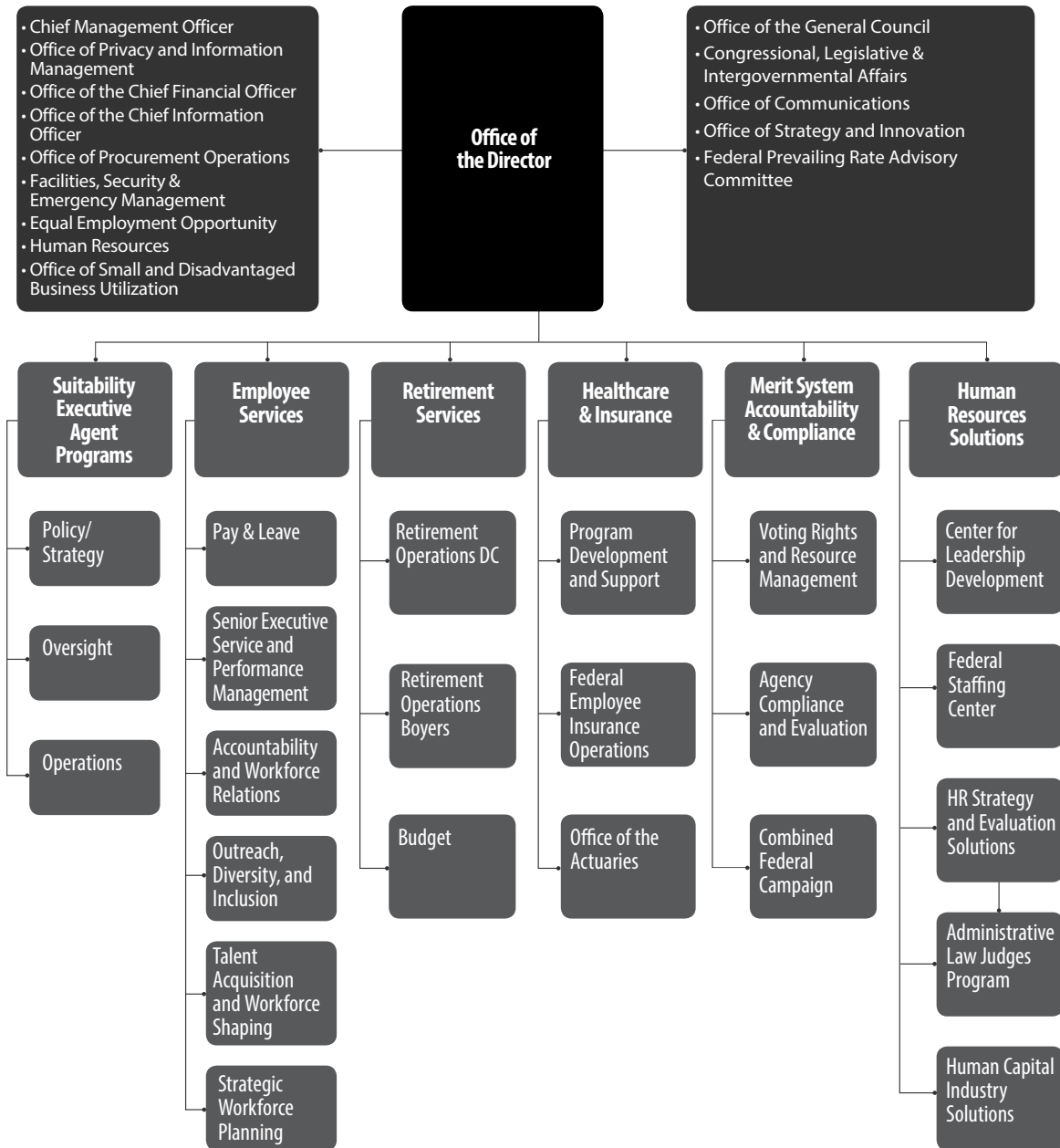
SALARIES AND EXPENSES (INCLUDING TRANSFER OF TRUST FUNDS)

Contingent upon enactment of authorizing legislation to reorganize the Office of Personnel Management (OPM) and transfer certain of its functions to the General Services Administration (GSA), for necessary expenses to carry out functions formerly vested in OPM 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; 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, \$147,322,000: *Provided*, That of the total amount made available under this heading, up to \$8,811,000 shall remain available until expended, for information technology infrastructure modernization and Trust Fund Federal Financial System migration or modernization, and shall be in addition to funds otherwise made available for such purposes: *Provided further*, That of the total amount made available under this heading, \$1,048,000 may be made available 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 in addition \$147,609,000 for administrative expenses, to be transferred from the appropriate trust funds of OPM's successor division at GSA without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: *Provided further*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 8958(f)(2)(A), 8988(f)(2)(A), 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 OPM's successor division at GSA 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 2021, 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: *Provided further*, That amounts available from this heading, including amounts received by transfer from the applicable trust funds of OPM's successor division at GSA, may be transferred to an Information Technology Working Capital Fund for purposes authorized by the Modernizing Government Technology Act (40 U.S.C. 11301 note).

Organizational Framework

OPM’s divisions and offices and their employees implement the programs and deliver the services that enable the agency to meet its strategic goals and fulfill its statutory mandates. The agency’s organizational framework consists of program divisions and offices that both directly and indirectly support the agency’s mission.

This plan reflects organizational changes to better align and consolidate agency functions. These changes are intended to help OPM meet its strategic goals and priorities and provide optimal service to customers, while executing effective stewardship of taxpayer dollars, by effectively executing, enforcing, and administering civil service law. MSAC’s Internal Oversight and Compliance program will be merged with the Office of the Executive Secretariat in the Office of the Director.



OPM Budget FY 2020 & FY 2021 by Organization- All Resources

Organization	FY 2020 Enacted		FY 2021 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Chief Human Capital Officer Council **	\$181,422	1.0	\$0	0.0	(\$181,422)	(1.0)
Congressional, Legislative and Intergovernmental Affairs	\$1,969,000	12.7	\$1,928,000	12.0	(\$41,000)	(0.7)
Employee Services	\$29,841,000	178.0	\$30,761,800	167.1	\$920,800	(11.0)
Equal Employment Opportunity	\$1,026,000	6.8	\$1,055,000	6.0	\$29,000	(0.8)
Facilities, Security & Emergency Management	\$15,032,000	68.4	\$13,456,761	74.3	(\$1,575,239)	5.8
Federal Prevailing Rate Advisory Committee	\$167,000	1.0	\$176,000	1.0	\$9,000	0.0
Healthcare & Insurance	\$38,489,123	162.7	\$37,912,716	167.8	(\$576,407)	5.1
HR Solutions	\$495,516,726	465.0	\$710,906,913	469.0	\$215,390,187	4.0
Merit System Accountability & Compliance	\$16,457,000	95.7	\$15,481,716	87.0	(\$975,284)	(8.7)
National Background Investigations Bureau	\$158,000,000	0.0	\$0	0.0	(\$158,000,000)	0.0
Office of Communications	\$1,769,000	10.7	\$2,225,000	11.0	\$456,000	0.3
Office of Procurement Operations	\$5,699,000	32.2	\$5,540,158	31.7	(\$158,842)	(0.5)
Office of Small and Disadvantaged Business Utilization	\$431,000	2.0	\$423,000	1.8	(\$8,000)	(0.2)
Office of the Chief Financial Officer	\$132,163,000	121.2	\$130,308,993	115.0	(\$1,854,007)	(6.2)
Office of the Chief Information Officer	\$319,967,483	348.7	\$339,528,309	383.4	\$19,560,826	34.7
Office of the Director	\$8,477,692	31.3	\$8,967,700	31.0	\$490,008	(0.3)
Office of the General Counsel	\$6,179,000	33.2	\$6,220,000	31.0	\$41,000	(2.2)
Office of the Inspector General	\$30,265,000	154.0	\$0	0.0	(\$30,265,000)	(154.0)
Rent/Centrally Funded Items	\$29,683,555	0.0	\$29,205,000	0.0	(\$478,555)	0.0
Retirement Services	\$105,642,750	1,024.6	\$107,177,088	947.4	\$1,534,339	(77.2)
Security, Suitability and Credentialing Line of Business	\$7,500,000	13.0	\$7,508,000	11.0	\$8,000	(2.0)
Suitability Executive Agent Programs	\$8,342,000	56.0	\$9,833,981	56.0	\$1,491,981	0.0
White House Fellows	\$808,000	4.9	\$786,000	5.0	(\$22,000)	0.1
Office of Strategy and Innovation	\$5,643,188	30.3	\$5,763,500	27.0	\$120,312	(3.3)
Office of Privacy and Information Management	\$5,237,121	18.6	\$5,435,000	16.0	\$197,879	(2.6)
OPM Human Resources	\$7,608,000	41.5	\$8,092,000	35.5	\$484,000	(6.0)
OPM Total	\$1,432,095,060	2,913.3	\$1,478,692,635	2,686.9	\$46,597,575	(226.5)

* This table includes revolving fund-financed organizations, common services funding, and Advances & Reimbursements. Therefore, this table varies from the tables in the Executive Summary section.

** The administrative functions to support CHCOC were transitioned to GSA in Q1 FY 2020.

OPM's gross budget is expected to increase from FY 2020 to FY 2021 by \$46.6 million, largely due to the anticipated increase of DOD business with HR Solutions' USA Learning program. The increase is also attributed to business activities with the HRTT PMO. This is offset by the resolution of background investigations activity. In addition, the Office of the Inspector General is displayed with the GSA OIG.

This section describes each organization and the key roles and responsibilities it plays in contributing to the achievement of OPM's mission. OPM's organizations are categorized into four different types of offices: Executive, Program, Mission Support, and Others, which are detailed below:

Executive Offices

The Office of the Director (OD) provides guidance, leadership, and direction necessary to lead and serve the Federal Government by delivering policies and services to achieve a trusted effective civilian workforce. The Human Resources Line of Business (HRLOB) is housed within OD. Also included within OD is the Executive Secretariat (ExecSec) function, which is responsible for coordination and review of agency correspondence, policy and program proposals, regulations, and legislation. The ExecSec serves as the agency's regulatory interface with the Office of Management and Budget and the Federal Register. The office is also responsible for the administrative and resource management support for the OD and other executive offices. Additionally, the ExecSec coordinates OPM's international affairs activities and contacts, and drives the resolution of audit recommendations.

Office of Privacy and Information Management (OPIM) was established in February 2019 in order to elevate and co-locate certain important and complementary subject matter areas and, in so doing, call attention to their significance in the day-to-day business operations of OPM and facilitate proper resource allocation for the work performed. This included realigning the former Information Management and Freedom of Information Act (FOIA) groups from the Office of the Chief Information Officer into OPIM and realigning the Chief Privacy Officer/Senior Agency Official for Privacy from within the Office of the Director to lead the new organization. OPIM's key areas of responsibility are: Privacy; FOIA; Records Management; Section 508 Accessibility; Forms Management/Paperwork Reduction Act; and Controlled Unclassified Information.

Office of the General Counsel (OGC) provides legal advice and representation to the Director and OPM managers and leaders so they can work to provide the Federal Government an effective and trusted civilian workforce. OGC does this by rendering opinions, reviewing proposed policies 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 also carries out several programmatic, substantive functions that fulfill other statutory or regulatory mandates and, thus, benefit other OPM offices or the Executive Branch as a whole. For example, OGC is responsible for the Government-wide Hatch Act regulations, administers the internal agency Hatch Act and ethics programs, and serves in a policy and legal role in the Government-wide function of determining which Merit Systems Protection Board and arbitral decisions are erroneous and have a substantial impact on civil service law, and, thus, merit judicial review. Further, consistent with the Government in Ethics Act, OGC, along with DOJ, consults with the United States Office of Government Ethics (OGE) on any regulations related to the Standards of Conduct OGE plans to issue. OPM also administers OPM's internal program for handling claims lodged under the Federal Tort Claims Act.

Congressional, Legislative and Intergovernmental Affairs (CLIA) is the OPM office that fosters and maintains relationships with Members of the Congress and their staff. CLIA accomplishes its mission by keeping informed of issues related to programs and policies administered by OPM. CLIA staff attend meetings, briefings, markups, and hearings in order to interact, educate, and advise agency leadership and the Congress, as well as state and local governments. CLIA is also responsible for supporting congressional efforts through providing technical assistance and substantive responses to congressional inquiries.

Office of Communications (OC) coordinates a comprehensive effort to inform the public of the Administration's and OPM's goals, plans, and activities through various media outlets. The OC provides the American public, Federal agencies, and pertinent stakeholders with accurate information to aid in their planning and decision-making process. The OC coordinates the publication and production of all video products, printed materials, and websites generated by OPM offices. The office develops briefing materials for the Director and other OPM officials for various activities and events. The OC also plans events that amplify the Administration's and OPM's key initiatives within the agency as well as Government-wide.

Security, Suitability, and Credentialing Line of Business (SSCLoB) is an interagency organization that is administratively housed within OPM's Office of the Director. The SSCLoB was established by and supports the Suitability and Security Executive Agents (OPM and ODNI) and the Security, Suitability and Credentialing Performance Accountability Council (PAC) through its PMO. The PAC is chaired by the Deputy Director for Management of OMB and is accountable to the President for promoting alignment of processes, to the extent appropriate, and driving enterprise-wide personnel vetting reform efforts. Through the PAC PMO, the PAC helps establish the overall direction for the SSCLoB's work to identify and assist with implementing solutions that optimize personnel vetting investments, simplify delivery of personnel vetting services where possible, establish shared services, and promote reciprocity, efficiency, and effectiveness across the personnel vetting enterprise.

Office of Strategy and Innovation (OSI) uses data and research to develop human capital strategy and leads human resources innovation throughout the Federal Government. OSI includes both the Data Analysis Group and the Survey Analysis Group.

Program Offices

Employee Services (ES) administers statutory and regulatory provisions related to recruitment, strategic workforce planning, pay, leave, performance management and recognition, leadership and employee development, reskilling, work/life/wellness programs, diversity and inclusion, and labor and employee relations efforts with tools, education, and direct support. Employee Services also uses data and research to develop human capital strategy and leads human resources innovation throughout the Federal Government.

Retirement Services (RS) is responsible for administering, developing, and providing Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving

nearly 2.7 million Federal retirees and survivors who receive monthly annuity payments. Even after a case is adjudicated and added to the annuity roll, OPM continues to serve annuitants by making address or tax status changes to annuitant accounts, sending out 1099-Rs, surveying certain annuitants to confirm their continued eligibility to receive benefits, and conducting other post adjudication activities.

Healthcare and Insurance (HI) consolidates OPM's healthcare and insurance responsibilities into a single organization. This includes contracting and program development and management functions for the Federal Employees Health Benefits (FEHB) Program, Federal Employees' Group Life Insurance (FEGLI) Program, the Federal Long Term Care Insurance Program (FLTCIP), the Federal Employees Dental and Vision Insurance Program (FEDVIP), and the Federal Flexible Spending Account Program (FSAFEDS).

Merit System Accountability & Compliance (MSAC) provides rigorous oversight to determine if Federal agency human resources programs are effective and efficient, and comply with merit system principles and related civil service regulations. MSAC evaluates agencies' programs through a combination of OPM-led evaluations and as participants in agency-led reviews. The evaluations may focus on all or some of the four systems of OPM's Human Capital Framework: (1) strategic planning and alignment of human resources to mission, (2) performance culture, (3) talent management, and (4) evaluation systems. MSAC reports may identify required corrective actions, which agencies must show evidence of implementing, as well as recommendations for agencies to improve their systems and procedures. MSAC also conducts special cross-cutting studies to assess the use of HR authorities and flexibilities across the Government. Moreover, MSAC reviews and renders decisions on agencies' requests to appoint current or former political appointees to positions in the competitive service, the non-political excepted service, or the senior executive service to verify that such appointments conform to applicable selection requirements and are free of political influence. MSAC is required to report to Congress on its review and determinations concerning these appointments. MSAC also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable offer appeals (where the grade or pay is equal to or greater than the retained grade (5 CFR 536.402), all of which provides Federal employees with administrative procedural rights to challenge compensation and related agency decisions without having to resort to seeking redress in Federal courts. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights programs. 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 and annuitants the opportunity to improve the quality of life for all. The Voting Rights Program deploys Federal observers to monitor polling sites (as determined by the Attorney General) and provides written reports to the Department of Justice.

Human Resources Solutions (HRS) is a fee-based organization comprised of four practice areas offering a complete range of tailored and standardized human resources products and services, on a reimbursable basis, designed to meet the unique and dynamic needs of the Federal Government, including operationalizing Government-wide HR policies and other key human capital initiatives. Some of this work is directed by statute, and other aspects are performed at the option of an agency that engages HRS in this work. HRS provides customer agencies with innovative, high quality Government-to-Government solutions to help them develop leaders, attract and build a high quality public sector workforce, and achieve long-lasting mission success. This includes recruiting and examining candidates for positions for employment by Federal agencies nationwide; managing the Leadership for a Democratic Society program and other leadership, management, and professional development programs; automating the full range of Federal rules and procedures for staffing, learning and performance management; operating the USAJOBS online recruitment site; developing specialized assessments and performance management strategies; providing comprehensive HR strategy; providing learning record systems or learning ecosystems; and offering Federal customers human capital management, organizational performance improvement, and training and development expertise procured through best-in-class contracts. The Administrative Law Judges (ALJ) program, which formerly administered the competitive examining process for ALJs, engages in oversight activities designed to preserve ALJs' qualified adjudicative independence with respect to 28 agencies employing ALJs Government-wide, including, for example, approving reassignments within agencies, intra-agency details, inter-agency loans of ALJs, and the appointment of Senior ALJs.

Suitability Executive Agent (SuitEA) was established as a distinct program office within OPM in December 2016 to strengthen the effectiveness of vetting for and determinations of suitability or fitness for Federal employment or to perform work under a Government contract and eligibility for credentials (that is, logical and physical access to agency systems and facilities) across the Government. SuitEA prescribes suitability, fitness, and credentialing standards and conducts oversight of functions delegated to the heads of agencies while retaining jurisdiction for certain suitability determinations and taking Government-wide suitability actions when appropriate. SuitEA also issues guidelines and instructions to the heads of agencies to promote appropriate uniformity, centralization, efficiency, effectiveness, reciprocity, timeliness, and security in suitability/fitness/credentialing processes. In the wake of the delegation to DOD of investigations relating to suitability, fitness, or credentialing, SuitEA will also be responsible for setting standards for those investigations and exercising oversight over DOD's performance of those investigations.

Mission Support Services

Human Resources (HR) is responsible for OPM's internal human resources management programs. OPM HR supports the human capital needs of program offices throughout the employment lifecycle, from recruiting and hiring candidates for employment opportunities at OPM, to coordinating career development opportunities, to processing retirement applications. The OPM Chief Human Capital Officer (CHCO) leads HR, and is responsible for shaping corporate human resources strategy, policy, and solutions to workforce management challenges within the agency.

Office of the Chief Financial Officer (OCFO) provides leadership and coordination of OPM financial management services, accounting, financial systems, budget, performance, enterprise risk management, and internal controls programs which enable the agency to achieve strategic objectives and mission. Additionally, the OCFO facilitates the completion of timely and accurate financial reports that support decision making, comply with Federal requirements, and demonstrate effective management of taxpayer dollars.

Office of the Chief Information Officer (OCIO) develops the Information Resource Management Plan and defines the information technology vision and strategy to include information technology policy and security for OPM. The OCIO manages the IT infrastructure that supports OPM business applications and operations. The OCIO shapes the application of technology in support of the agency's strategic plan, including information technology that outlines the long-term strategic architecture and systems plans for agency information technology capital planning. The OCIO supports and manages pre- and post-implementation reviews of major information technology programs and projects, as well as project tracking at critical review points. The OCIO provides review and oversight of major information technology acquisitions for consistency with the agency's architecture and the information technology budget, and is responsible for the development of the agency's information technology security policies in a manner consistent with Federal law. The OCIO leads the agency's information technology architecture engineering to further architecture integration, design consistency, and compliance with Federal standards. The OCIO also works with other agencies on Government-wide projects such as IT Modernization, Cloud Email Adoption, and developing long-term plans for human resource information technology strategies.

Facilities, Security & Emergency Management (FSEM) manages the agency's personal and real property, building operations, space design and layout, mail management, physical security and safety, and occupational health programs. FSEM provides personnel security, suitability, and national security adjudicative determinations for OPM personnel. FSEM oversees OPM's Personal Identification Verification program and provides shared services in support of other Government agencies' adjudicative programs. FSEM directs the operations and oversees OPM's classified information, industrial security, insider threat, and preparedness and emergency response programs. In addition, it oversees publishing and printing management for internal and external design and reproduction.

Office of Procurement Operations (OPO) awards and administers contract actions and interagency agreements. OPO provides acquisition support to OPM programs and provides assisted acquisition services in support of other Federal agencies that require support under OPM contracts. OPO supports the agency suspension and debarment program, as well as supports the small business utilization efforts for OPM in accordance with law and OPM contracting policies. The Acquisition Policy and Innovation function within OPO provides acquisition policy development and guidance agency-wide, as well as provides compliance and oversight over OPM's procurement program. OPO provides acquisition support and oversight for all Contracting Officers and Contracting Officer Representatives, and manages and provides oversight of the purchase card program. OPO serves as OPM's liaison to the Office of Federal Procurement Policy, Chief Acquisition Officers Council, and other key external agency partnerships.

Office of Small and Disadvantaged Business Utilization (OSDBU) manages the development and implementation of appropriate outreach programs aimed at heightening the awareness of the small business community to the contracting opportunities available within OPM. The office's responsibilities, programs, and activities are managed under three lines of business: advocacy, outreach, and unification of the business process.

Equal Employment Opportunity (EEO) provides a fair, legally-correct, and expeditious EEO complaints process (for example, EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO also designs and implements all required internal OPM diversity and inclusion efforts to promote diversity management.

Other Offices

Federal Prevailing Rate Advisory Committee (FPRAC) studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under Subchapter IV of Chapter 53 of Title V, United States Code, and advises the Director of OPM on the Government-wide administration of the pay system for blue-collar Federal employees.

Performance Budget by Strategic Goal

This section aligns OPM's FY 2021 budget request to the agency's strategic plan. Funding amounts, performance measures and targets, and next steps are detailed for each objective in the strategic plan. It is intended to meet the performance planning requirements of the Office of Management and Budget (OMB) Circular A-11, Part 6, Section 240 – *Annual Performance Planning and Reporting*.

The OPM Strategic Plan includes three strategic goals as well as one operational excellence goal to improve both program operations and cross-cutting management functions. The agency's goals and objectives will guide efforts to accomplish OPM's mission to *lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce* and achieve its vision for “*Empowering Excellence in Government through Great People.*”

Goals

Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce.

Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions.

Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs.

Operational Excellence Goal 4: Optimize agency performance.

Additional Mission Activities Aligned to Key Functions

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. Such functions include, for example, the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice, and operating the President's Commission on White House Fellows.

Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions. These administrative and executive leadership activities are grouped in the strategic plan as capacity-enabling functions.

The following table shows the resources budgeted against each of OPM's goals. All resources are shown for each goal, including financing from:

- Common Services, which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative functions within the agency.

FY 2021 Budget Request by Goal and Fund—All Resources

Strategic Objectives		
	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	\$41,303,164	218.3
Salaries & Expenses	\$11,329,193	61.6
Trust Fund Annual	\$25,859,973	131.5
Revolving Fund	\$3,534,834	22.0
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$579,164	3.2
Lead the establishment and modernization of human capital information technology and data management systems and solutions	\$9,437,081	23.4
Salaries & Expenses	\$3,934,919	19.4
Common Services	\$163,783	1.0
Revolving Fund	\$5,338,379	3.0
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	\$17,078,844	104.7
Salaries & Expenses	\$15,245,292	92.7
Revolving Fund	\$1,833,552	12.0
Optimize Agency Performance	\$158,764,067	1,066.1
Salaries & Expenses	\$2,506,772	0.0
IT Modernization S&E	\$8,811,000	6.7
Trust Fund Annual	\$69,279,674	552.7
Common Services	\$22,571,026	76.5
Advances & Reimbursements Annual	\$10,046,993	8.9
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$44,330,888	411.4
FERCCA (P.L. 106-265) - Retirement	\$1,217,714	10.0
Additional Mission and Mission Support Activities	\$1,252,109,479	1,274.5
Salaries & Expenses	\$86,359,824	187.5
Trust Fund Annual	\$24,164,353	55.5
Common Services	\$50,579,191	211.2
Revolving Fund	\$918,021,280	667.0
Advances & Reimbursements Annual	\$155,729,793	128.9
Advances & Reimbursements No Year	\$2,182,046	0.8
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$8,378,254	17.3
5 U.S.C. § 9004(f)(B) - Long-Term Care	\$1,000,335	4.8
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$5,680,403	1.6
FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
OPM Total	\$1,478,692,635	2,686.9

Note: This table includes the budget of administrative activities funded by OPM's Common Services. Revolving fund financing for Common Services is also reflected.

The following table is a more granular view of the prior table. It shows the operating resources budgeted to each objective within the goals, and includes financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Security, Suitability, and Credentialing Line of Business;
- Resources spent as Common Services, which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative functions of the agency.

FY 2021 Budget Request by Goal and Objective—All Resources

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	1.1	Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner	\$12,447,811	71.6
	1.2	Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets	\$2,416,216	12.0
	1.3	Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform	\$1,654,757	9.0
	1.4	Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans	\$24,784,380	125.7
	1.5	Transform the background investigation process to improve investigation timeliness	\$0	0.0
	Strategic Goal Total			\$41,303,164
Lead the establishment and modernization of human capital information technology and data management systems and solutions	2.1	Improve collection and analysis of data to better inform human capital management decisions	\$2,918,002	15.4
	2.2	Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022	\$2,188,379	3.0
	2.3	Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements	\$4,330,700	5.0
	Strategic Goal Total			\$9,437,081
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	3.1	Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives	\$14,661,590	92.5
	3.2	Achieve recognition as the trusted human capital management advisor	\$2,417,254	12.2
	Strategic Goal Total			\$17,078,844
Optimize Agency Performance	4.1	Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points	\$2,448,110	1.0
	4.2	Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points	\$1,120,618	5.5

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
	4.3	Exceed the Government-wide average satisfaction score for each agency mission support service	\$40,992,330	88.2
	4.4	Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less	\$114,203,009	971.4
Strategic Goal Total			\$158,764,067	1,066.1
Additional Mission and Mission Support Activities	5.1	Additional Mission Activities Aligned to Key Functions	\$883,448,219	668.1
	5.2	Additional Mission Support Activities	\$368,661,260	606.4
Strategic Goal Total			\$1,252,109,479	1,274.5
OPM Total			\$1,478,692,635	2,686.9

FY 2021 Budget Request by Goal and Organization—All Resources

The following table shows FY 2021 operating resources for each strategic goal by organization. This includes:

- Resources spent as Common Services which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions within the agency.

<u>Organization Name</u>	<u>Goal 1 Description</u> Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	<u>Goal 2 Description</u> Lead the establishment and modernization of human capital information technology and data management systems and solutions	<u>Goal 3 Description</u> Improve integration and communication of OPM services to Federal agencies to meet emerging needs	<u>Goal 4 Description</u> Optimize Agency Performance	<u>Goal 5 Description</u> Additional Mission and Mission Support Activities	<u>Total</u>
Office of the Chief Information Officer	\$0	\$0	\$0	\$11,905,678	\$327,622,631	\$339,528,309
Congressional, Legislative and Intergovernmental Affairs	\$0	\$0	\$0	\$0	\$1,928,000	\$1,928,000
Employee Services	\$10,556,873	\$2,382,094	\$4,808,243	\$0	\$13,014,590	\$30,761,800
Equal Employment Opportunity	\$0	\$0	\$0	\$0	\$1,055,000	\$1,055,000
Facilities, Security & Emergency Management	\$0	\$0	\$0	\$0	\$13,456,761	\$13,456,761
Federal Prevailing Rate Advisory Committee	\$0	\$0	\$0	\$0	\$176,000	\$176,000
Healthcare & Insurance	\$24,784,380	\$0	\$0	\$0	\$13,128,336	\$37,912,716
HR Solutions	\$1,761,583	\$2,188,379	\$1,833,552	\$0	\$705,123,399	\$710,906,913
Merit System Accountability & Compliance	\$772,320	\$372,125	\$8,212,049	\$0	\$6,125,222	\$15,481,716
Office of Communications	\$0	\$0	\$2,225,000	\$0	\$0	\$2,225,000
Office of Procurement Operations	\$0	\$0	\$0	\$1,772	\$5,538,386	\$5,540,158

	<u>Goal 1 Description</u>	<u>Goal 2 Description</u>	<u>Goal 3 Description</u>	<u>Goal 4 Description</u>	<u>Goal 5 Description</u>	
	Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Lead the establishment and modernization of human capital information technology and data management systems and solutions	Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Optimize Agency Performance	Additional Mission and Mission Support Activities	Total
<u>Organization Name</u>						
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$0	\$0	\$423,000	\$423,000
Office of Strategy and Innovation	\$0	\$0	\$0	\$0	\$5,763,500	\$5,763,500
Office of the Chief Financial Officer	\$0	\$163,783	\$0	\$35,392,962	\$94,752,248	\$130,308,993
Office of the Director	\$0	\$4,330,700	\$0	\$0	\$4,637,000	\$8,967,700
Office of the General Counsel	\$0	\$0	\$0	\$0	\$6,220,000	\$6,220,000
Office of Privacy and Information Management	\$0	\$0	\$0	\$0	\$5,435,000	\$5,435,000
OPM Human Resources	\$0	\$0	\$0	\$5,941,324	\$2,150,676	\$8,092,000
Rent/Centrally Funded Items	\$0	\$0	\$0	\$0	\$29,205,000	\$29,205,000
Retirement Services	\$1,654,757	\$0	\$0	\$105,522,331	\$0	\$107,177,088
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$0	\$0	\$0	\$0	\$7,508,000	\$7,508,000
Suitability Executive Agent Programs	\$1,773,251	\$0	\$0	\$0	\$8,060,730	\$9,833,981
White House Fellows	\$0	\$0	\$0	\$0	\$786,000	\$786,000
OPM Total	\$41,303,164	\$9,437,081	\$17,078,844	\$158,764,067	\$1,252,109,479	\$1,478,692,635

*This table includes the budget administrative activities funded by OPM's Common Services. Financing for Common Services from the Revolving Fund and the OIG is also reflected

Additional Mission Activities Aligned to Key Functions

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. These mandated functions also include programs that benefit the Government at-large, including the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice and operating the President's Commission on White House Fellows.

Key Functions

Human Capital Management Leadership

Policy

OPM interprets and enforces governing law and provides policy direction and leadership in designing, developing, and promulgating Government-wide human resources systems, programs, and policies that support the current and emerging needs of Federal agencies. In addition, the agency provides technical support and guidance to agencies on the full range of human resources (HR) management policies and practices, including recruitment, hiring policy and classification, veterans' employment, strategic workforce planning, pay, leave, performance management and recognition, leadership and employee development, diversity and inclusion, work/life/wellness programs, accountability, and labor and employee relations. OPM's leadership in these areas enables the Federal Government to anticipate drivers that will influence and impact the Federal workforce. OPM also responds to agency requests to exercise certain Government-wide personnel management authorities that are centrally administered or subject to OPM approval under law, and oversees the implementation of key Administration priorities and goals concerning Government-wide human capital management matters.

Service

OPM provides customized human capital and training products and services to Federal agencies to maximize their organizational and individual performance and to drive their mission results. Utilizing the agency's internal human capital experts, shared service providers within Government, and/or Government contractors, OPM's personnel management solutions help agencies design effective organizations, recruit and hire top talent, develop and cultivate leaders, build Federal human resource professional capability, improve the performance management process, and achieve long-lasting human capital results.

OPM provides agencies with access to pre-competed private sector contractors through a unique partnership between OPM and the General Services Administration (GSA), as part of the Government-wide Category Management effort. The private contractors, comprised of large and small companies, complement OPM's internal capabilities in the areas of training and development, human capital management, and organizational performance improvement. OPM's involvement facilitates the delivery of services that are both effective and compliant with operative civil service law.

OPM provides a leadership development continuum that enables Federal executives, managers, and aspiring leaders to acquire knowledge and master skills so they can lead within a rapidly changing Government environment. Anchored by the Federal Executive Institute, OPM's leadership development

infrastructure and programs also include the Eastern and Western Management Development Centers, the Presidential Management Fellows Program, the Federal HR Institute, the Process and Performance Improvement program, the Lab at OPM, and USALearning.

OPM generates Government-wide benefit through Human Resources Information Technology consolidation, standardization, and modernization. OPM offers Federal systems such as Enterprise Human Resource Integration, USA Learning®, USA Staffing®, USA HireSM, and USA Performance®. OPM is also developing the necessary information technology infrastructure to facilitate the exchange of human resources data and information Government-wide, as appropriate. Through its Human Resources Line of Business, OPM leads the Government-wide transformation of human resources information technology by focusing on modernization, integration, and performance assessment.

OPM maintains USAJOBS®, the official job site of the Federal Government. It is the one-stop source for Federal jobs and employment information by which, among other things, Federal agencies meet their legal obligations to provide public notice of Federal employment opportunities to Federal employees and American citizens, and interested citizens find information on these opportunities. The USAJOBS website is the portal for Federal recruitment for most Government positions, whether the positions are in the competitive or excepted service.

Oversight

Through OPM's oversight evaluation work, special studies, and collaboration with agencies, OPM assesses whether Federal human resources programs and human capital management systems are effective and meet merit system principles and related civil service requirements. OPM works directly with agencies to make improvements or changes to programs that are ineffective, inefficient, or not in compliance with Federal law to help them achieve compliance and mission objectives. OPM also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable appeals, which provide Federal employees with procedural rights to challenge compensation and related agency decisions.

Benefits

Federal Benefits for Employees and Annuitants

OPM facilitates access to the high-caliber healthcare and insurance programs offered by the Federal Government, including health insurance, dental and vision insurance, flexible spending accounts, life insurance, and long-term care insurance, making Federal employment more attractive, and thus enabling agencies to compete for good candidates with other potential employers. OPM manages insurance benefits for more than eight million Federal employees, retirees, and their families, and employees of tribes or tribal organizations.

Effective in 2019, OPM also offers dental and vision plans to more than 6.9 million individuals who are eligible as military retirees and their families, members of the Retired Reserve, non-active Medal of Honor recipients, or survivors and family members of active-duty service members. In addition, under

section 713 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019¹, current TRICARE Dental Program (TDP) beneficiaries, including military reservists and active duty military family members, will become eligible for dental coverage under the Federal Employees Dental and Vision Insurance Program (FEDVIP) starting with the first contract year that begins on or after January 1, 2022.

Retirement

OPM is responsible for the administration of the Federal Retirement Program covering more than 2.7 million active employees, including the United States Postal Service, and nearly 2.7 million annuitants, survivors, and family members. OPM also administers, develops, and provides Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer. Activities include record maintenance and service credit accounts prior to retirement; initial eligibility determinations at retirement; adjudication of annuity benefits based on age and service, disability, or death based on a myriad of statutes and regulations; post-retirement changes due to numerous life events; health and life insurance enrollments; Federal and state tax deductions; as well as other payroll functions.

Vetting

Through FY 2019, OPM was responsible for providing investigative products and services for more than 100 Federal agencies to use as the basis for a variety of adjudicative decisions, including but not limited to security clearance and suitability decisions as required by Federal law. OPM's investigations program focused on continual process improvement through innovation, stakeholder engagement, and agile acquisition strategy. In FY 2020, certain investigative functions previously performed by NBIB moved to the Department of Defense. OPM retains oversight over non-national security investigations.

OPM is also responsible for prescribing suitability, fitness, and credentialing standards for Government employees and contractors and determining investigative standards in conjunction with the Director of National Intelligence. The agency issues guidelines and instructions to the heads of other agencies to promote uniformity and effectiveness when executing their delegated responsibilities, and OPM conducts oversight of agencies' programs and processes in this area. OPM retains jurisdiction of suitability adjudications in circumstances where a Government-wide bar of an individual from Federal service is necessary to promote efficiency and protect the integrity of the service. The agency also provides Government-wide training for investigators and adjudicators that conforms to Government-wide training standards.

¹ Public Law No. 115-232, available at <https://www.congress.gov/bill/115th-congress/house-bill/5515>

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Additional Mission and Mission Support Activities				
5.1-Additional Mission Activities Aligned to Key Functions			\$883,448,219	668.1
5.1	Office of the Chief Information Officer	Enterprise Human Resources Integration	\$36,696,589	15.0
	Employee Services	Salaries & Expenses	\$9,978,554	55.6
	Federal Prevailing Rate Advisory Committee	Salaries & Expenses	\$11,850	0.0
	Healthcare & Insurance	Trust Fund Annual	\$3,258,620	17.6
		Advances & Reimbursements No Year	\$235,046	0.8
		5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$8,337,254	17.3
		5 U.S.C. § 9004(f)(B) - Long-Term Care	\$991,335	4.8
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$306,081	1.6
	HR Solutions	HRS-Vendor Management	\$33,002,399	15.0
		HRS-Training Services	\$539,501,905	146.0
		HRS-Consulting Services	\$102,384,086	243.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$3,098,151	21.2
		Advances & Reimbursements Annual	\$341,716	2.3
		Advances & Reimbursements No Year	\$1,867,000	0.0
	Office of Strategy and Innovation	Salaries & Expenses	\$5,763,500	27.0
	Office of the Chief Financial Officer	Credit Monitoring	\$85,000,000	3.0
	Office of the Director	Common Services	\$871,000	5.0
	Office of the General Counsel	Common Services	\$6,220,000	31.0
	OPM Human Resources	Common Services	\$23,403	0.0
	Rent/Centrally Funded Items	Salaries & Expenses	\$14,996,000	0.0

Strategic Objectives	Organization	Fund	Dollars	FTE
5.1 (Cont.)	Rent/Centrally Funded Items (Cont.)	Trust Fund Annual	\$13,145,000	0.0
		5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$41,000	0.0
		5 U.S.C. § 9004(f)(B) - Long-Term Care	\$9,000	0.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$1,000,000	0.0
		FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
	Security, Suitability and Credentialing Line of Business (SSCLOB)	Salaries & Expenses	\$508,000	0.0
		Advances & Reimbursements Annual	\$7,000,000	11.0
	Suitability Executive Agent Programs	Suitability Executive Agent	\$8,060,730	46.0
	White House Fellows	Salaries & Expenses	\$786,000	5.0
OPM Total			\$883,448,219	668.1

Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions that do not align directly with a specific strategic goal within the strategic plan.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Additional Mission and Mission Support Activities				
5.2-Additional Mission Support Activities			\$368,661,260	606.4
5.2	Office of the Chief Information Officer	Salaries & Expenses	\$39,948,000	19.0
		Trust Fund Annual	\$50,000	0.0
		Common Services	\$20,288,000	63.8
		Human Resources Tools & Technology	\$83,140,562	161.0
		Advances & Reimbursements Annual	\$144,325,158	91.6
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$3,174,322	0.0
	Congressional, Legislative and Intergovernmental Affairs	Salaries & Expenses	\$1,928,000	12.0
	Employee Services	Salaries & Expenses	\$3,036,036	14.0
	Equal Employment Opportunity	Common Services	\$1,055,000	6.0
	Facilities, Security & Emergency Management	Common Services	\$10,743,000	58.5
		Advances & Reimbursements Annual	\$2,713,761	15.7
	Federal Prevailing Rate Advisory Committee	Salaries & Expenses	\$164,150	1.0
	HR Solutions	Human Resource Solution	\$30,235,009	38.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$738,355	3.5
		Advances & Reimbursements No Year	\$80,000	0.0
	Office of Privacy and Information Management	Salaries & Expenses	\$591,000	3.0
		Common Services	\$4,844,000	13.0

Strategic Objectives	Organization	Fund	Dollars	FTE	
5.2 (Cont.)	Office of Procurement Operations	Salaries & Expenses	\$1,046,228	5.3	
		Common Services	\$3,143,000	18.1	
		Advances & Reimbursements Annual	\$1,349,158	8.3	
	Office of Small and Disadvantaged Business Utilization	Common Services	\$423,000	1.8	
	Office of the Chief Financial Officer	Trust Fund Annual	\$7,710,733	37.8	
		Common Services	\$841,515	0.0	
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$1,200,000	0.0	
	Office of the Director	Salaries & Expenses	\$3,766,000	21.0	
	OPM Human Resources	Common Services	\$2,127,273	14.0	
	OPM Total			\$368,661,260	606.4

*Objective 1.5 has been discontinued effective FY 2020, as NBIB functions have moved to the Department of Defense.

Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	FY 2021 CBJ	
			Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner			\$12,447,811	71.6
1.1	Employee Services	Salaries & Expenses	\$8,140,657	44.5
	HR Solutions	HRS-Consulting Services	\$1,761,583	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$772,320	5.1
	Suitability Executive Agent Programs	Suitability Executive Agent	\$1,773,251	10.0
1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets			\$2,416,216	12.0
1.2	Employee Services	Salaries & Expenses	\$2,416,216	12.0
1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform			\$1,654,757	9.0
1.3	Retirement Services	Trust Fund Annual	\$1,075,593	5.9
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$579,164	3.2
1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans			\$24,784,380	125.7
1.4	Healthcare & Insurance	Trust Fund Annual	\$24,784,380	125.7
1.5-Transform the background investigation process to improve investigation timeliness			\$0	0.0
OPM Total			\$41,303,164	218.3

Strategic Objective 1.1: Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner

Strategic Objective Owner: Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES

Deputy Strategic Objective Owners: Ana Mazzi, Deputy Associate Director, MSAC; Dianna Saxman, Deputy Associate Director, Federal Staffing Group, HRS

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, ES will leverage opportunities to continually improve hiring by implementing legislative alternatives found within existing law. Research, investigation, and experience have identified several flexibilities within current authorities that are within OPM's purview to incorporate into its administration of the civil service law. These include noncompetitive term-limited appointments of highly qualified experts, expanded flexibility in the selection of candidates from referral list "certificates," expansion of Term/Temporary hiring authorities, and limited noncompetitive hiring of students and recent graduates. As these efforts are made available to agencies, extensive education and support on how to implement these opportunities is needed. In addition, ES issued the final regulation and guidance for delegating the 2210 information technology management occupational series and will continue to provide guidance and in-person support to the Chief Human Capital Officer (CHCO) Council, CIO Council, and HR professionals and managers, on how to use this new delegation. ES will also continue its support of the Cyber Reskilling Academy and its FY 2020 cohort. Further, ES will build upon the prior fiscal year's success, and execute an action plan developed to support the use of a new statutory authority permitting a variation in the number of candidates to be considered at one time, and potential enhancements to the use of category rating.

OPM continuously conducts extensive literature reviews, to include academic and industry research on hiring assessments, job analysis, competency modeling, and talent acquisition. This research, in conjunction with Federal statutes and regulations, is the basis upon which OPM establishes and interprets assessment policy Government-wide. Research has shown that accurate and effective assessments can be instrumental in helping hiring managers identify the best candidates for a position. OPM will continue to work with USDS on the pilots initiated in 2019 - which include components such as the use of SMEs to evaluate specialized skills - to identify additional opportunities for application in the competitive hiring process. In addition, the Guide to Occupational Questionnaires will be published in FY 2020, and ES will provide webinars, trainings, and workshops for agencies in support of implementing the guide. Further, in FY 2020, ES, MSAC, and HRS will continue to discuss (1) assessment strategies to identify talent Government-wide, (2) the use of more effective assessment tools to identify highly qualified applicants, and (3) how to improve the definitions of specialized experience to help agencies screen applicants more effectively and differentiate between highly qualified and less qualified candidates.

Also in FY 2020, SuitEA will continue to work with ES to integrate information needed for vetting into current hiring tools such as USAJOBS and USA Staffing. This integration of information helps to eliminate “stove-piped” processes that increase the time to hire. SuitEA will also work to close existing gaps in vetting processes by issuing comprehensive standards for adjudication of fitness, and will provide expanded training offerings that meet the needs of agencies’ fitness adjudicators.

Further, OPM’s USAJOBS program, which OMB has designated a High Impact Service Provider, will continue to mature its customer experience practices. OPM will focus on customer experience governance, strategy, measurement and organization to continue to improve the customer’s hiring journey from recruitment through onboarding. By the end of FY 2020, USAJOBS intends to deliver a set of customer experience operational measures through a dashboard for OPM’s use so that the investments made to collect user feedback are leveraged to improve the experience. OPM will also host co-design sessions with customers to capture feedback, synthesize the data, and update roadmaps to deliver technical enhancements as well as change management activities to champion change across all stakeholders to improve the end-to-end talent acquisition experience. OPM will deliver two key projects in FY 2020, based upon user feedback. The first project includes developing an eligibility tool for veterans to adjudicate their veterans’ preference in order to reduce the burden needed to understand eligibility, as well as minimize workload for HR specialists to adjudicate a veteran’s eligibility for every application. The second project will improve hiring transparency by adding a job status to the experience. The job status will appear on the job announcement, as well as in the applicant’s dashboard to track progress. USAJOBS will also incorporate the number of total users who applied to the job in the status to provide context on the level of interest in the position.

In FY 2021, ES, in collaboration with MSAC, will continue to research and evaluate legislative avenues to improve both the time to hire and quality of candidates provided to agencies in the hiring process. This will include a reevaluation of the 80-day hiring model, and an exploration of strategies to improve the applicant experience through simplified, streamlined, and automated adjudication of veterans’ preference. SuitEA will work with ES to optimally integrate hiring process improvements with vetting process efficiencies established under the Suitability and Security Executive Agents’ “Trusted Workforce 2.0” initiative. ES, HRS, and MSAC will also advance progress toward the related Cross-Agency Priority Goal to accelerate enterprise-wide reskilling and deploying efforts so the Federal workforce is better aligned to meet the needs of the 21st Century (please refer to the President’s Management Agenda chapter).

Implementation Organizations:

ES, MSAC, HRS, and SuitEA

Performance Measure

Performance Measure	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Result	Result	Result	Target	Target
Hiring manager satisfaction that applicants are referred in a timely manner and with the skills to perform the job	71.5	74.3	73.5	76.8	77.8

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner			\$12,447,811	71.6
1.1	Employee Services	Salaries & Expenses	\$8,140,657	44.5
	HR Solutions	HRS-Consulting Services	\$1,761,583	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$772,320	5.1
	Suitability Executive Agent Programs	Suitability Executive Agent	\$1,773,251	10.0
OPM Total			\$12,447,811	71.6

Strategic Objective 1.2: Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets

Strategic Objective Owner: Brenda Roberts, Deputy Associate Director, Pay & Leave, ES

Deputy Strategic Objective Owners: Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES; Tim Curry, Deputy Associate Director, Accountability and Workforce Relations, ES; Laura Lynch, Deputy Associate Director, SES & Performance Management, ES

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, ES will refine and enhance legislative, regulatory, and administrative options for reforming Federal compensation and leave benefit systems. ES will provide leadership and assist agencies in implementing and optimizing the use of any new or existing pay and leave authorities and flexibilities to address agency workforce needs. ES will continue to pursue options for establishing special pay systems for critical occupations. OPM will continue to provide staff support to the Federal Salary Council as it develops its recommendations for pay comparability methodology for January 2021 locality adjustments. OPM will continue to work with agencies to develop paid time off options to meet mission needs, such as working with DOD and State to obtain statutory authority for rest and recuperation leave and issuing the final regulations implementing the Administrative Leave Act provisions.

In FY 2021, ES will continue to provide staff support to the President’s Pay Agent as the Administration considers the views of the members of the Federal Salary Council regarding pay and benefits comparability between Federal and non-Federal employers for locality pay in January 2021. OPM will continue to provide staff support to the Federal Salary Council as it develops its recommendations for pay comparability methodology for January 2022 locality adjustments. OPM will explore opportunities for further reform via legislative or regulatory change or expansion of existing special pay systems to additional occupations.

Implementation Organizations:

ES

Milestones

Target Completion Date	Description	
FY 2018	Complete a study identifying potential areas of improvement in Federal employee compensation and leave benefits systems	Met
FY 2019	Develop options for reforming Federal employee compensation and leave benefits systems (legislative)	Met
Target Completion Date	Description	
FY 2020	Develop additional options for reforming Federal employee compensation and leave benefits systems (regulatory and administrative)	
FY 2021	Evaluate, adjust, and expand options for reforming Federal employee compensation and leave benefits systems	

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets			\$2,416,216	12.0
1.2	Employee Services	Salaries & Expenses	\$2,416,216	12.0
OPM Total			\$2,416,216	12.0

Strategic Objective 1.3: Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform

Strategic Objective Owner: Tia Butler, Deputy Associate Director, RS

Deputy Strategic Objective Owner: Ellen Linehan, Group Chief, Retirement Policy, RS

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020 and FY 2021, RS and CLIA will continue to research retirement benefits, identifying ways to reduce the cost and complexity of administering the benefits while continuing to meet the needs and expectations of the Federal workforce. Based on the results of this research, RS and CLIA will develop a legislative strategy, to include additional legislative proposals, that will promote legislative, regulatory, and policy reform aimed at reducing the complexity and cost of administering the Federal retirement program.

Implementation Organizations:

RS and CLIA

Milestones

Target Completion Date	Description	Status
FY 2018	Submit four legislative proposals for transmittal to Congress	Met
FY 2019	Submit two legislative proposals for transmittal to Congress	Met
Target Completion Date	Description	
FY 2020	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance	
FY 2021	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance	

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform			\$1,654,757	9.0
1.3	Retirement Services	Trust Fund Annual	\$1,075,593	5.9
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$579,164	3.2
OPM Total			\$1,654,757	9.0

Strategic Objective 1.4: Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans

Strategic Objective Owner: Laurie Bodenheimer, Acting Director, HI

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, HI will continue its ongoing work on Plan Performance Assessment, including updates to Clinical Quality, Customer Service, and Resource Use (QCR) measures and priority weights. The QCR measure set supports improving clinical quality, population health, and the customer experience. The 2019 Plan Performance Assessment cycle saw an increased average score reported by Carriers on combined QCR measures and OPM anticipates continued improvement from FEHB Program plans.

For the 2020 plan year, HI made 18 new plan options available to Federal employees, annuitants, and their families under the FEHB Program, including two new options under the nationwide Indemnity Benefit Plan, further increasing competition in the Program. To improve quality and affordability, in accordance with OPM policy guidance, by FY 2021, all FEHB Program plans must provide price and quality transparency tools that allow enrollees to make informed healthcare decisions. In addition, in FY 2020, OPM fielded the Federal Employee Benefits Survey to gather information on benefit features that are of particular value to the Federal workforce. The agency will use this information to inform future program planning activities.

HI will also continue its efforts to improve the FEHB enrollment experience. Specifically, HI will set forth regulatory changes and subregulatory guidance needed to allow for centralized enrollment, clarify eligibility requirements, and otherwise enhance the enrollment process. HI will also implement changes to reduce the length and improve readability of the FEHB brochure, and develop improvements to the Healthcare and Insurance section of the OPM website. In addition, HI and OCIO will enhance the capability of the FEHB Data-Hub and Employee Express to receive and process information on enrollees' eligible family members. OPM will also conduct a family member audit to help ensure only eligible individuals are covered under FEHB Program enrollments. Furthermore, OPM will develop strategies to address additional enrollment process improvements identified by FEHB carriers and HR personnel throughout the Federal Government.

In FY 2020 and FY 2021, HI will implement the Agency Priority Goal to establish the FEHB Master Enrollment Index. In FY 2020, HI will expand its receipt and analysis of data from FEHB Carriers and other sources to populate the index.

In FY 2021, HI will implement further improvements to the FEHB brochures and consider whether to develop other consumer-facing plan materials. HI will also provide more consumer-friendly, robust FEHB information on the OPM website. HI will also conduct its annual review of potential updates to Clinical Quality, Customer Service, and Resource Use measures and priority weights under Plan Performance Assessment.

Implementation Organizations:

HI

Performance Measure

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of FEHB enrollees in quality affordable plans	74.2%	70.9%	Expected March 2020	72%	73%

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans			\$24,784,380	125.7
1.4	Healthcare & Insurance	Trust Fund Annual	\$24,784,380	125.7
OPM Total			\$24,784,380	125.7

Strategic Objective 1.5: Transform the background investigation process to improve investigation timeliness

This objective was discontinued in 2020, as NBIB functions moved to the Department of Defense.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.5-Transform the background investigation process to improve investigation timeliness			\$0	0.0
OPM Total				
			\$0	0.0

Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.1-Improve collection and analysis of data to better inform human capital management decisions			\$2,918,002	15.4
2.1	Employee Services	Salaries & Expenses	\$2,382,094	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$372,125	2.4
	Office of the Chief Financial Officer	Common Services	\$163,783	1.0
2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022			\$2,188,379	3.0
2.2	HR Solutions	HRS-Consulting Services	\$2,188,379	3.0
2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements			\$4,330,700	5.0
2.3	Office of the Director	Salaries & Expenses	\$1,180,700	5.0
		HR Line of Business	\$3,150,000	0.0
OPM Total			\$9,437,081	23.4

Strategic Objective 2.1: Improve collection and analysis of data to better inform human capital management decisions

Strategic Objective Owner: Veronica Villalobos, Principal Deputy Associate Director, ES

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, ES, MSAC, and HRS will research and analyze the most current white papers, strategic documents, and emerging thought leader positions on the development of centers of excellence for data analytics and research. In addition, OPM will stand up a research work group to improve Enterprise Human Resources Integration (EHRI) data quality and explore enhanced EHRI and FEVS analytics. It will also work with stakeholders to update the data privacy policy.

In FY 2021, ES will expand the research work group, which includes experts from OSI, ES, MSAC, HRS, as well as other OPM organizations like RS, HI, and SuitEA. The research work group will begin standing up the OPM Human Capital Center of Excellence, with the goal of providing cutting-edge leadership, best practices, and research on Federal HR. The Human Capital Center of Excellence and the OCFO performance team will issue the first OPM learning agenda. The Human Capital Center of Excellence will also lead OPM's 3rd Annual Future of Federal Work Summit.

Implementation Organizations:

ES, MSAC, OCFO, and OSI

Performance Measure

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of OPM policies that embed data analysis and research	-*	72.7%	100%	75%	80%

*No historical data available for this period.

Milestones

Target Completion Date	Description	Status
FY 2019	Finalize OPM's research agenda	Not Met*

*Due to changes in circumstances related to leadership, staff, and the future direction of analytics teams at the agency, OPM made the recommendation to issue the learning agenda (previously referred to as the research agenda) in FY 2020.

Target Completion Date	Description
FY 2020*	Finalize OPM's research agenda
FY 2021^	Develop pilot or demonstration projects based on OPM's research agenda

*Due to changes in circumstances related to leadership, staff, and the future direction of analytics teams at the agency, OPM made the recommendation to issue the learning agenda (previously referred to as the research agenda) in FY 2020.

^Target completion date has been revised to FY 2021.

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.1-Improve collection and analysis of data to better inform human capital management decisions			\$2,918,002	15.4
2.1	Employee Services	Salaries & Expenses	\$2,382,094	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$372,125	2.4
	Office of the Chief Financial Officer	Common Services	\$163,783	1.0
OPM Total			\$2,918,002	15.4

Strategic Objective 2.2: Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022

Strategic Objective Owner: Reginald Brown, Principal Deputy Associate Director, HRS

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, the HRLOB plans to complete, and receive OPM approval of the Human Capital Federal Integrated Business Framework standards for Employee Relations and Continuous Vetting, Labor Relations, and Agency Human Capital Evaluation.

In FY 2020-2021, HRS will advance evolution of the USA Suite components to enterprise-class solutions that integrate across the planned human capital management IT ecosystem, provide a unified user experience with multi-factor/single sign-on, adopt cloud characteristics, and implement an initial set of advanced technologies such as talent analytics, robotic process automation, artificial intelligence/machine learning, and/or mobile capabilities.

Implementation Organizations:

HRS

Milestones

Target Completion Date	Description	Status
FY 2018	Complete Human Capital Federal Integrated Business Framework standards for all Talent Management Functions (Talent Acquisition, Talent Development, Employee Performance Management, Compensation and Benefits, and Separation and Retirement)	Met
FY 2019	Make the USAService SaaS solutions available on a FedRamp “high” cloud available to agencies for the complete talent management lifecycle	Met
FY 2019	Make one-two additional SaaS solutions available on a FedRamp “high” cloud to agencies for the complete talent management lifecycle	Met
FY 2019	Complete and approve the Agency HC Strategy, Policies, and Operation Human Capital-Federal Integrated Business Framework	Not Met
FY 2019	Complete and approve the Workforce Analytics and Employee Records Human Capital-Federal Integrated Business Framework	Not Met
		Met
Target Completion Date	Description	
FY 2020	Complete and approve the Employee Relations and Continuous Vetting, Labor Relations, and Human Capital-Federal Integrated Business Framework	
FY 2021	Deploy an API-based integration solution that seamlessly connects the USA Suite components to each other and to external providers participants in the human capital management ecosystem that the USA Suite interacts with and statistical agencies that consume OPM’s data	

Note: The following FY 2020 milestones were dropped in June 2019, as they were smaller components of the same product.

- Complete and approve the Employee Relations and Continuous Vetting Human Capital-Federal Integrated Business Framework
- Complete and approve the Labor Relations Human Capital-Federal Integrated Business Framework
- Complete and approve the Agency Human Capital Evaluation Human Capital-Federal Integrated Business Framework

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022			\$2,188,379	3.0
2.2	HR Solutions	HRS-Consulting Services	\$2,188,379	3.0
OPM Total			\$2,188,379	3.0

Objective: 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements

Strategic Objective Owner: Jeffrey S. Pollack, Program Manager, HRLOB

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, OPM will continue to grow and refine the Human Capital Information Model Federal Human Capital Data Standard. While OPM covered "Federal Talent Management" (A2 through A6 of the Business Reference Model) at a wide breadth in FY 2019, it did not go deeper into each function. In FY 2020, the agency will expand on previously covered functions while also capturing more of the Business Reference Model (A1 and A7-A10).

In collaboration with a Multi-agency Executive Strategy Committee, OPM will begin to socialize the standard and implement it Government-wide. The HRLOB in conjunction with OPIM, will assist OPM program offices with compliance with privacy and data protection rules, and develop guidance and education aids so that implementers can adopt the standard.

The HRLOB will also work to develop a Federal Employee Information Standard, known as the Human Capital Information Model (HCIM), which will frame the data that defines an employee.

In FY 2021, the HRLOB, in collaboration with a Multi-agency Executive Strategy Committee and the GSA CIO, will socialize and initiate a Government-wide, centralized employee data repository with the Federal Human Capital Data Standard and Federal Employee Information Standard as its core. The HRLOB, in conjunction with OPIM, will assist OPM program offices with compliance with Federal privacy and data protection rules, and develop guidance and education aids, so that implementers can access the data repository. Further, HRLOB will engage users, stakeholders, and program offices, and based upon their feedback, build out the initial analytical capabilities.

Implementation Organization:

HRLOB

Milestones

Target Completion Date	Description	Status
FY 2018	Release alpha version of Employee Digital Record data standard (Payroll and Time & Attendance)	Met
FY 2018	Release beta version of Employee Digital Record data standard (Payroll and Time & Attendance)	Met
FY 2018	Release first version of Employee Digital Record data standard so that the HR community can speak a common language	Met
FY 2018	Analyze privacy metadata and prioritize privacy integration	N/A
FY 2018	Establish Data Review Board so that OPM leadership demonstrates and executes on the importance of data	Met

Target Completion Date	Description	Status
FY 2018	Establish Executive Steering Committee so that executive leadership are aware, informed, and in-sync with the future strategic and tactical vision of Employee Digital Record	Met
FY 2018	Establish data feeds based on Employee Digital Record data standards	N/A
FY 2018	Design and prototype state of the art data exchange protocol	Met
FY 2019	Integrate initial privacy content into Human Capital Information Model so that data can be smartly designed and securely shared	N/A
FY 2019	Stand up initial data repository so that other agencies and industry can interoperate and use the data standard	N/A
FY 2019	Build and provide a state of the art data exchange platform	N/A
FY 2019	Socialize initial data integration with providers	Met

Target Completion Date	Description
FY 2020	Release Federal integrated data standards
FY 2021	Integrate Federal Employee Information Standard in Government-wide data repository

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements			\$4,330,700	5.0
2.3	Office of the Director	Salaries & Expenses	\$1,180,700	5.0
		HR Line of Business	\$3,150,000	0.0
OPM Total			\$4,330,700	5.0

Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives			\$14,661,590	92.5
3.1	Employee Services	Salaries & Expenses	\$4,808,243	29.0
	HR Solutions	HRS-Training Services	\$1,833,552	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$8,019,795	51.5
3.2-Achieve recognition as the trusted human capital management advisor			\$2,417,254	12.2
3.2	Merit System Accountability & Compliance	Salaries & Expenses	\$192,254	1.2
	Office of Communications	Salaries & Expenses	\$2,225,000	11.0
OPM Total			\$17,078,844	104.7

Strategic Objective 3.1: Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives

Strategic Objective Owner: Ana Mazzi, Principal Deputy Associate Director, MSAC

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES; Reginald Brown, Principal Deputy Associate Director, HRS

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, MSAC, ES, and HRS will collaborate to produce full Customer Personas – a unified knowledge profile of each cabinet agency. Personas will provide a customer-perspective approach for OPM to engage with agencies, using data developed by all three organizations to create a real-time representation of the agency's workforce, human capital needs, and interests. OPM will conduct annual Human Capital Reviews with all 24 CHCO agencies to identify new criteria for the assessment to inform the Federal Workforce Priorities Report. OPM will develop guidance to socialize the four-year cycle for completing the reviews annually. OPM will track the results of monthly collaboration meetings to determine effectiveness in improving collaboration of program/group managers in MSAC, ES, and HRS.

In FY 2021, MSAC and ES, in collaboration with HRS, will produce materials for new supervisors to contribute to "orientation" and build a culture of collaboration. OPM will implement the four-year cycle of Human Capital Review activities developed in FY 2020.

Implementation Organizations:

ES, MSAC, and HRS

Performance Measure

Performance Measure	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Result	Result	Result	Target	Target
Percent of users who agree OPM human capital services are helpful in achieving human capital objectives	-*	86.5%^	83.1%	88.8%	89.8%

* No historical data available for this period.

^ Result revised from 88.0 percent in June 2019.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives			\$14,661,590	92.5
3.1	Employee Services	Salaries & Expenses	\$4,808,243	29.0
	HR Solutions	HRS-Training Services	\$1,833,552	12.0

Strategic Objectives	Organization	Fund	Dollars	FTE
3.1 (Cont.)	Merit System Accountability & Compliance	Salaries & Expenses	\$8,019,795	51.5
OPM Total			\$14,661,590	92.5

Strategic Objective 3.2: Achieve recognition as the trusted human capital management advisor

Strategic Objective Owner: Anthony Marucci, Director, OC

Deputy Strategic Objective Owner: David Spinale, Senior Advisor to the Director, OD

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, OC will implement a new communications approach for the CHCOs and the press based on the qualitative research conducted in FY 2019. OC will launch a communications campaign around this new approach targeted to all of OPM’s audiences, including the Federal workforce.

In FY 2020-2021, OC will maintain, evaluate, and refine these plans, which will include CHCO Council meetings, press conferences, videos, and other mediums to update and advise its audiences. OC will also work with CLIA to develop communications for the Congress. MSAC will collaborate with the Objective 3.2 team to promote coordination with Objective 3.1.

Implementation Organizations:

OC and MSAC

Performance Measure

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of the Federal human capital management community satisfied with OPM's services and guidance	-*	-*	-*	Establish Baseline	Establish Baseline

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.2-Achieve recognition as the trusted human capital management advisor			\$2,417,254	12.2
3.2	Merit System Accountability & Compliance	Salaries & Expenses	\$192,254	1.2
	Office of Communications	Salaries & Expenses	\$2,225,000	11.0
OPM Total			\$2,417,254	12.2

Strategic Goal 4: Optimize agency performance

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points			\$2,448,110	1.0
4.1	Office of the Chief Information Officer	Salaries & Expenses	\$725,000	0.0
		Common Services	\$1,500,000	0.0
	Office of the Chief Financial Officer	Common Services	\$223,110	1.0
4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points			\$1,120,618	5.5
4.2	OPM Human Resources	Common Services	\$1,120,618	5.5
4.3-Exceed the Government-wide average satisfaction score for each agency mission support service			\$40,992,330	88.2
4.3	Office of the Chief Information Officer	Salaries & Expenses	\$1,000,000	0.0
	Office of Procurement Operations	Salaries & Expenses	\$1,772	0.0
	Office of the Chief Financial Officer	Salaries & Expenses	\$780,000	0.0
		IT Modernization S&E	\$8,811,000	6.7
		Trust Fund Annual	\$625,267	2.6
		Common Services	\$14,906,592	54.0
		Advances & Reimbursements Annual	\$10,046,993	8.9
	OPM Human Resources	Common Services	\$4,820,706	16.0
4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less			\$114,203,009	971.4
4.4	Office of the Chief Information Officer	Trust Fund Annual	\$8,368,000	31.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$312,678	2.0
	Retirement Services	Trust Fund Annual	\$60,286,407	519.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$44,018,210	409.4
		FERCCA (P.L. 106-265) - Retirement	\$1,217,714	10.0
OPM Total			\$158,764,067	1,066.1

Strategic Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points

Strategic Objective Owner: Lisa Loss, Director, Suitability Executive Agent Programs

Deputy Strategic Objective Owners: David Nesting, Deputy Chief Information Officer, OCIO; Lori Giblin, Chief, Risk Management and Internal Controls, OCFO

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020, OCIO will conclude its initial deployment of collaboration tools and deploy a training and maintenance schedule for these tools. OCIO will also explore opportunities for OPM to improve managing communications within and across its programs virtually.

OCFO will continue to maintain a transition risk register to inform leadership decisions and lead efforts to build out and deploy the Enterprise Risk Management program as a mechanism for enhanced communication, understanding, and management of corporate risk. In conjunction with OPM’s Risk Management Council, OCFO will develop a prioritized schedule for deployment of the Enterprise Risk Management program across OPM programs beginning in FY 2020. To support the deployment, OCFO will acquire and begin implementation of an Enterprise Risk Management automated tool in FY 2020. Also in FY 2020, OCFO will work with the Risk Management Council to update and enhance the Enterprise Risk Management communications plan, which will be executed throughout deployment of Enterprise Risk Management to OPM’s program and mission support offices.

OPM’s Performance Review Board will continue using the corporate citizenship element of senior leaders’ performance agreements to assess senior leader performance. OPM’s Executive Resources Board, informed by the Performance Review Board, will assess the effectiveness of the FY 2019 pilot of a corporate performance score for senior leaders’ performance agreements to identify whether there is a continued need for a corporate performance scoring process to hold leaders accountable.

OPM will continue to identify and execute mechanisms to make the workforce aware of efforts among OPM’s senior leaders to improve communication, collaboration, and transparency. OPM’s Office of Communications will continue to utilize the Intranet home page for communication and transparency with OPM employees.

In FY 2021, OPM will continue to institutionalize the initiatives begun in FY 2019 and FY 2020. OPM’s OCIO will begin acquisition of any additional tools identified in its FY 2020 exploration of improvements to OPM’s virtual communications capabilities. OCFO will conclude deployment of Enterprise Risk Management across all OPM programs and assess the success of implementation efforts in order to target areas where additional guidance is needed. OPM will continue to execute mechanisms for communication with the workforce and collaboration among senior leaders.

Implementation Organizations:

OCIO and OCFO

Performance Measure

Performance Measure	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Result	Result	Result	Target	Target
Collaborative Management Score	61.5%	61.6%	65.1%	63.5%	64.5%
Collaborative Management Score (Managers and Supervisors)	84.9%	80.7%	75.9%	81.7%	82.7%

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points			\$2,448,110	1.0
4.1	Office of the Chief Information Officer	Salaries & Expenses	\$725,000	0.0
		Common Services	\$1,500,000	0.0
	Office of the Chief Financial Officer	Common Services	\$223,110	1.0
OPM Total			\$2,448,110	1.0

Strategic Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points

Strategic Objective Owner: Tyshawn Thomas, Acting Chief Human Capital Officer, OPM HR

Deputy Strategic Objective Owner: Suzanne Logan, Deputy Associate Director and Federal Executive Institute Director, Center for Leadership Development, HRS

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020 and FY 2021, OPM HR will continue to review and update policies where needed, assist supervisors in understanding performance standards, provide reporting to agency leadership on performance improvement plan issuances and completions, and offer training to supporting human resources staff on performance management. Further, OPM HR will continue communications strategies established in FY 2018 and FY 2019, such as quarterly notices to supervisors regarding employee relations points of contact for addressing performance/conduct issues. OPM HR will also continue the employee relations accessibility and satisfaction survey biannually.

Implementation Organizations:

OPM HR

Performance Measure

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Percent of employees satisfied with steps taken to address poor performance	43.9%	45.4%	46.5%	45.8%	45.8%

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points			\$1,120,618	5.5
4.2	OPM Human Resources	Common Services	\$1,120,618	5.5
OPM Total			\$1,120,618	5.5

Strategic Objective 4.3: Exceed the Government-wide average satisfaction score for each agency mission support service

Strategic Objective Owner: Dennis Coleman, Chief Financial Officer, OCFO

Deputy Strategic Objective Owners: Clare Martorana, Chief Information Officer, OCIO; Tyshawn Thomas, Acting Chief Human Capital Officer, OPM HR; Nicole Evans, Senior Procurement Executive and Acting Director, OPO; Mark Lambert, Acting Director, FSEM

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FY 2020-2021, OPM mission support offices will implement strategies focused on improving service delivery in each area.

In FY 2020, OCIO will procure a new mainframe and migrate out of the Theodore Roosevelt Building data center. OCIO will also have fully tested disaster recovery and continuity of business operations in place. OCIO will roll out a laptop refresh to approximately half of OPM's employees, and will have a majority of the agency's workforce on a four-year refresh cycle. Also in FY 2020, OCIO will migrate to Office 365, which includes cloud email adoption, which will result in greater stability, efficiency, and security. It also includes communication and collaboration tools to support team productivity. In addition, OCIO will complete the separation of systems supporting the former National Background Investigation Bureau from the OPM mainframe. Further, OCIO will pursue an interagency agreement to replace the agency's document management system.

OCFO will complete the migration of OPM's administrative financial system to a Federal shared services provider. Further, OCFO will continue to enhance the Budget Management System with budget execution, performance management, and dashboard capabilities. The Trust Funds Modernization Program will launch Online Bill Pay to expand payment options for participants and significantly reduce the number of manual checks processed within Trust Funds. OPM's Cost Accounting Program will continue to build on improving program cost information, focus on areas where programs can address new business challenges with cost transparency, and expand use cases throughout OPM programs. By the end of FY 2020, two full years of cost data will be available for decision making.

OPM HR will focus its customer service efforts on areas with which customers are less familiar, including benefits, work-life, and training.

FSEM will fully deploy two computer aided facility management software modules that will increase the efficiency of space planning and assembly space reservations, and provide an inventory of agency personal property.

OPO will continue its Requirements Design Studio initiative, a partnership with the Lab at OPM and seven program offices that will train an intra-agency team of experts in applying human-centered design to the requirements development process. OPO will also continue to hold monthly Executive Steering Group meetings to review critical procurement priorities and improve procurement planning and execution.

By the end of FY 2021, OCIO will have all of OPM’s employees on a four-year laptop refresh cycle. OCIO will also begin modernization of legacy applications built in older environments, with a component by component rewrite of remaining OPM business systems and applications using modern technology best practices. OCIO will continue to improve internal tools and systems for increased productivity and efficiency for OPM business operations, while continuing to upgrade its security posture.

In FY 2021, the Trust Funds Modernization Program will complete the final configuration and testing required to deploy Core Financial Management and Investment Management in FY 2022. The Trust Fund Modernization Program will also conduct training, develop new operating procedures, and execute communication strategies designed to support the new systems and business processes.

OPM HR will focus on providing monthly status briefings to programs on OPM HR services.

Contingent upon the OCIO system’s ability to integrate with the computer-aided facility management system, FSEM will use information provided by OPM HR and OCIO to provide real time data. FSEM will request access to the OCIO system to track personal property inventory.

OCFO plans to make improvements to systems that it owns and OPO uses, which will reduce manual processing, increase automation, improve reconciliation of procurement actions, and improve the processing time for contracts. OPO will also continue to provide outreach and acquisition planning training to agency programs.

Implementation Organizations:

OCFO, OCIO, OPO, OPM HR, and FSEM

Performance Measures

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Average satisfaction score for financial management quality from OPM senior supervisory employees	4.70	4.88	5.01	5.0	5.1
Average satisfaction score for human capital services quality from OPM senior supervisory employees	5.09	4.67	4.83	≥ Government-wide Average^	≥ Government-wide Average^
Average satisfaction score for information technology services quality from OPM senior supervisory employees	3.99	4.44	4.65	4.8	5.0
Average satisfaction score for contracting services quality from OPM senior supervisory employees	4.35	3.94	4.64	4.9	4.9
Percent of OPM employees satisfied with real property services at OPM's largest nine buildings	49.6%	53.4%	60.9%	52%	52%

^ Satisfaction with OPM HR currently exceeds the Government-wide average. OPM aims to exceed the Government-wide average for all mission support functions by FY 2022.

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.3-Exceed the Government-wide average satisfaction score for each agency mission support service			\$40,992,330	88.2
4.3	Office of the Chief Information Officer	Salaries & Expenses	\$1,000,000	0.0
	Office of Procurement Operations	Salaries & Expenses	\$1,772	0.0
	Office of the Chief Financial Officer	Salaries & Expenses	\$780,000	0.0
		IT Modernization S&E	\$8,811,000	6.7
		Trust Fund Annual	\$625,267	2.6
		Common Services	\$14,906,592	54.0
		Advances & Reimbursements Annual	\$10,046,993	8.9
	OPM Human Resources	Common Services	\$4,820,706	16.0
OPM Total			\$40,992,330	88.2

Strategic Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less

Strategic Objective Owner: Nicholas Ashenden, Deputy Associate Director, RS

Deputy Strategic Objective Owner: Robert Lorish, Program Manager, RS; Clare Martorana, Chief Information Officer, OCIO

FY 2020 and FY 2021 Next Steps and Anticipated Accomplishments:

In FYs 2020 - 2021, RS will continue to integrate process improvements for enhancing customer service and improving overall timeliness of survivor and claims processing. As part of the overall customer experience CAP goal in the President's Management Agenda, RS will continue to collect and analyze quarterly customer experience data to identify areas for improvement. Further, RS will identify additional customer feedback data collection points that would be closer to the time of transaction and available to managers more frequently. RS will also enhance reporting tools to monitor and forecast workloads. In addition, RS will continue to develop and update standard operating procedures across retirement operations based on newly implemented process improvements. RS will also effectively use overtime to achieve performance targets. RS will continue to cross-train Retirement Information Office personnel to increase the number of customer requests resolved during the first call. Further, RS will work with OCIO to investigate technological capabilities to continue to improve processing time and reduce wait times. RS will develop a prototype for the Online Retirement Application. Through continued improvements in timeliness and customer service, RS expects to receive fewer congressional inquiries. Also, RS will continue to provide Federal retirement policy technical assistance to all OPM offices and the Congress. RS will also perform ongoing audits of agency retirement application submissions, provide monthly feedback to agencies and payroll offices, and alert agencies of any trends and improvement opportunities. Further, RS will identify training needs for agencies, develop job aids and on-line training modules, and conduct workshops on the retirement application process.

Implementation Organizations:

RS and OCIO

Performance Measures

Performance Measure	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Target	FY 2021 Target
Average number of minutes to answer phone calls	17.7	8.60	6.60	5	5
Average number of days to process retirement cases	67.0	58.6	55.7	60	60

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less			\$114,203,009	971.4
4.4	Office of the Chief Information Officer	Trust Fund Annual	\$8,368,000	31.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$312,678	2.0
	Retirement Services	Trust Fund Annual	\$60,286,407	519.0
		5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$44,018,210	409.4
		FERCCA (P.L. 106-265) - Retirement	\$1,217,714	10.0
OPM Total			\$114,203,009	971.4

Earned Benefits Trust Funds

The Office of Personnel Management (OPM) administers the following Earned Benefits Trust Funds:

- FEHB – Federal Employees Health Benefits;
- FEGLI – Federal Employees’ Group Life Insurance;
- CSRDF – Civil Service Retirement and Disability Fund;
- PSRHB – Postal Service Retiree Health Benefits; and
- FSAFEDS – The Federal Flexible Spending Account Program.

These trust funds are among the largest held by the United States Government. For FY 2021, the net assets combined are estimated to total approximately \$1.1 trillion, receipts are estimated to total \$182 billion, and outlays are estimated to total \$161 billion. These trust funds will finance the retirement program for approximately 2.4 million Federal civilian employees, and provide retirement benefits for more than 2.8 million retirees and survivors, finance the health insurance for approximately 4.2 million employees, retirees, and their families, and provide life insurance coverage for an estimated 4.2 million employees and retirees.

FY 2021 All Earned Benefits Funds (millions)

	CSRDF	FEHB/REHB	FEGLI	PSRHF	FSAFEDS	TOTAL
FY 2021 Estimated Start of Year Fund Balance	\$968,096	\$26,031	\$48,278	\$41,845	\$67	\$1,084,317
FY 2021 Estimated Receipts	\$115,133	\$60,583	\$4,806	\$1,030	\$22	\$181,574
FY 2021 Estimated Outlays	\$93,797	\$59,196	\$3,444	\$4,139	\$19	\$160,595
FY 2021 Estimated End of Year Fund Balance	\$989,432	\$27,418	\$49,640	\$38,736	\$70	\$1,105,296
FY 2021 Estimated Participants:						
Actives (Millions)	2,423	2,165	2,535			
Annuitants (Millions)	2,778	1,986	1,723			

Trust Fund Financing

A key component of OPM’s mission is to administer retirement, health benefits, long-term care insurance, life insurance, dental and vision benefits, and flexible spending accounts for Federal employees, retirees, and their beneficiaries and to maintain the integrity of these programs. The table below highlights the estimated receipts and outlays for the Federal health benefit fund.

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

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$24,606	\$24,895	\$26,031	\$1,136
Receipts from the Public	\$16,627	\$17,833	\$18,557	\$724

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Receipts from Federal Sources	\$38,375	\$40,045	\$41,497	\$1,452
Interest Earnings	\$573	\$587	\$529	(\$58)
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$55,286	\$57,329	\$59,196	\$1,867
End of Year Balance	\$24,895	\$26,031	\$27,418	\$1,387

Federal Employees Health Benefits Fund

The Federal Employees Health Benefits (FEHB) Fund is a revolving Trust Fund created by the Federal Employees Health Benefits Act of 1959. It finances the largest employer-sponsored group health insurance program in the world. The fund exists to collect and disburse health insurance premiums to private insurers who participate in the FEHB Program and to maintain program reserves. Federal employees can choose from among Fee-for-Service (FFS) plans, or Health Maintenance Organizations (HMO) plans. The number and type of plans available vary by region or locality.

The FEHB fund provides for the cost of health benefits for:

- active employees;
- employees who retired after June 1960, or their survivors;
- annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law (P.L.) 93-246;
- employees of tribal organizations covered under the Indian Health Care Improvement Reauthorization Act;
- Family members of employees and annuitants; and
- OPM expenses to administer the program.

Retired Employees Health Benefits Fund

The Retired Employees Health Benefits (REHB) Fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for the costs of:

- retired employees and survivors who were enrolled in a Government-sponsored uniform health benefits plan;
- Government contributions to retired employees and survivors who retain or purchase private health insurance; and
- OPM expenses to administer the program.

The REHB program is closed to new enrollees and its enrolled population is dwindling. The projected population is approximately 111 for FY 2020 and approximately 92 for FY 2021.

The FEHB and REHB funds are financed by:

- premium withholdings from active employees and annuitants;

- agency contributions to premiums for active employees;
- Government contributions to premiums for annuitants;
- premium collections from tribal organizations and employees; and
- contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508.

OPM maintains a contingency reserve that is 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.

Federal Employees Health Benefits Fund – Legislative Proposals

The FY 2021 Budget contains legislative proposals designed to enhance and improve the program, as well as reduce overall costs for the Government. These proposals are the *Government Contribution Adjustment Based on Plan Performance Assessment* and the *Medical Liability Reform*. The proposal to modify the Government contribution rate based on plan performance would improve healthcare quality and affordability in the FEHB Program. Please refer to the Legislative Proposal section for more details on all of the FEHB proposals.

Employees Life Insurance Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$45,538	\$46,826	\$48,278	\$1,452
Receipts from the Public	\$3,016	\$3,120	\$3,187	\$67
Receipts from Federal Sources	\$593	\$595	\$607	\$12
Interest Earnings	\$933	\$1,087	\$1,012	(\$75)
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$3,254	\$3,350	\$3,444	\$94
End of Year Balance	\$46,826	\$48,278	\$49,640	\$1,362

The FEGLI fund finances payments for Federal Employees' Group Life Insurance. FEGLI was established by the passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. FEGLI is group term life insurance, meaning it does not build cash values or paid-up insurance values. The cost of Basic Insurance coverage is shared by non-Postal employees (2/3), and the Federal Government (1/3). Optional and certain post-retirement basic coverage are paid entirely by enrollees.

The FEGLI program is an employer-sponsored life insurance Trust Fund program. This program provides benefit payments to beneficiaries following the death of employees, retired employees, and eligible family members. Employees also have an additional accidental death and dismemberment benefit. It is the largest group life insurance program in the world, covering more than four million Federal employees and retirees, and many of their family members. The above table highlights the estimated receipts and outlays for the Federal life insurance fund.

Civil Service Retirement and Disability Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$931,783	\$948,595	\$968,096	\$19,501
Receipts from the Public	\$4,733	\$5,176	\$5,512	\$336
Receipts from Federal Sources	\$75,279	\$80,708	\$84,935	\$4,227
Interest Earnings	\$25,557	\$25,430	\$24,686	(\$744)
Total Program Outlays	\$88,757	\$91,813	\$93,797	\$1,984
End of Year Balance	\$948,595	\$968,096	\$989,432	\$21,336

The Civil Service Retirement and Disability Fund (CSRDF) is the oldest and largest of the four trust funds administered by OPM. 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 forecasted in advance and must be determined at some future point in time (for example, when actual receipts and expenses become known). The above table highlights the estimated receipts and outlays for the Federal retirement and disability fund.

The CSRDF finances 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. CSRS is largely a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is one element of 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. For FY 2021, it is estimated that employees will contribute approximately \$5.5 billion to finance FERS and CSRS retirement benefits. Those will come in the form of salary withholdings of 0.8 percent for most employees under FERS, a higher withholding rate for RAE/FRAE employees - 3.1/4.4 percent. and seven percent for CSRS.

CSRS has been financed under a statutory funding method passed by the 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 five percent interest rate. Under CSRS, regular employees contribute seven percent of pay. Law enforcement officers, firefighters, and congressional employees contribute an extra half percent of pay, and members of the Congress an extra one percent of pay. Under the static funding

method for CSRS, the Treasury also 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 normal funding method as prescribed in Chapter 84 of Title 5, United States Code. Employees and agencies together contribute the full amount of the dynamic normal cost rate. The normal cost rate is for the defined benefit plan only and does not include the cost of Social Security or the Thrift Savings Plan. FERS regular employees contribute a percentage of salary that is equal to the contribution rate for CSRS employees – 7.0 percent, which is less than the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance portion of Social Security.

Effective FY 2020, there was a change in the normal cost rates for Postal FERS Employee/Employer Contributions and Non-Postal FERS Employer Contributions. The Board of Actuaries met on June 1, 2017 and recommended subsequent changes to the actuarial economic assumptions for Non-Postal agencies. Due to revised regulation, the Board established separate demographic and economic assumptions for the United States Postal Service/USPS.

Under FERS, the dynamic normal cost rates for FY 2020 are as follows: Regular FERS Non-Postal employees hired before 2013, the rate is 16.8 percent of pay (employee's share, 0.8 percent, and employer's share, 16.0 percent). Regular FERS Postal employees rate is 15.5 percent of pay (employee's share, 0.8 percent, and employer's share, 14.7 percent); Regular FERS Non-Postal employees hired during 2013 (known as FERS RAE/Revised Annuity Employees), the rate is 17.3 percent of pay (employee's share, 3.1 percent, and employer's share, 14.2 percent); Regular FERS RAE Postal employees rate is 15.9 percent of pay (employee's share, 3.1 percent, and employer's share, 12.8 percent); the Bipartisan Budget Act of 2013 included a provision to increase the normal cost rate of employee's contribution to FERS for individuals hired after 2013 and to maintain the employer's contribution rate at its current normal cost rate. Any contributions in excess of the amount necessary to satisfy FERS normal cost percentage will be credited to the assets of the CSRDF, thereby reducing the unfunded liability of the CSRS. Regular FERS Non-Postal employees hired after 2013 (known as FERS FRAE/Further Revised Annuity Employees), the rate is 17.5 percent of pay (employee's share, 4.4 percent, employer's share, 14.2 percent, and less excess of 1.1 percent to be credited the assets of the CSRDF); Regular FERS FRAE Postal employees rate is 16.1 percent of pay (employee's share, 4.4 percent, and employer's share, 11.7 percent).

An extra 0.5 percent of pay is contributed by law enforcement officers, firefighters, air traffic controllers, congressional employees, and members of the Congress because of earlier retirement eligibility provisions.

Effective FY 2021, the normal cost rates are expected to change again for Postal FERS Employee/Employer Contributions and Non-Postal FERS Employer Contributions. The changes are due to revisions to economic and demographic assumptions recommended at the April 12th, 2018, meeting of the CSRS Board of Actuaries. Regular FERS Non-Postal employees (other than RAE and FRAE), the

normal cost rate will be 18.1 percent of pay (employee's share, 0.8 percent, and employer's share, 17.3 percent); Regular FERS Postal employees will be 16.5 percent of pay (employee's share, 0.8 percent, and employer's share, 15.7 percent); FERS RAE Non-Postal employees, the normal cost rate will be 18.6 percent of pay (employee's share, 3.1 percent, and employer's share, 15.5 percent); FERS RAE Postal employees will be 16.9 percent of pay (employee's share, 3.1 percent, and employer's share, 13.8 percent); FERS FRAE Non-Postal employees, the normal cost rate will be 18.8 percent of pay (employee's share, 4.4 percent, employer's share, 15.5 percent, and less excess of 1.1 percent to be credited back to the assets of the CSRDF); FERS FRAE Postal employees will be 17.1 percent of pay (employee's share, 4.4 percent, and employer's share, 12.7 percent).

Civil Service Retirement and Disability Fund – Legislative Proposals

The FY 2021 budget contains four separate legislative proposals that could have an impact on the financing and benefits payable under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The first legislative proposal seeks to provide a source of savings to the Federal government by increasing the receipts to the Civil Service Retirement and Disability Fund (CSRDF) from Federal employees. The remaining legislative proposals seek to provide a source of savings to the Federal Government by reducing the outlays for annuity payments.

- **INCREASE EMPLOYEE CONTRIBUTIONS TO 50 PERCENT OF COST, PHASED IN AT ONE PERCENT PER YEAR** – This proposal would increase Federal employee contributions to the Federal Employees Retirement System (FERS), such that an employee and employer would each pay half of the normal cost. Under current law, most Federal employees contribute between 0.8 percent and 4.4 percent of their salary toward their Federal pension. Some employees subject to special retirement provisions (e.g. law enforcement officers) contribute 4.9 percent of pay under FERS-FRAE. Federal agencies contribute the remainder of the cost. To mitigate the impact on employees, this proposal will be phased in over several years, with individuals contributing an additional one percent of their salary each year until equalized.
- **MODIFY FEDERAL RETIREMENT BENEFITS** – The remaining proposals implement changes to the Federal Employees Retirement System (FERS) and the Civil Service Retirement System (CSRS) to bring total compensation more in line with labor markets.
 - One proposal would eliminate cost of living adjustments (COLA) for FERS retirees and would reduce CSRS retiree COLA by 0.5 percent.
 - The proposals would also eliminate the FERS Annuity Supplement for those employees who retire before Social Security eligibility age and change annuity calculations using an employee's highest five consecutive salary years instead of the current average of an employee's three highest salary years.

The employee retirement landscape continues to evolve as private companies are providing less compensation in the form of retirement benefits. The shift away from defined benefit programs and cost of living adjustments for annuitants is part of that evolution. By comparison, the Federal Government continues to offer a very generous package of retirement benefits in the form of deferred compensation.

Consistent with the goal of bringing Federal retirement benefits more in line with the labor market, adjustments to reduce the long-term costs associated with these benefits are included in this proposal. Please refer to the Legislative Proposal section for more details on all of the CSRDF proposals.

Postal Service Retiree Health Benefits Fund (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$47,145	\$44,611	\$41,845	(\$2,766)
Receipts from the Public (Postal Service)	\$0	\$0	\$0	\$0
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$1,230	\$1,155	\$1,030	(\$125)
Total Program Outlays	\$3,764	\$3,921	\$4,139	\$218
End of Year Balance	\$44,611	\$41,845	\$38,736	(\$3,109)

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. The above table highlights the estimated receipts and outlays for the Postal retiree health benefit fund.

Under the current law, the Postal Service stopped paying annual premium costs to the Employees and Retired Employees Health Benefits Fund for its post-1971 current annuitants. Instead, these premium payments will be paid from amounts that the Postal Service remits to the Postal Service Retiree Health Benefits Fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service continues to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Federal Flexible Spending Account Program (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Start of Year Balance	\$61	\$65	\$67	\$2
Receipts from the Public	\$12	\$19	\$21	\$2
Receipts from Federal Sources	\$1	\$1	\$1	\$0
Program Obligations (Mandatory)	\$3	\$10	\$10	\$0
Agency Administrator Cost and Program	\$6	\$8	\$9	\$1
End of Year Balance	\$65	\$67	\$70	\$3

The Federal Flexible Spending Account Program (FSAFEDS) is a voluntary tax-advantaged benefit plan established under Section 125 of the Internal Revenue Code. These accounts allow Federal employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. The average person will save about 30 percent on dependent care and health care expenses after taxes.

There are three types of accounts under the FSAFEDS:

1. Health Care Flexible Spending Accounts (HCFSA);
2. Limited Expense Health Care Flexible Spending Account (LEX HCFSA); and
3. Dependent Care Flexible Spending Account (DCFSA).

The funds cannot be transferred between accounts. DCFASAs currently have a minimum annual election of \$100 and \$5,000 maximum. HCFASAs and LEX HCFASAs currently have a minimum annual election of \$100 and \$2,750 maximum. There are currently over 470,000 unique participants in the FSAFEDS program with a little over 441,000 HCFASAs, 10,000 in LEX HCFASAs, and 86,000 in DCFASAs.

The Risk Reserve account contains the accumulated balance of fees which are collected from reserve fees and forfeited funds. The reserve fees are from employing agencies whose employees participate in the FSAFEDS and from forfeitures of these FSAFEDS participants who have unclaimed healthcare balances. The agency fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to indemnify the FSAFEDS program administrator when claims against FSA accounts exceed resources contributed to the accounts from participating employees (early in the program year). Once account contributions exceed benefits, the FSAFEDS program administrator reimburses the reserve account. Account resources are also used for the agency’s administration of the program. The above table highlights the estimated receipts and obligations for the FSAFEDS.

OPM’s actuaries have determined that the current value of the risk reserve account is more than sufficient to indemnify the program administrator. Since FY 2013, OPM has used risk reserves to offset agency fees paid to the program administrator in order to reduce the surplus balance and meet its target account level.

Payment Accounts

OPM receives “such sums as necessary” mandatory appropriations for payments from the General Fund to the Civil Service Retirement and Disability Fund, the Employees Health Benefits Fund, and the Employees Group Life Insurance Fund. The purposes and estimated amount of these payments are described in this section.

Government Payment for Annuity, Employees Health Benefits (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Budget Authority	\$13,131	\$13,658	\$14,190	\$532
Obligations	\$13,131	\$13,658	\$14,190	\$532
Outlays	\$13,110	\$13,930	\$14,190	\$260

This appropriation funds the Government’s share of health benefit costs for annuitants and survivors. OPM requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. This appropriation covers:

- 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;
- 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
- the Government’s contribution for payment of administrative expenses incurred by OPM in administration of the Retired Federal Employees Health Benefits Act.

For FY 2021, budget authority and obligations will increase by \$532 million due to projected growth in the cost of health insurance and in the number of annuitants with FEHB coverage.

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.

Government Payment for Annuitants, Employees Life Insurance (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Budget Authority	\$42	\$43	\$44	\$1
Obligations	\$42	\$43	\$44	\$1
Outlays	\$42	\$43	\$44	\$1

P.L. 96-427, Federal Employees’ Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who retired 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 for annuitants’ post-retirement basic life coverage.

For FY 2021, budget authority and obligations will increase \$1.0 million due to the number of annuitants under age 65 with FEGLI 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 (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Budget Authority	\$43,644	\$44,144	\$44,344	\$200
Obligations	\$43,644	\$44,144	\$44,344	\$200
Outlays	\$43,644	\$44,144	\$44,344	\$200

The Payment to the Civil Service Retirement and Disability Fund (CSRDF) 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.

Detail of Payment Account (millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2020 - 2021 Variance
Current Appropriation	\$17,229	\$17,000	\$16,600	(\$400)
Permanent Indefinite Authorization	\$26,371	\$27,100	\$27,700	\$600
Payment for Spouse Equity	\$44	\$44	\$44	\$0
Total	\$43,644	\$44,144	\$44,344	\$200

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 five percent interest on the Civil Service Retirement System’s current static unfunded liability, which is 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. This provision was enacted by the Postal Accountability and Enhancement Act (P.L.109-435).

For FY 2021, the Permanent Indefinite Authorization will increase \$600 million due to an increase in the amount of interest to be transferred from the Treasury.

Payment for Spouse Equity

P.L. 98-615 provides 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.

Revolving Fund Activities

Pursuant to Title 5, U.S.C. §1304 (e) (1), OPM is authorized to use Revolving Funds without fiscal year limitations to conduct background investigations, training, and other personnel management services that OPM is authorized or required to perform on a reimbursable basis. Under this guidance, OPM operates several programs, which are funded by fees or reimbursement payments collected from other agencies and other payments.

The following programs are authorized to use Revolving Funds:

- Suitability Executive Agent
- Human Resources Solutions
- Enterprise Human Resources Data Warehouse
- Human Resources Line of Business
- Human Resources Tools & Technology
- Credit Monitoring and Identity Protection Services

The following table discusses the business lines followed by a detailed description of the activities supported by OPM’s Revolving Fund, which is aligned with OPM’s statutory authority.

OPM Budget Authority	FY 2021 CBJ
Suitability Executive Agent	\$9,833,981
Human Resource Solutions	\$710,906,913
Enterprise Human Resources Integration	\$36,696,589
HR Line of Business	\$3,150,000
Human Resources Tools & Technology	\$83,140,562
Credit Monitoring	\$85,000,000
OPM Total	\$928,728,045

Suitability Executive Agent

The OPM Director is the Suitability and Credentialing Executive Agent (SuitEA), with specific Government-wide responsibilities assigned by statute and Executive Order. These responsibilities are carried out through a policy office responsible for business transformation and modernization of the Government-wide suitability program, supported by an adjudicative operations staff that takes Government-wide actions to promote the efficiency and protect the integrity of Federal agencies’ operations, and an oversight team that conducts assessments of Federal agencies’ performance and makes recommendations for improvement. SuitEA will continue to work with the Performance Accountability Council and the Office of the Director of National Intelligence as the Security Executive Agent in the implementation of the Trusted Workforce 2.0 initiatives to enhance standards for suitability, fitness, and credentialing (SSC) vetting.

When an applicant or appointee seeking employment with a Federal agency has committed falsification or fraud in the hiring process or has committed pre-employment conduct that is incompatible with the integrity or efficiency of the service, SuitEA may take a Government-wide action to debar the individual from holding any covered position throughout Government for up to three years. Covered positions are those in the competitive service, the excepted service that can non-competitively convert to the competitive service, or a career appointment to the Senior Executive Service. This action promotes the efficiency and integrity of the agency with whom the individuals sought employment as well as all other agencies employing competitive service employees as it prevents or removes an unsuitable individual from placement in a position. SuitEA's adjudicative operations staff reviews investigations submitted by Federal agencies to identify those potentially warranting an action by OPM and gathers evidence needed to take an action and defend it in the event of an appeal to the Merit Systems Protection Board. There is a regulatory time limitation for taking suitability actions which makes it imperative that the cases are identified quickly upon completion. SuitEA conducts supplemental inquiries needed for issue resolution and must gather evidence that meets the requirements established through precedential case law. If the case does not warrant OPM adjudication after issue resolution, SuitEA will send the additional information obtained to the agency for adjudication if appropriate. Similarly, SuitEA reviews OPM-conducted background investigations for positions under OPM's jurisdiction that involve major issues to include material intentional falsification or fraud or deception in examination or appointment. This may include the applicant or appointee who has committed a serious criminal offense or who has submitted altered documents, misrepresented college degrees through the purchase of the degree through a bogus educational institution, or made an intentional misstatement or omission about a material fact on application paperwork. Although agencies should and do make referrals, they rely primarily on SuitEA to review investigations for this purpose. Upon receipt, SuitEA staff will review the case; conduct issue resolution; issue written notification about the issues of concern to the subject of the investigation; process subject requests for the materials relied upon; take suitability actions which may include canceling eligibilities or reinstatement rights, imposing debarment from Federal employment, and/or directing removal; and support the Office of General Counsel when OPM suitability actions are appealed.

SuitEA also develops and offers reimbursable suitability training programs that are compliant with the National Training Standards for Suitability Adjudicators. Delivery of this training to Federal agencies' adjudicators promotes uniform decision making across Government, professional development of the suitability and fitness workforce, and reciprocal recognition of favorable determinations. In FY 2021, SuitEA will incorporate change management philosophies in updating the training approach to support the Trusted Workforce 2.0 vetting program transformation.

SuitEA operates a suitability hotline and email box to provide customer support on technical and interpretative matters related to suitability. SuitEA also maintains a distribution list of agency contacts for regular two-way communication to support Federal agency suitability programs. SuitEA acts on behalf of agencies by providing requirements for the systems used to support position designation, adjudication, and reciprocity management. The National Background Investigations Bureau (NBIB) systems, or its successors, will house much of the information technology that supports OPM's suitability functions. As the background investigation systems are newly built or rebuilt by the Department of

Defense and OPM enhances or builds out human resource systems, SuitEA will provide requirements to meet the needs of security, suitability, and credentialing (SSC) programs, promote accessibility to shared service offerings, and improve information flow to meet the needs of Federal agencies.

In FY 2020, SuitEA led finalization of the roadmap for a transformed Government-wide approach to vetting developed with the Office of the Director of National Intelligence and the Performance Accountability Council as part of the Trusted Workforce 2.0 initiative. We are planning to implement the roadmap in FY 2021 and include implementation of transformational outcome-based investigative and adjudicative standards, as well as training standards and procedures for the new supporting Enterprise architecture. Furthermore, SuitEA will work to implement streamlined vetting-related processes resulting from the Trusted Workforce 2.0 effort, through regulation, guidance and training.

SuitEA will continue to work with ES and HRS to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire.

Human Resource Solutions

Administrative Law Judges

In accordance with Executive Order (E.O.) 13843 entitled “Excepting Administrative Law Judges from the Competitive Service” and the OPM implementing guidance issued on July 10, 2018, OPM terminated the Administrative Law Judge (ALJ) register for any purpose pursuant to 5 U.S.C. 3317 and discontinued the competitive ALJ examination. OPM continues to provide noncompetitive services to 28 agencies employing ALJs Government-wide. These services include processing noncompetitive actions, details, classification, and reviewing vacancy announcements.

ALJ program work is normally performed on a reimbursable, with each ALJ-employing agency making an annual contribution on a pro-rata basis, based upon the proportion of ALJs accounted for by that agency, and using annual estimates for program costs. Costs include direct labor for the ALJ Program Office staff and non-ALJ staff; any additional non-labor expenses needed to run the program, such as travel expenses, incumbent ALJ assistance, facilities, training, etc., and OPM agency overhead. Pursuant to a provision of the Bipartisan Budget Act of 2015, however, SSA has been paying full costs. That provision expires at the end of fiscal year 2022.

The Center for Leadership Development (CLD)

The mission of the Center for Leadership Development (CLD) is to “develop visionary leaders to transform government.” To that end, CLD provides leadership development and professional development programs as well as a number of specific programs that advance public sector transformation and fulfill certain of OPM’s obligations in relation to executive development. These programs are grounded in leadership theory and develop the Executive Core Competencies throughout the continuum of a Federal career. In addition, CLD supports agencies by customizing their individualized learning ecosystems with software solutions including robust learning management systems and quality e-Learning products, information and services that support the development of the Federal workforce and advance the accomplishment of agency missions.

CLD is the only Federal program uniquely designed and focused on providing a career-long Continuum of Leadership and Professional Development to Federal workers which include:

- Open Enrollment Courses and Certificate Programs
- Single Solution programs to meet agency specific needs
- Specific courses focused on improving human performance
- Virtual learning ecosystem to support the human capital lifecycle

CLD's pricing structure covers all applicable direct expenses, indirect CLD costs, and OPM overhead while maintaining competitive prices. Before the beginning of each fiscal year, CLD analyzes the planned delivery schedule for the year, based on past and projected customer needs, and uses prescribed costing tools to determine tuitions for all deliverables. For USALearning®, the costing model is the cost of the services requested plus overhead for administrative and indirect costs.

To meet the government priorities, CLD works through its practice areas in the following ways:

Agency Solutions & Open Enrollment:

Eastern Management Development Center (EMDC): provides interagency and single agency open enrollment courses for agency and professional leadership development. EMDC has primary responsibility for the development and delivery of open enrollment courses that represent leadership and executive development solutions. Programs and courses are designed to provide leadership development to government employees at various stages of their Federal careers. Thirty-five EMDC courses address leadership competencies and essential leadership knowledge, skills and abilities. Several EMDC courses meet American Council on Education standards for college credit.

LEAD Certificate Program: A key offering of EMDC is the Leadership Education and Development (LEAD) certificate program, which is comprised of core, skill immersion, assessment, and policy courses delivered in the classroom, online, or through blended delivery options. The majority of the EMDC courses are designed to fit into one of five LEAD certificate programs: Team Leader, Supervisor, Manager, Executive, and Professional Leader. Any course may be taken individually or as part of the certificate programs in which it is identified to result in a certification of mastery for the particular leadership level identified by the program name.

Regional Programs: Although EMDC courses are delivered predominately in the metropolitan Washington D.C. area, client demand often results in course delivery across the United States wherever a significant number of federal employees are located. To meet that demand, EMDC manages regionally delivered Federal leadership development certificate programs in Utah, Colorado, New Mexico, Oklahoma, Missouri, Massachusetts, Washington, D.C., Texas, and Florida.

Federal Executive Institute (FEI): offers open-enrollment (interagency) and custom (single-agency) programs, distance and blended-learning approaches, internal programs and academic

partnerships, and international programs to provide training flexibility for customer agencies while offering a complete range of leadership development courses and programs. FEI is responsible for delivery of residential executive education open enrollment programs at its campus in Charlottesville, Virginia. The primary areas of responsibility for FEI include:

SES Leading EDGE Portfolio will continue to offer a Government-wide enterprise onboarding program for new members of the Senior Executive Service (SES) and SES Equivalent communities to include the Government-wide SES Orientation Briefing (a two-day open enrollment program) twice a calendar year in Washington, D.C.) and SES Onboarding Forums focused on accelerating Federal Senior Executive success in the first two to three years (also in Washington D.C.). For Federal Senior Executive continuing development, *FEI SES Leading EDGE* also offers SES Enterprise Leadership Labs in Washington D.C. that update expertise and expand networks to address strategic “hot topics”.

Leadership for a Democratic Society (LDS). FEI will continue to offer its four-week program in residence. Not only is this program the best means of recouping the capital investments that have been made in the FEI campus, but also the program serves as the proving ground for new curriculum and concepts that can then be exported to interagency and single-agency programs in other CLD business lines. The LDS four-week program is offered in four consecutive weeks as well as for two weeks at FEI, a three month return to work, followed by a final two weeks of work at FEI. A mode of delivery will be explored—four days each quarter of the year, with intersession projects between sessions and culminating in a leadership challenge that is completed and debriefed to participants’ senior leadership at graduation. Continued modifications in the teaching and learning methodology as well as the curriculum will allow FEI to reach a wider audience and have a greater influence on 21st Century governance.

Footprints Series of Programs for LDS Alumni. FEI will continue to offer limited programs to interagency audiences both at its campus and at other locations across the country exclusively for graduates of the LDS program.

Custom (Single-Agency) Programs. In addition to its interagency offerings, FEI will continue to deliver programs designed for specific agency needs such as the multiple programs offered at FEI each year for USAID and for NOAA.

The Lab at OPM and the Design Lab: assists agencies to translate the creativity of their employees into innovative problem-solvers, builds human center design capabilities in individuals for use as a problem-solving choice, and works with U.S. government agencies or foreign governments to solve persistent and complex problems with a focus on the people being affected and resulting in new solutions that are tailor made to suit the needs of those people.

Process and Performance Improvement Program: OPM's Federal Executive Institute is partnering with the U.S. Army to provide Lean Six Sigma (LSS) Green Belt training for federal staff, which supports the President's Management Agenda and Cross-Agency Priority Goals. This two-week course builds a foundation in LSS's improvement methodologies. Lean Six Sigma are widely-used, disciplined problem solving methodologies, which use a Black Belt facilitator to work with a small team of program staff to streamline and improve the team's work processes, making their work life better while gaining efficiency and effectiveness for agency leadership.

Federal HR Institute (FHRI): provides open enrollment human resource skills courses for the professional development of the Federal HR community. FHRI establishes a single, standard learning framework that Federal HR practitioners are expected to use for professional development. It will be the only comprehensive Federal HR development program of its kind. FHRI is developing courseware across all major HR functions--Staffing & Classification, ER/LR, Performance, Benefits, Compensation, HR Development, HR Systems and HR Business Partner. The Federal HR Institute has primary responsibility for the development and delivery of open enrollment courses that represent human resource skill and competency education. These courses are delivered in a balanced mix of online self-directed, technology enabled media and in-person formats for maximum accessibility to the Federal HR Specialist. The in-person courses are delivered in the metropolitan Washington D.C. area and across the United States, wherever a significant number of federal employees are located. The majority of the FHRI courses are designed to fit into one of four levels of intervention—Foundations, Technical, Advisor, and Strategic. They are categorized with tracks for each of the HR professional's job functions. Any course may be taken individually or as part of the program track in which it is identified.

Western Management Development Center (WMDC): responsible for the development and delivery of custom leadership solutions. These programs are defined as single agency or community of practice solutions located at WMDC, client location or a neutral location. Solutions and products may include assessments of needs, design and delivery of courses or programs, evaluation of the solution's effectiveness and coaching or mentoring. WMDC has a number of long-standing programs including Department of the Air Force, the Aberdeen Proving Ground Senior Leadership Cohort programs, and the National Security Agency leadership development programs. WMDC partners regularly with other OPM entities and other agencies for combined services and federal spaces.

Fellows Programs:

The Presidential Fellows Programs (PFP) currently provides two programs, both through which outstanding American citizens are provided opportunities to serve their country in challenging ways by using their unique strengths and exceptional talent. Through these programs, Federal agencies are provided with the highest quality talent prepared to tackle government's hardest challenges. The two programs are:

Presidential Management Fellows (PMF): designed to bring highfliers into excepted service developmental government appointments within two years of completing an advanced degree. These appointments may be converted into permanent ones at the end of the fellowship.

Industry Executives-In-Residence (EIR) is a proposed new program that brings seasoned, private sector executives who want to “give back” in service into limited term appointments. Industry EIR’s will help agencies address national challenges by contributing specialized domain knowledge and helping develop and sustain new capabilities.

Through either program, outstanding American citizens are provided opportunities to serve their country in challenging ways by using their unique strengths and exceptional talent.

USALearning®:

USALearning® is certified by the Human Resource Line of Business (HRLOB) as the governments “Preferred Provider” for all products and services related to E-Learning. These products include but are not limited to the design development, delivery and support of learning management systems, learning content management systems, custom e-learning courses, IT security services, and custom software engineering services. USAL provides these services to both small and large Federal agencies.

USALearning® provides clients with reimbursable customized Learning Management Systems, Online Forums such as Communities of Practice and Social Media integration, Executive Coaching, access to online course libraries, custom course development, hosting and helpdesk support, technical support services, online assessments, virtual conferencing, and various online technical support tools.

In addition, USALearning® supports training platforms within agencies that may include Diversity Training, Ethics, The Learning Connection, Hiring Reform, the Presidential Management Fellows online assessments, cybersecurity courses, and specialized training. External to the Office of Personnel Management, USAL supports 18 of 24 Cabinet level agencies and over 40 small agencies and the Department of Defense.

The Federal Staffing Center (FSC)

As a provider of government-to-government solutions, OPM’s Federal Staffing Center (FSC) delivers products and services to support agency hiring processes. FSC’s integrated teams of HR Specialists, Business Analysts, Project Managers, IT Professionals, and Data Analysts support agency mission-critical talent acquisition initiatives by providing expert examining, high-level strategic staffing, recruitment and branding, and complete human resources lifecycle solutions designed to attract, assess, and build a high-quality Federal workforce and meet the diverse hiring needs of the Federal Government. FSC also delivers three HRIT solutions to support agency talent acquisition: USAJOBS®, the Federal Government’s official employment site; USA Staffing®, the Federal Government’s Talent Acquisition

System, and USA Hire, USA Staffing's on-line assessment platform comprising high quality, cutting-edge assessments.

USAJOBS Group (USAJOBS Program Office): USAJOBS comprises three key capabilities: 1) the Federal Career Portal, which provides a Seeker Portal for jobseekers to find and apply to job opportunities; 2) the Agency Talent Portal for recruiters, HR Specialists, hiring managers, and other agency staff to help them proactively conduct recruitment and outreach activities; 3) Open Opportunities, a platform where Federal employees can create and apply to task-based developmental opportunities to support a 21st century workforce. USAJOBS not only enables agencies to meet public notice requirements, but also provides Government-wide recruitment data and applicant pools.

Automated Systems Management Group (USA Staffing Program Office): USA Staffing fully automates the staff acquisition life cycle by recruiting, assessing, evaluating, certifying, selecting, and onboarding quality candidates for Federal positions. USA Staffing allows agencies to develop and post job opportunity announcements via USAJOBS, create competency-based assessment tools and position descriptions, review application documents online, rate and rank applications, send applicant notifications, electronically refer candidates to hiring officials for review and selection, audit certificates online, create an online recruitment case file with annotations, select and onboard new hires, and perform advanced analytics on all aspects the hiring process. Customer agencies have unlimited use of USA Staffing for announcement posting, assessment development, classification, applicant review, referral, selection, onboarding including eOPF transmittal, and reporting. It includes online training modules, online integrated help functionality, help desk support, robust reporting, and data interconnections.

USA Hire Group (USA Hire Program Office): As an extension of USA Staffing, USA Hire is OPM's online assessment platform that provides Federal agencies with high quality, cutting-edge assessments designed to identify top talent. USA Hire helps agencies hire the best possible candidates by incorporating better assessments in the hiring process in an efficient and effective manner. USA Hire assessments are easy to implement and applicant-friendly. Standard assessments are available "off-the-shelf" and ready to go for 120 common job series. Agencies can also use USA Hire to automate existing assessment content or to develop new online assessments.

Staff Acquisition Group (SAG): Staff Acquisition provides expert Examining, Strategic Staffing, and Recruitment and Branding Solution services to Federal agencies needed to attract and retain top performers, including examining and assessment solutions, automated entrance-on-duty support, coaching and consulting services, technical HR training, candidate development program support, and recruitment strategy development and evaluation.

FSC Fee Structures

FSC uses two main fee structures: user fees and fixed rate. User fees are paid annually, based on the number of licensed HR users in their organization. Agencies are able to increase or decrease

their number of licenses in proportion to their annual hiring trends. FSC offers volume discounts as the number of system users increases. The fixed price rates are based on actual trends over time and the cost to provide services, including consulting.

The USAJOBS pricing model is typically based on the number of FTEs in an organization and has a minimum \$5,000 fee. However, for agencies using USAJOBS on a limited basis FSC offers an option with a flat \$500 fee.

Fee structure one: Five (5) or less job postings per year includes a \$500 annual fee. Agencies can access USAJOBS to post job opportunities only. (No other capabilities are available.)

Fee structure two: Six (6) or more job postings per year starts at \$5,000 per year. This pricing includes use of USAJOBS for unlimited job postings, access to resume mining, and posting events (e.g., recruitment events). Additionally, agencies' job postings are shared through a Job Announcement API with third party vendors such as Indeed.com, Google jobs, and more.

The USA Staffing pricing model is all-inclusive and based on the number of customer agency personnel creating and editing information in USA Staffing. Agencies are able to increase or decrease their number of licenses in proportion to their annual hiring trends. This gives agencies flexibility in aligning their annual USA Staffing cost with their anticipated system usage. The USA Staffing base user license price for FY 2019 is \$8,778. This is a 1% increase in the per user access fee over FY18.

USA Hire uses a few fee structures based on the type of assessment: 1) a fee based on a percentage of the USA Staffing user fee; 2) fixed rates; and 3) per applicant testing fees. Fees are typically paid annually, but additional funds may be submitted throughout the year if additional funds are needed to cover per applicant testing fees.

Staff Acquisition's pricing structure is based on an analysis of the time and resources associated with delivering staffing services. Staff Acquisition completes studies on the time it takes to complete each task within a hiring action. The time for each task will vary depending on the scope, volume, and complexity of work. The time associated with tasks are averaged across a sample group and used to determine the cost of that activity, using our consultant rate. The consultant rate incorporates the average of employee salaries, benefits, overhead, and recurring costs for items used in work delivery. All prices, firm and those developed for a specific customer request, are based on this model.

HR Strategy and Evaluation Solutions (HRSES)

HR Strategy and Evaluation Solutions (HRSES) provides organizational and individual-focused strategies that help agencies plan and position for maximum performance.

Assessment and Evaluation Group:

Leadership and Workforce Development Assessment (LWDA) - develops, validates, and administers leadership and workforce planning assessments to assess leader and employee

effectiveness. Assessments target competencies, personality, and leadership potential. Also, conducts competency modeling and gap assessments for workforce training and development.

Selection and Promotion Assessment (SPA) - develops, validates, and administers cognitive and non-cognitive competency assessments for selection, promotion, and diagnostic purposes. This includes job analysis, written and non-written tests, job knowledge tests, performance tests, and computer simulations. Also provides assessment training and support, as well as the USA Hire online assessment platform.

Organizational Assessment (OA) – surveys, including employee climate, customer satisfaction, exit, and custom surveys; the USA Survey automated survey administration and reporting system; OPM Leadership 360; action planning and organizational development; and program evaluation.

HR Strategy Group:

Position Management & Classification (PMC) – Position management reviews; desk audits; position description and evaluation statement development; classification process reviews; and related consulting and training services.

Workforce Planning & Reshaping (WPR) – Strategic alignment, environmental scanning; organization analysis and design; workload and work process analysis; workforce analysis; organization structure and staffing model recommendations; restructuring/reduction in force; competency and staffing gap analysis against current and future requirements; succession management; and related consulting and training services.

Performance Management (PM) – Employee and labor relations consulting and training; performance management strategy and program development; performance appraisal program development; performance plan reviews; supervisor, manager, and executive performance management training; and telework services.

USA Performance (USAP) – USA Performance is a software as a service solution to assist Federal agencies in implementing their Senior Executive Service (SES) and non-SES performance management programs and systems. USA Performance enables agencies to automate their performance appraisal process throughout the entire performance rating cycle.

Pricing for HRSES products and services are based on one of three models: (1) fixed price for off the shelf products and services, (2) customized solutions that typically build upon existing products and services, and (3) services and consultation available on retainer. HRSES pricing is typically scalable, based on quantities of specific products or services (for example, the number of participants being assessed) and the selection of optional services. Pricing for products and services are based primarily on labor costs for each product or service.

The Human Capital Industry Solutions (HCIS)

The HCIS program employs public/private partnerships to deliver private sector human capital and training services, along with the associated assisted acquisition and program management services to federal agencies. The program provides federal agencies with an expedited procurement process using

two Multiple Award, Indefinite Delivery/Indefinite Quantity (MA/IDIQ) contract vehicles (HCaTS and HCaTS Small Business) in the areas of (1) Training and Development, (2) Human Capital Strategy and (3) Organizational Performance Improvement. The HCIS program provides government wide customers with the highest-performing and most cost-effective means to develop, deploy, transform and improve a human capital management system through its consolidated, pre-negotiated acquisition vehicles and program management services. HCIS supports the continual improvement of human capital and training investments throughout the federal government by embracing evolving human capital and training practices and policies aligned with the Human Capital Assessment and Accountability Framework (HCAAF). The HCIS plays a vital role in fulfilling OPM's mandate to provide these services to agencies under 5 U.S.C. §§ 1104, 1304, and 4116, as well as Executive Order 11348.

GSA provides Contract Administration services and assists OPM with the HCaTS Program Management services. The costs of the contract administration services are recovered through a Contract Access Fee (CAF) that is paid by awarded strategic partners for each task order issued under the HCaTS contracts. The CAF is paid by the strategic partners on a prorated basis as work is completed and invoiced.

The HCIS costs associated with delivering assisted acquisition services to federal agencies for acquiring human capital and training services from strategic partners is recovered through an established assisted acquisition services fee schedule. The management fee covers the assisted acquisition and project management services costs which are shared with GSA as they are providing the contracting support and the major financial management support activities. The management fee is a graduated percentage fee applied to all work performed based on customer funding received for a given project. The graduated fee may be adjusted over time to enable the program to generate the right mix of demand and supply to recover total costs.

The HCaTS contracts, through delegated procurement authority (DPA) and OPM assisted acquisition services, will provide federal agencies with both direct access and assisted acquisition access to customized training and development services, human capital strategy services, and organizational performance improvement services.

Pricing: HCIS uses a tiered pricing structure for assisted services. In addition, a CAF of 0.75% is assessed on every project whether through HCaTS Assisted or Direct. The tiers consist of the following:

\$20M+: 3%

\$10M to \$19.999M: 5%

\$2.5M to \$9.999M: 7%

\$500K to \$2.499M: 10%

\$0 - \$499K: HCaTS SB, HCaTS Direct or alternative (GSA Schedule, OPM Service, Shared Service, etc.)

The Center for Management Services (HRS Support Programs)

Marketing and Business Development – develops, manages, and deploys customer-facing programs and projects that support HRS enterprise-wide outreach and communications goals; manages the HRS internal research and development program; and interfaces with other branches to plan and deploy effective internal communications programs.

Resource Management Services – provides budgetary, financial, human resources, strategic planning, and operations support, including budget development, monitoring, and execution; financial reporting, including forecasting, and trend analysis; interagency agreement support; HRS-wide annual strategic planning and implementation; facilities, equipment, travel, contracting, and purchase card management support; coordinating audits and reviews, reviewing internal controls, employee training and development, internal senior executive and management recruitment consultations, strategic workforce planning, personnel actions, performance management and awards, classification and re-classification of employee position descriptions, and employee and labor relations support.

New Business Justification

CLD

- USA Learning has created a long-term partnership with the DOD to provide Learning Management System and Knowledge Portal products and support with the potential to reach about \$1 billion in the out-years.
 - To support this long-term partnership and potential growth in business, HRS will internally realign FTE within the Training program. One of the business solutions (Federal Executive Institute) will decrease by 9 FTE by FY 2021 as they transition from full-time faculty to intermittent faculty; USA Learning will double in size (+7 FTE) by FY 2021. Additional surge support will also be evaluated (contract support or Government employees) as part of the potential outyear growth.
- CLD continues to build a corps of intermittent faculty with specialized expertise in areas of need for its programs. The use of intermittent faculty provides flexible staffing and less reliance on contracted support for programs.
- CLD will hire an assessment and evaluation expert to assess and manage CLD's programmatic needs in this area prior to contracting for an evaluation system.
- Increase CLD's use of research data for program development and delivery.
- Work with OPM policy to codify and mandate a continuum of leadership and professional development for Federal workers.
- Reduce duplication of leadership and professional development programs across the Federal workforce.

- Create a continuum of leadership development for the Executive Branch commensurate with DoD services schools and corporate universities.
- Create the Federal model of a 21st Century Workplace for learning through new, agile organizational design and ability to rapidly scale and surge.

FSC

- FSC will continue partnering with agencies to hire the best talent to meet their missions by providing the full range of hiring products and services for the *Acquire* stage of the HR lifecycle, including: recruitment and branding services; examining services; strategic staffing services; onboarding support; technical training delivery; support for USA Hire implementation and usage; the USA Staffing Talent Acquisition System, and the USAJOBS platform.
- FSC will look to expand within the USAJOBS current customer base, particularly by supporting additional agencies (e.g., DHS) in their use of the Open Opportunities platform.
- We will continue expanding the use of USA Hire assessments by Federal agency customers, manage growth of the program office to evolve with predicted increase in usage/volume, and refine processes as required.
- FSC's Staff Acquisition Group anticipate expanding support for cyber recruitment and hiring initiatives across government, grow recruitment and branding capabilities, and focus on supporting individual agencies and specific career fields (e.g., CIO Council Job Fair.)

HRSES

- In partnership with HR Solutions' FSC and CLD, HRSES will continue expanding the capabilities in its IT systems and the products and services delivered using those systems. The full USA Performance system was deployed in FY16, adding capability for non-SES appraisals. In FY17, focus shifted to expanding functionalities to incorporate universal configurability to all performance plans and programs. FY18 focused on building out data exchanges with personnel systems to drive record updates in an end-to-end environment. FY19 focused on expanding to include multiple rating cycles, formulas, and web services, as well as beginning a major overhaul of organization structure functionality. HRSES initiated USA Survey replacement activities in FY19 and will continue to fully develop and implement in FY20.
- HRSES plans to build new content for the USA Hire online assessment platform, expanding series coverage and providing more online assessment options for agencies.
- HRSES will continue to partner with FSC to deploy the classification component of USA Staffing and work with customer agencies to fully implement while updating their libraries of position descriptions.

- HRSES will also expand its existing change management offerings to include capabilities from across HR Solutions and potentially GSA to increase the Federal Government's ability to manage and execute major organizational changes.
- Consulting business will increase in FYs 21-23 as HRS' end-to-end (E2E) software-as-a-service offering enters the market, as agencies will need to align their data, position descriptions, performance plans, and organization structures to transition to end-to-end servicing.

HCIS

- In FY19-23, OPM will use its expertise to oversee the delivery of human capital solutions under this contract, while adhering to operative law, policies, and practices and meeting the standards of efficient/effective HC as outlined in OPM's Human Capital Framework. Additionally, OPM will take a greater role in monitoring the deliverables and outcomes of the task orders under the two HCaTS contracts for compliance with the requirements of the ordering agencies. GSA will use its acquisition expertise to build a progressive, durable, and flexible contracting vehicle, utilizing advances in the acquisition field to keep this process seamless to agency customers. This will allow OPM to better focus on its core mission of HC.
- This focus should lead to increased customer satisfaction and agency enthusiasm for the two HCaTS contracts, as evidenced by business volume, repeat customers and HRS' customer satisfaction scores and feedback. By continuing to maintain a stable volume of customers, HCIS can continue to recover costs and generate additional economies of scale and scope for the federal government. Increased HCIS business volumes drive down strategic partner pricing and enables centralized program resources (program managers, contracting officers, facilities, and other fixed costs) to be spread across a wider base of customers. Economies of scope are created due to continual learning of human resources and training services and contracting support for those services. For instance, statements of objectives and performance work statements can be reused, and lessons learned can be applied to similar future efforts.

Electronic Official Personnel Folder

The electronic Official Personnel Folder (eOPF) supporting the e-Government initiative designed to leverage the benefits of information technology, as required by the E-Government Act of 2002. The goal of eOPF is to streamline and automate the collection, aggregation, and maintenance of official career lifecycle documents created during federal employment. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR and employees with access to employee data to improve workforce planning for hiring, skills development, retention strategies and Government-wide policy.

The eOPF system is a web-based application that is capable of storing, processing, and displaying career lifecycle documents of all current, separated, and retired Federal Employees. The system has replaced the several manual HR process by automating as much of the Federal Government's HR processes and creating a streamlined Federal HR document system for all Federal employees. The eOPF covers Title 5

Executive Branch departments and agencies, with some exceptions, as well as some components of the Legislative, Judiciary, and other independent agencies and organizations, with a total user population of more than 2.4 million. The eOPF application is provided through a fee-for-service arrangement with participating agencies. FY 2021 budget is expected to be \$46 million (\$43 million for eOPF support and \$3 million for scanning services).

Planned FY 2021 Activities

In FY 2021, eOPF will continue its evolution of providing agencies a cost-efficient system of records to maintain official employee documentation electronically. This will include expanding interfaces with other HR systems to provide a comprehensive view of the federal workforce and to better leverage data to inform workforce planning and reporting. Working with customer agencies eOPF will continue to implement new tools and technologies to better store and manage these important federal records. For Federal employees, the eOPF will continue to leverage new tools and technologies to provide access to employee data, develop additional opportunities to share data across platforms, when appropriate, and continue to explore and implement creative solutions to view their HR data and records.

The success of the Data Warehouse Program's fee-for-service component depends on the continuation of incoming funds through existing and new partner agencies subscribing to eOPF services. These services include support for agencies' online personnel folders as well as maintenance and support for infrastructure, applications, software maintenance, program management, system security, helpdesk support, and various tools.

Planned FY 2021 Accomplishments

In FY 2021, eOPF will successfully support on-going operations and maintenance, document scanning services for new and existing customers, and development of new tools and technologies. The pricing structure for eOPF maintenance is a fixed price per license and that is based on the number of active users at the customer agency. The eOPF license maintenance, paid annually by the customer, covers the following: (1) Program Management Office support; (2) licenses; (3) record storage and transfer services provided by the National Personnel Records Center; (4) software license maintenance, (5) IT security, (6) OPM Common Services, (7) IT infrastructure hosting and maintenance services, (8) credit monitoring, (9) product development, and (10) helpdesk services.

Enterprise Human Resources Integration Data Warehouse (EHRIDW)

The Office of Personnel Management (OPM) Enterprise Human Resources Integration Program's Data Warehouse (EHRIDW) is the Government's premier source for integrated Federal workforce information. The system currently collects, integrates, and publishes data for 2.0 million Title 5, Executive Branch employees on a bi-weekly basis, supporting agency and Government-wide analytics and reporting by providing data to applications such as FedScope and OPM's Statistical Data Mart. In addition, the system provides Federal workforce data to other internal and external Government systems and processes dependent upon the integrated data. The EHRIDW architecture provides a flexible, scalable, and secure environment for current and future Government requirements, and expansion continues through the addition of new federal employee populations, new data elements, improved data integration and data

quality processes, and by enabling new system interfaces that utilize industry best-practice architectures. The EHRIDW is supported by appropriations, which was requested to be \$8 million in FY2021.

Planned FY 2021 Activities

- Expansion of data collection to non-title 5 agencies and branches to provide a federal-wide view of employee data
- Development of additional interfaces to other Federal employee-related data sources such as, retirement processing, benefits systems such as FEGLI, training and certification
- Enhancements to data quality and integration tools to support a complete and accurate view of records across an employee's Federal career
- Implementation of new tools and technologies to improve the reliability of timely and accurate agency data submissions and streamlining data loading processes

Planned FY 2021 Accomplishments

- Successfully support on-going operations and maintenance
- Implement additional data edits to improve data validity and accuracy for more accurate reporting
- Implement addition system interfaces to support more accurate Government-wide reporting and support external systems reliant on EHRIDW data for mission fulfillment
- Improve the timeliness of data submissions by providers as well as timeliness of data availability to FedScope and the Statistical Data Mart.

Human Resources Solutions Information Technology Program Management Office

The HRS Information Technology Program Management Office (HRS IT PMO or PMO) provides technology support in the form of IT systems development and hosting, supplying both internal and external customers a wide variety of information technology services in the human resources arena. The PMO expects \$80,000,000 in total agreements in FY2021 and expects program income of \$77,550,000, with revenue exceeding expenses by \$1,520,588. Earned Revenue over cost is used to reinvest in products and services for the PMO and/or to hold the revolving fund harmless in the event of liquidation.

Planned FY 2020 Activities

The PMO delivers leading-edge, innovative, high quality human resource information technology products and services that contribute to organizational effectiveness. The PMO is comprised of three lines of businesses (LOB): OPM's Human Resources Solutions, Other OPM Services, and External Services which include two Employee Self Service Systems (Employee Express and myPay). All of its lines of business contain IT systems that span the HR life cycle and allow the program to sustain itself financially.

FY 2021 activities prioritize the maintenance and sustainment of various existing systems, the largest of which are OPM's Talent Acquisition System - USAStaffing; OPM's Federal Government job board -

USAJOBS; Enterprise Human Resources Integration – Data Warehouse hosting; and a wide variety of other web-based applications used by dozens of Federal agencies.

Other OPM Services Line of Business

This line of business is the largest of the three, accounting for 48% of revenue. It is comprised of products and services provided to other non-HRS organizations within OPM. Among the OPM offices our PMO supports are the Retirement Services program, Healthcare and Insurance program, and Enterprise Human Resources Integration – Data Warehouse Program. HRS IT PMO is responsible for the design, development and hosting of systems within those offices. In addition to being the largest line of business, this is also the fastest growing as organizations within OPM have increasingly recognized the value and technical expertise that the HRS IT PMO provides.

Human Resources Line of Business

In Fiscal Year (FY) 2004, the U.S. Office of Management and Budget (OMB) and Office of Personnel Management (OPM) launched the Human Resources Line of Business (HRLOB) Initiative, for which OPM is the managing partner. Between FY 2005 and 2015, the HRLOB led the consolidation of agency personnel action processing, benefits management, and payroll systems into HRLOB Shared Service Centers (SSCs), which resulted in over \$1 billion in cost avoidance Government-wide.

In 2015, at the request of the Chief Human Capital Officers Council (CHCOC) and the Chief Information Officer at OPM, the OPM Director tasked the HRLOB with creating and implementing a Strategic Framework to enable the CHCOC Future State Vision for Human Resources Information Technology (HRIT) aimed at developing a single, integrated Federal HRIT environment to support the 21st century Federal workforce. The Framework builds on the HRLOB's previous success and, when fully implemented, will result in the modernization of HRIT service delivery, improvement of HR data management and standardization, and the effective use of strategic sourcing, resulting in an additional \$1 billion in cost avoidance over the next 10 years.

The HRLOB is a strategic and transformational initiative that directly supports OPM's mission. The HRLOB actively supports Strategic Objective 2.2: Advance Human Capital management through the strategic use of interoperable HRIT and Strategic Objective: 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements.

The HRLOB will continue to execute the opportunities outlined in the HRLOB Strategic Framework which supports the CHCO Council Future State Vision by enabling the development of an integrated, Government-wide HRIT environment over the next 10 years. The HRLOB activities include:

- Human Capital Community Engagement & Communication-unify the voice of the HC community in defining HC priorities, and objectives, pinpointing common challenges, and identifying Federal solutions.

- Human Capital Policy, Performance & Operations-Support the issuance and implementation of HC policy, align established HCM frameworks to Federal acquisition strategies, and identify opportunities to enhance HC performance Government-wide.
- Human Capital Standards Management, Modernization & Adoption-Define modern operational model for Federal HCM; develop, maintain, and promote functional standards for HC service delivery, performance, data exchange, and security.

The following HRLOB activities for FY20/21 will advance the achievement of the program's goals:

- Drive Human Capital Advancement-Create a modern, standardized human capital environment that meets the need of the Federal workforce and enables the continuous improvement of HC management and service delivery.
- Enhance Service Value-Increase efficiencies in the acquisition, development, and delivery of HC services and supporting systems to improve service quality and reduce duplicative spend.
- Unify the Human Capital Community-Enable collaboration between HC customers, providers, executive stakeholders, and supporting partners to leverage the government's collective expertise in establishing common HC principles.
- Improve the Employee Experience-Support the complete, secure, and timely sharing of information across an employee's career to improve confidence in Federal HC management.

External Services Line of Business

Two primary products offered within the Employee Self Service Systems line of business serve more than six million people worldwide. The first, Employee Express, is accessible by touch-tone phone and via the Web, and provides automated information that empowers Federal employees to initiate the processing of their discretionary personnel-payroll transactions electronically. The second, myPay, provides the same service to Department of Defense Federal employees, military members, and military retirees. This line of business rounds out the remaining income for the HRS IT PMO, accounting for 11 percent of annual revenue.

The HRS IT PMO will continue to deliver products and services to our customers as outlined above, allowing agencies it services to become high-performing organizations and supporting their HR life cycle needs through affordable information technology solutions. HRS IT PMO will recover costs of operations by managing dozens of individual reimbursable agreements with its customers. Costs and associated pricing models are determined through a rigorous assessment of direct costs of service delivery, indirect costs of program administration, and the OPM common services assessment. For years, the PMO has had a strong base of repeat customers who choose our products and services for quality, innovation, value, and proven performance. This will continue in FY 2021.

Credit Monitoring and Identity Protection Services

In 2015, the U.S. Office of Personnel Management (OPM) announced malicious cyber activity on its network and identified two separate but related cybersecurity incidents which had impacted the data of approximately 22.1 million Federal government employees, contractors, and others. Pursuant to the

Consolidated Appropriations Act, 2017 (P.L. 115-31), Section 633 of Division E, OPM is required to provide Credit Monitoring & Identity Protection Services (CM IPS) through FY 2026, and includes not less than \$5 million in identity theft insurance. This program has been previously managed and reported within the background investigations program performed by the National Background Investigations Bureau of OPM.

Accordingly, OPM began offering these services to impacted individuals as of July 1, 2015. In December 2018, OPM awarded a blanket purchase agreement (BPA) call to Identity Theft Guard Solutions, LLC, doing business as ID Experts. The new re-compete BPA Call was awarded under the General Service Administration's Identity Protection Services (IPS) Multiple-Award Blanket Purchase Agreement (BPA). The consolidated award will have a possible full period of performance of 5 years, which will continue to provide coverage to all impacted individuals through FY 2026.

CM IPS costs consist of contract, operational, management, and administrative costs. There are two funding sources for the program. OPM collects annually from the largest Federal agencies via an Inter-agency Agreement (IAA) based on proportional allocation of total program cost. The basis for distribution is the number of background investigations historically ordered by each agency. Additionally, fees are collected by the Enterprise Human Resource Integration (EHRI) program as part of the eOPF rates charged to agencies, to fund the CM/IPS program.

The CM IPS program provides a comprehensive suite of credit and identity monitoring, identity theft insurance, and identity restoration services. The FY 2020 and FY 2021 costs are projected as \$85,104,717 and \$85,136,499, respectively, for the following:

Credit Monitoring & Identity Protection Services – The BPA call awarded to ID Experts included a one-year base period and four one-year option periods.

Verification Center Operations – The Verification Center is provided through an assisted acquisition, funded by OPM, through two annual interagency agreements (one for each of the two cybersecurity incidents) with DOD's Defense Information Systems Agency (DISA) Defensive Information Technology Contracting Organization (DITCO).

Verification Letters – The determinations of impact status which are generated by the Verification Center are communicated to requestors by a letter sent via the US Postal Service. Currently, DOD's Defense Logistics Agency (DLA) is engaged to print and send these notification letters. These letters include the 25-digit PIN which is necessary to enroll in the services provided.

OPM Program Management Office – OPM incurs administrative costs such as salaries and benefits, training, and site visits in managing the CM IPS Program. The Program Office consists of five people which includes labor performed by offices throughout the agency which is charged to the CM IPS program.

The aforementioned activities are Congressionally mandated as they support provision of comprehensive, complimentary identity protection coverage pursuant to P.L. 115-31.

During the first years of this program, costs were unpredictable which created challenges with establishing pricing for the services provided. However, the December 2018 re-compete of the BPA Call with a period of performance of 5 years has stabilized the program cost and improved accuracy of the pricing for future years. While surplus funds will reduce costs to agencies in FY 2020, in FY 2021 costs will resume at expected levels and remain consistent throughout the period of performance for the new BPA Call.

Other Requirements

Major Management Priorities and Challenges

OPM's major management priorities and challenges are:

- Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points.
- Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points.
- Objective 4.3: Exceed Government-wide average satisfaction for each agency mission support service.
- Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and average case processing times to 60 days or less.

Please refer to the "Performance Budget by Strategic Goal" section of this document for the planned actions, performance measures and targets, and responsible agency officials for each management priority and challenge.

Evidence Building

OPM has integrated its discussion of evidence building into the "Performance Budget by Strategic Goal" section of this document. OPM's objective 2.1 is to "Improve collection and analysis of data to better inform human capital management decisions," and describes agency-wide next steps to build and use evidence to improve performance.

Data Validation and Verification

An assessment by the Director of OPM of the reliability and completeness of performance data is included in the agency's Annual Performance Report, released concurrently with this Budget. The report also includes a "Data Validation and Verification" section that includes the steps OPM has taken to promote the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of the means used to verify and validate measured values, the sources of the data, and any limitations to the data.

GAO-IG Act

OPM is working to meet the new reporting requirement of the GAO-IG Act enacted on January 3, 2019. The agency plans to file the report on open or unimplemented audit recommendations with Appropriations Committee staff as soon as it is completed.



Office of the
Chief Information
Officer

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

Memorandum For: OPM's FY 2021 BUDGET SUBMISSION

From:

Clare Martorana
Chief Information Officer *Clare Martorana 1/22/20*
Office of the Chief Information Officer (CIO)

Dennis Coleman
Dennis Coleman
Chief Financial Officer
Office of the Chief Financial Officer (CFO)

Subject: IT Resource Statements

In compliance with the Federal Information Technology Acquisition Act of 2014, we hereby affirm the following:

- Due to the brevity of her tenure, the OPM Chief Information Officer (CIO) has had limited impact on the FY2021 budget. The Chief Financial Officer (CFO) will provide increased details on the FY2021 budget in the coming months, allowing the CIO to broadly impact the FY2022 budget submission.
- The CIO will continue to review an increasing number of IT investment proposals prior to their procurement to ensure she can impact IT spend within OPM.
- Two major IT investments have been reduced within the FY2021 submission. Further discussions with the CIO will allow for a better understanding of the impacts of these reductions on the enterprise IT service delivery to key OPM programs.

Please note that this budget submission does take into account a pending agreement between OPM and DoD for the buy-back of services associated with the transfer of the background investigation mission to DoD at the start of fiscal year 2020.

Table of Acronyms

ARC	Administrative Resource Center
ALJ	Administrative Law Judges
APGs	Agency Priority Goals
BPA	Blanket Purchase Agreement
CAP	Cross-Agency Priority
CFC	Combined Federal Campaign
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officers Council
CLIA	Congressional, Legislative and Inter-Governmental Affairs
CM IPS	Credit Monitoring & Identity Protection Services
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CSRDF	Civil Services Retirement and Disability Fund
CSRS	Civil Service Retirement System
DCFSA	Dependent Care Flexible Spending Account
DCSA	Defense Counterintelligence and Security Agency
DOD	Department of Defense
EEO	Equal Employment Opportunity
EHRI	Enterprise Human Resources Integration
EHRIDW	Enterprise Human Resources Integration Program's Data Warehouse

EMDC	Eastern Management Development Center
eOPF	Electronic Official Personnel Folders
ES	Employee Services
ExecSec	Executive Secretariat
FAA	Federal Aviation Administration
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits Program
FEI	Federal Executive Institute
FERCCA	Federal Erroneous Retirement Coverage Correction Act
FERS	Federal Employees Retirement System
FFS	Federal Financial System
FHRI	Federal HR Institute
FLTCIP	Federal Long-Term Care Insurance Program
FMLA	Family and Medical Leave Act
FOIA	Information Management and Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FRAE	Further Revised Annuity Employees
FSAFEDS	Flexible Spending Accounts for Federal Employees
FSC	Federal Staffing Center
FSEM	Facilities, Security, and Emergency Management
FTE	Full-time Equivalent

FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
GSA	General Services Administration
HC	Human Capital
HCaTS	Human Capital and Training Solutions
HCFSA	Health Care Flexible Spending Accounts
HCIS	Human Capital Industry Solutions
HI	Healthcare and Insurance
HRIT	Human Resources Information Technology
HRIT	Human Resources Information Technology
HRLOB	Human Resource Line of Business
HRLOB	Human Resources Line of Business
HRS	Human Resources Solutions
HRSES	Human Resources Strategy and Evaluation Solutions
ILDLP	International Leadership Development Program
IOC	Office of Internal Oversight & Compliance
IPS	Identity Protection Services
IT	Information Technology
LDS	Leadership for a Democratic Society
LEAD	Leadership Education and Development
LEX HCFSA	Limited Expense Health Care Flexible Spending Account

LSS	Lean Six Sigma
MSAC	Merit System Accountability & Compliance
MSPB	Merit Systems Protection Board
NAPA	National Academy of Public Administration
NBIB	National Background Investigations Bureau
NDAA	National Defense Authorization Act
OC	Office of Communications
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OD	Office of the Director
OES/ExecSec	Office of the Executive Secretariat
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OLBP	Online Bill Pay
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OPO	Office of Procurement Operations
OSDBU	Office of Small and Disadvantaged Business Utilization
OSI	Office of Strategy and Innovation
P.L.	Public Law
PAC	Performance Accountability Council
PMA	President's Management Agenda

PMO	Program Management Office
PPA	Plan Performance Assessment
QCR	Clinical Quality, Customer Service, and Resource Use
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RS	Retirement Services
S&E	Salaries & Expenses
SES	Senior Executive Service
SSCLOB	Security, Suitability and Credentialing Line of Business
SuitEA	Suitability Executive Agent
TFM	Trust Funds Modernization
TSA	Transportation Security Administration
TSP	Thrift Savings Plan
U.S.C.	United States Code
VHA	Veterans Health Administration
WMDC	Western Management Development Center
WPR	Workforce Planning and Reshaping



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