

United States Office of Personnel Management

Congressional Budget Justification

Annual Performance Plan

Fiscal Year 2000

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U. S. OFFICE OF PERSONNEL MANAGEMENT

FY 2000 BUDGET JUSTIFICATION/PERFORMANCE PLAN

EXECUTIVE SUMMARY

*We have incorporated our FY 2000 Congressional budget justification and our FY 2000 Annual Performance Plan required by the Government Performance and Results Act into this single, comprehensive document. In the following Executive Summary, we have identified the key challenges, our agency priorities, and funding implications, which are described in more detail in the individual program plans included in the complete Annual Plan. All of our initiatives tie into the long-term goals and objectives identified in our strategic plan, **Federal Human Resources Management for the 21st Century**, submitted to Congress on September 29, 1997.*

U.S. OFFICE OF PERSONNEL MANAGEMENT'S LEADERSHIP ROLE

The President leads the Federal Government's civilian workforce of approximately 1.8 million employees (not counting postal workers). The U. S. Office of Personnel Management (OPM) is the President's agent and advisor for the Government's human resources management systems. *OPM's key responsibility is to ensure that these systems support agencies in recruiting, hiring, and retaining the merit-based, high-quality, diverse workforce necessary to meet the needs of the American people.*

OPM's strategy is to provide human resources management (HRM) leadership and services for all agencies, in a manner that blends and balances flexibility and consistency across Government. Specifically, our strategy is to serve the interests of the Government as a single employer by sustaining essential Governmentwide values, such as merit system principles and accountability, veterans' preference, workforce diversity, and family friendly policies. And, at the same time, we equip agencies with the flexible policies and systems necessary to recruit, retain, train, and manage employees in a manner appropriate to each agency's unique needs. We also administer Governmentwide compensation, earned employee benefits, and automated information systems. These systems serve the Government's best interests as an employer and offer economies-of-scale only available when designed and managed on a Governmentwide basis. We provide assistance and services to agencies through an effective and efficient mix of appropriated, trust, and reimbursable funds.

In carrying out its functions, OPM relies heavily on its own expert staff, broadly applied cutting-edge technology, and effective partnerships with a wide range of stakeholder groups who represent many points of view. These include Federal agencies, current Federal employees; employee unions and the National Partnership Council; professional and management associations; Federal annuitants and their organizations; job-seekers; veterans and their service

organizations; minorities, women, and persons with disabilities and their organizations; colleges and universities and their associations; and insurance carriers.

CHALLENGES AND PRIORITIES FOR THE YEAR 2000

The world of work has changed significantly in the last 20 years, for both the private and the public sectors. The increased availability and need for information has changed every worker into a knowledge worker. Workers require new skills and competencies to succeed in new organizational structures, like teams, and to adapt to rapidly changing directions and technology, while still delivering good customer service.

As the Federal workforce began to face these challenges in recent years, it also was downsized significantly. Yet, within this same period, not only has the Federal workforce survived, but it has thrived. With the support of good HRM leadership, three major changes in the workforce have occurred -- changes that will assist in meeting the increasing demands facing the Federal Government:

- The Federal workforce has become more diverse and representative of the entire spectrum of the American population. Although significantly smaller in size, it has retained its improved diversity, and is also better educated, and thus better able to handle the technical complexities of the modern work environment.
- The Federal workforce is much more focused on its customer -- the American public. Results from a recent Governmentwide survey administered by the National Partnership for Reinventing Government (NPR) show a dramatic increase in customer orientation.
- The growth of partnership between management and employees has allowed cooperative relationships to flourish and has helped this smaller workforce to maintain and improve its service to the public.

OPM's challenge for FY 2000 and beyond is to provide HRM systems that not only continue to respond so effectively to the dramatic changes of the past 20 years, but also will adapt readily to the workplace of the future -- as it changes in ways and at speeds we cannot begin to imagine.

We will meet this challenge through a series of initiatives that include human resources management accountability, performance-oriented compensation, staffing flexibilities, the key role of executive leadership and more. Best practice and benchmarking reviews make it plain that "one size fits all" approaches in areas like compensation and staffing do not effectively serve agencies and their differing strategic objectives. We will work to provide agencies with system flexibilities to more strongly link pay and performance for Federal employees and help agencies recruit and retain the high-quality, diverse workforce they need to meet their mission and

respond to increasing customer and workplace demands. At the same time, we recognize that the creation of additional personnel flexibilities increases the need for OPM to ensure that the Government's HRM systems are designed and operated under merit principles.

OPM is committed to getting all agencies and all segments of the workforce the flexibilities necessary to meet their strategic goals more effectively. In addition, we will work to get the HRM profession full recognition as a strategic partner in accomplishing the business of agencies.

OPM's Top Priorities for FY 2000

OPM's top seven priorities for FY 2000 will help to meet these challenges. Our priorities are:

1. Improve linkage between pay and performance.

OPM will continue to develop programs that support the idea that compensation should be linked to performance and results. In FY 2000, OPM will introduce short-term changes (based on work begun in FY 1999) to improve Federal pay and performance management systems, and will continue to promote improved employee performance by maintaining a flexible framework for performance management which encourages and rewards good performance and strengthens the link between performance and pay. OPM will also continue its longer term effort to develop a performance-oriented total compensation system suitable for the variety of missions, structures, labor markets, and technologies that will characterize the Federal workplace of the 21st century. We have established the Total Compensation Policy Center to conduct research and outreach to our stakeholders to find out what the Government needs to change in order to compete in the next century. In addition, through our new Center for Benefits Design and Delivery, we will position ourselves to move forward with enhancements to the Federal employee earned benefits programs. These enhancements include new life insurance products and the Administration's proposal to offer long-term care for Federal employees and annuitants.

2. Provide flexibilities and tools for recruitment and hiring.

After a long period of restructuring and downsizing, agencies are facing immediate needs for hiring in several mission-critical occupations, such as information technology and law enforcement, and are facing potential needs from baby boom demographics and the increase in retirements that will result. Both the immediate and long-term needs require improved recruitment tools and additional hiring flexibilities. Agencies need model recruitment plans which target the new skills and diverse backgrounds required to accomplish their missions; quick hiring programs which enable them to compete in a tight job market; special hiring programs such as the Presidential Management Intern and new entry level intern programs that attract high quality, diverse future managers to the Federal workforce; and executive succession planning. Priority will be given to improving Federal employment opportunities for adults with disabilities and Hispanic Americans, and to initiatives to recruit, develop, and retain computer security

professionals. And, because the workforce of the future will need new competencies and skills, we will provide information and tools to identify and assess these competencies. We will also continue to support the highly automated, accessible USAJOBS competitive job information system, which supports merit principles by providing fair and open access to all candidates, and which saves the Government millions of dollars each year because agencies have no need to create redundant and expensive systems of their own. We will also work with agencies to develop workforce planning and analysis tools to assist them in assessing and projecting their internal skill and workforce composition needs, identifying recruitment sources, and conducting meaningful succession planning.

3. Strengthen oversight.

OPM's essential ability to oversee the merit system is a continuing priority. Human resources management authorities increasingly have been made more flexible, and delegated to line managers. Many agencies have been exempted from key provisions of the civil service laws in title 5, United States Code, but they still must observe merit system principles. Also many agencies have cut their human resources support staffs by half. This, coupled with increased flexibility and delegations in personnel authority, has significantly increased the potential for abuse of the merit system in agency personnel actions. We will strengthen our activities to support compliance with the merit principles through oversight visits, to provide assistance to agency delegated examining units, and to work with agencies to develop new internal accountability systems.

4. Refocus attention on learning.

OPM will be leading the Federal Government's initiative to reinvigorate training and development programs in order to promote lifelong learning and to ensure that our workforce, at all levels, is prepared to meet the demands of the 21st century. In FY 2000, the President's Task Force on Federal Training Technology, chaired by OPM's Director, will finalize recommendations for a policy to provide for the most effective use of today's technology in order to provide the best and most accessible training possible for Federal employees. OPM will work closely with other agencies and the private sector to eliminate the barriers to effective training programs and to recommend changes to procurement laws, identify opportunities for cross-agency training, and recommend standards for training software purchases by Federal agencies.

5. Modernize HR Information Technology.

OPM is working to modernize its internal systems and processes to improve the utility and accessibility of information for merit system oversight reviews, for retirement processing, and for planning and budgeting by external users such as the Office of Management and Budget

(OMB), the White House, Congress, the General Accounting Office (GAO), other Federal agencies, the media, and the public. These ongoing modernization efforts complement the broader, Governmentwide vision of a "Virtual Federal Human Resources Data Repository" (VHRDR) currently being analyzed by the interagency Human Resources Technology Council (HRTC). The VHRDR will enable the electronic transfer of HR data across Government, streamline and improve Governmentwide reporting, and eventually allow for the elimination of cumbersome and costly paper personnel records.

A critical component of this priority is Retirement Systems Modernization (RSM). Based on business processes that are reengineered in consultation with OPM's strategic business partners, the initiative is critical to our ability to continue improving the delivery of retirement program services to both annuitants and employees. For example, without modernized systems we will not be able to reduce Federal Employee Retirement System (FERS) processing times, as we have successfully done for Civil Service Retirement System (CSRS) annuitants.

Another critical component is the modernization of the Central Personnel Data File (CPDF) to improve communication with those agencies submitting CPDF data, to make the information more readily accessible, and to integrate this effort into the VHRDR initiative.

6. Support the family friendly workplace.

OPM will continue to encourage the Federal Government to be the model employer for family friendly programs, by providing and promoting affordable child care options, alternative work schedules, family and medical leave, telecommuting, part-time employment and job-sharing opportunities, and employee assistance programs. These programs are essential to help our workforce better balance the ever increasing demands of work and home responsibilities. In addition, the most competitive companies in the private sector find that programs like these help them attract and retain the best and brightest employees. OPM's Family Friendly Workplace Advocacy Office will become fully operational by FY 2000, and will serve as a central point of contact for Federal workers who need information on family friendly initiatives as well as those who wish to raise concerns about the operation of these programs within their organizations.

7. Improve financial management.

OPM is committed to continuous improvement in all of its financial management operations, systems, policies and procedures as well as improving the quality of service to all customers. Over the past few years, internal and external reviews and audits have identified internal and management control weaknesses in our financial administrative and trust funds areas. We have categorized those that are most vital to mission success and which involve long-term fixes and those that can be strengthened in the near term. We have made significant progress in addressing and correcting these. OPM will continue to use Quality Improvement Teams (QITs)

comprised of cross-functional representatives including the Office of the Inspector General to address these areas.

MEASURING OUR SUCCESS

In September 1997, OPM delivered its first Strategic Plan to the Congress, covering 1997 - 2002. The Plan includes five major goals -- four external and one internal -- which are all focused on the overarching outcome of achieving a high-quality, diverse Federal workforce, within the principles of a merit-based system. The five strategic goals define outcomes for policy leadership, oversight, technical assistance, and direct service delivery (external goals), and operating as a model employer (internal goal), to be reached by the end of FY 2002. The FY 2000 Annual Plan sets incremental targets for progress toward the strategic goals.

Both the Strategic Plan and the Annual Plan use the process of multi-measurement to assess our success in meeting the overarching goal of a high-quality, diverse workforce. Assessment of the quality of any workforce -- Federal or otherwise -- has been recognized as a significant measurement challenge. Consequently, OPM is using a measurement approach which depends on a balanced set of intermediate indicators from multiple available data sources. Two key indicators are direct surveys to assess the perceptions of Federal employees about workforce quality and the fairness and equity of HRM processes, and user surveys -- from both public and internal customers -- to assess customer satisfaction with the content, process and outcomes of policies and services.

The primary employee surveys used are the OPM Merit System Principles Questionnaire and the National Partnership for Reinventing Government (NPR) Survey. The primary customer surveys used are OPM agency customer surveys (HR Directors and HR specialists) and surveys of job-seekers, annuitants, and health insurance users. Other direct measures include data on the diversity of the Federal workforce, timeliness and quality of operations, and usage data (such as web site visitors).

Other key indicators are qualitative in nature, rather than quantitative. These are the results of externally conducted program evaluations, conducted by such entities as the Merit Systems Protection Board (MSPB), the GAO, and the National Academy of Public Administration (NAPA). Each of these organizations conducts periodic studies of Federal HRM practices and outcomes, and their findings are an important measure of program success.

Finally, in some instances OPM relies on indirect, or surrogate, measures as indicators. One surrogate measure is the use of competency-based selection tools to hire and promote workers. The assumption underlying this measure is that recent research has identified the wide range of competencies needed by employees in today's changing workplace, and the use of tools which

are based on a full evaluation of these competencies will translate to a more highly-qualified workforce.

The section of this Annual Plan under the tab "Verification and Validation of Data" provides a complete discussion of the complexities associated with these and other measures used in our Plan and the steps planned or taken by OPM to ensure that the data are valid and verifiable.

HOW OPM'S ANNUAL PLAN ADDRESSES OUR PRIORITIES

As it was for FY 1999, our FY 2000 Annual Plan is completely integrated with our Congressional Budget Justification. Because it is linked to the budget, the details of the Annual Plan are organized by program area and funding source.

To assist with understanding the linkages between the overall OPM priorities and the individual performance plans for each program area, we have included two reference tools: 1) a complete listing of all of the program goals that relate to each Strategic Plan goal, under the tab labeled "Crosswalk to Strategic Plan"; and 2) a table of resources linked to each strategic goal under the tab labeled "Resource Summary by Goal."

Our goal in preparing this performance plan has been to ensure that the reader has a clear sense of not only what OPM plans to accomplish, but the particular strategies and tactics to be employed, and the measures of success that will be used. Each program plan is presented in the same format, and includes the following sections:

- **Description of Activity** -- which describes the primary responsibilities for the program. This section includes a description of the skills and systems that are necessary for the program to carry out its responsibilities successfully.
- **FY 2000 Priorities** -- which identifies the key priorities for the program, under that particular funding source, for FY 2000.
- **Annual Plan Goals** -- each of which are numbered consecutively, and appear directly below the Strategic Plan goal and objective they support. Goals that continued from the FY 1999 plan are identified as such.
- **Means** -- a list of the specific strategies and actions to be carried out in FY 2000 for each goal.
- **Indicators/Performance Results** -- a list of the indicators, or measures, of success for the annual goal. These indicators are followed by information on accomplishments for FY

1998, and actions for FY 1999, which related specifically to the performance measure described.

- **Verification and Validation** -- at the end of each program plan is a list of specific verification and validation strategies for the indicators included in the plan. This list supplements the section under the tab "Verification and Validation" which covers all OPM programs.

FY 2000 BUDGET REQUEST

OPM's total FY 2000 request of \$14.5 billion, an increase of \$0.9 billion over FY 1999, is composed of appropriations that are 1 percent discretionary and 99 percent mandatory. OPM's budget request consists of two discretionary appropriation accounts containing general funds and trust funds totaling \$197.7 million and three mandatory payment appropriations totaling an estimated \$14.3 billion. In FY 2000, OPM's administrative accounts will support 2,984 FTE, the same level as in FY 1999. Since our downsizing began in FY 1993, we have reduced our FTE level by 52 percent or 3,224 from the base level of 6,208. (Refer to "OPM FY 2000 Appropriation Request" table behind the Summary Tables tab for details.)

DISCRETIONARY APPROPRIATIONS

Salaries and Expenses:

OPM's general fund request for basic operating expenses totals \$91.6 million and 733 FTE, which includes a total increase of \$6.2 million over FY 1999, will allow us to continue to provide high-quality, innovative human resources leadership, oversight, and technical assistance to Federal agencies, including the priority goals for FY 2000 described above. The increase includes: 1) \$3.4 million for reimbursement of new National Archives and Records Administration (NARA) fees for the cost of storing and servicing official personnel files for all agencies Governmentwide. This accommodates a decision to change NARA's financing from an appropriated to reimbursable basis. This financing change will require OPM to reimburse NARA for its Governmentwide services and will not directly benefit OPM; 2) \$2.0 million to initiate an outreach program with high schools, colleges, and universities and to develop strategies to recruit and train students for information security and technology occupations in the Federal Government; 3) \$0.6 million to expand OPM's oversight efforts in ensuring that merit system principles are followed; and 4) \$0.2 million for the agency's information technology infrastructure.

For the administration of the civil service retirement and insurance programs, OPM is requesting a total of \$95.5 million in transfers from the trust funds for 1,357 FTE. The request includes an increase of \$4.0 million to remain available until expended for the Retirement Systems Modernization Project, an OPM priority discussed above. Also included is a small increase of \$0.3 million to assist in the development of a new Center for Benefits Design and Delivery. We also anticipate funding to administer the Administration's proposal for a new long-term care insurance program for Federal employees, their spouses, parents and parents-in-laws.

This account also includes 110 FTE to be financed by reimbursements from other agencies for the provision of HRM technical assistance, and from OPM programs for the provision of agency-wide services.

Office of Inspector General Salaries and Expenses:

The request for the Office of the Inspector General (OIG) totals \$10.6 million and 111 FTE, and includes about \$1.0 million in general funds and \$9.6 million in transfers from the trust funds to enable the OIG to carry out its audit, investigative and review responsibilities. The request includes an increase of \$0.5 million in trust funds and 5 FTE to enable the OIG to increase the frequency of Federal Employees Health Benefits Program (FEHBP) audits. This account also includes one FTE to be financed by reimbursements from the Department of Treasury's Auditor Training Institute.

REVOLVING FUND

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2000 budget includes an estimated \$194.1 million in obligations and 673 FTE to be financed by other agencies for OPM's services. These services include: training for Federal managers and executives; testing of potential military inductees for the Department of Defense in those locations where it is cost-effective for OPM to do so; providing employment information; providing assessment services; automating other agencies' staffing systems; examining for vacancies when requested by an agency; providing technical assistance and general consultation services on all facets of human resources management; and the selection, coordination and development of Presidential Management Interns. The Investigations Service conducts checks, inquiries, and background security investigations of individuals who are candidates for positions identified as critical-sensitive by the requesting agencies, or reinvestigations of individuals occupying positions identified as critical-sensitive.

OPM reversed a ten-year trend of increasing deficits in its Revolving Fund by making tough management decisions, imposing tighter financial controls across all programs, increasing accountability, and downsizing. In addition, OPM successfully privatized two major Revolving Fund programs, training and investigations, including the creation of the Government's first Employee Stock Ownership Plan. These actions have resulted in the Revolving Fund continuing to be above the breakeven point at the end of FY 1998 after experiencing a \$48.8 million deficit at the end of FY 1994.

MANDATORY APPROPRIATIONS

Government Payment for Annuitants, Employees Health Benefits:

A "such sums as may be necessary" appropriation is requested for an estimated \$5.1 billion, an increase of \$0.5 billion over FY 1999, to finance the Government's share of health benefit costs for 1.9 million annuitants participating in the program.

Government Payment for Annuitants, Employees Life Insurance:

A "such sums as may be necessary" appropriation is requested for an estimated \$36.2 million, an increase of \$1.6 million over FY 1999, to finance the Government's share of life insurance premiums for 280,000 annuitants electing post-retirement coverage.

Payment to the Civil Service Retirement and Disability Fund:

A "such sums as may be necessary" appropriation is requested to fund an estimated \$9.1 billion, an increase of \$0.4 billion over FY 1999, for payments to finance liabilities created by legislation enacted since 1969 which affected benefits (primarily pay raises).

FOUNDATION OF THE FY 2000 ANNUAL PERFORMANCE PLAN

The foundation for our integrated FY 2000 Annual Performance Plan and Budget Justification can be found in *Federal Human Resources Management for the 21st Century*, OPM's Strategic Plan for FY 1997 through FY 2002. The cornerstone for that plan is its mission statement and five related strategic goals:

OPM's STRATEGIC MISSION STATEMENT

As the leader in human resource management for the Executive branch of government, OPM develops policies, in cooperation with Federal agencies and other stakeholders, so that agencies can recruit, hire, and retain workforces best suited to their missions. OPM oversees the Government wide implementation of those policies so that agencies will uphold national values that are embodied in law — including merit principles and veterans' preference. OPM manages Government wide systems that support agencies and their employees by administering retirement, insurance, and other benefit systems for Federal employees and annuitants. OPM also administers Government wide compensation systems and maintains automated information systems that are used to inform the public of Federal employment opportunities and are used to keep managers and the public informed about the nature and size of the current Federal workforce. OPM also provides high-quality, cost-efficient services to other agencies.

OPM'S STRATEGIC GOALS

- Goal I. Provide policy direction and leadership to recruit and retain the Federal workforce required for the 21st Century.
- Goal II. Protect and promote the merit-based civil service and the employee earned benefit programs through an effective oversight and evaluation program.
- Goal III. Provide advice and assistance to help Federal agencies improve their human resources management programs to effectively operate within the economy, demographics and environment of the 21st Century.
- Goal IV. Deliver high-quality, cost-effective human resources services to federal agencies, employees, annuitants and the public.
- Goal V. Establish OPM as a leader in creating and maintaining a sound, diverse and cooperative work environment.

OPM FY 2000 APPROPRIATION REQUEST

ACCOUNTS REQUIRING CONGRESSIONAL ACTION

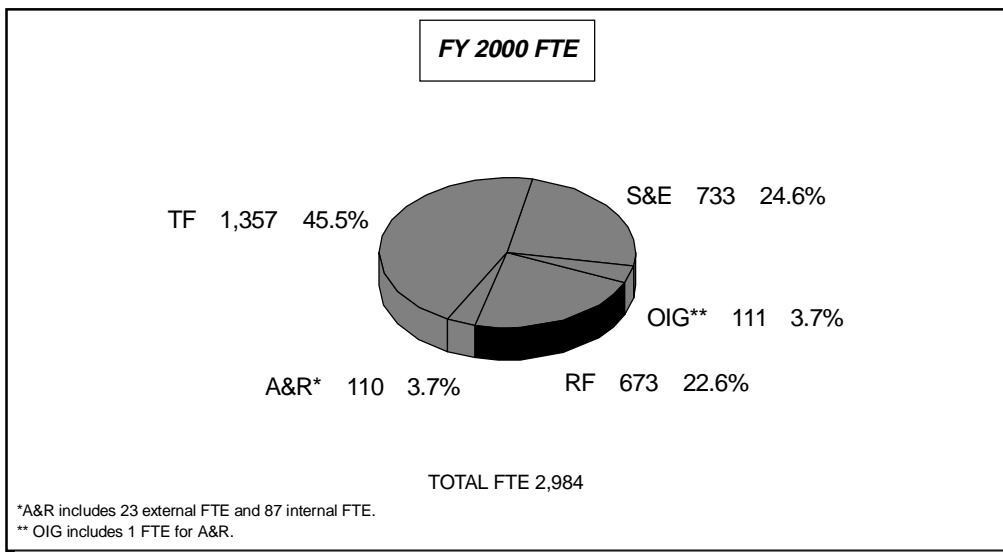
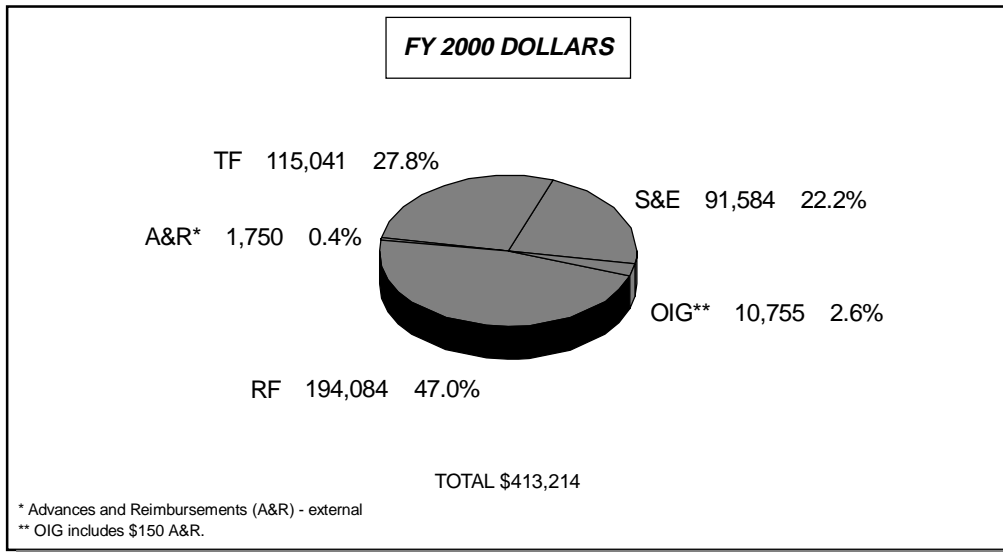
(dollar amounts in thousands)

	<u>GENERAL FUND BUDGET AUTHORITY</u>	<u>TRUST FUNDS BUDGET AUTHORITY</u>	<u>TOTAL</u>
TOTAL REQUEST	<u>\$14,355,105</u>	<u>\$105,131</u>	<u>\$14,460,236</u>
APPROPRIATIONS:			
<u>Discretionary:</u>	<u>92,544</u>	<u>105,131</u>	<u>197,675</u>
Salaries & Expenses:	91,584	95,486	187,070
General Fund	91,584	---	91,584
Trust Funds - Annual	---	91,486	91,486
Trust Funds - Retirement Systems Modernization, (No-Year)	---	4,000	4,000
OIG Salaries & Expenses:	960	9,645	10,605
General Fund	960	---	960
Trust Funds	---	9,645	9,645
<u>Mandatory:</u>	<u>14,262,561</u>	<u>---</u>	<u>14,262,561</u>
Government Payment for Annuitants, Employees Health Benefits	5,105,482	---	5,105,482
"Such sums as may be necessary"			
Government Payment for Annuitants, Employees Life Insurance	36,207	---	36,207
"Such sums as may be necessary"			
Payment to the Civil Service Retirement and Disability Fund: *	9,120,872	---	9,120,872
"Such sums as may be necessary"			

* Permanent budget authority of \$12,690,665 (not shown here) requires no Congressional action.

**OFFICE OF PERSONNEL MANAGEMENT
FY 2000 ADMINISTRATIVE OBLIGATIONS**

(\$000s)



OFFICE OF PERSONNEL MANAGEMENT

ADMINISTRATIVE OBLIGATIONS

(dollar amounts in thousands)

ACCOUNT	FY 1999		FY 2000		FY 2000 CHANGE	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses:	\$207,309	2,183	\$208,375	2,200	\$1,066	17
General Fund	85,350	716	91,584	733	6,234	17
General Fund Carryover	200	---	---	---	(200)	---
Trust Funds Total:	120,009	1,357	115,041	1,357	(4,968)	---
Trust Fund (annual)	91,236	1,348	91,486	1,357	250	9
Trust Fund (annual) - Carryover	---	---	---	---	---	---
Trust Fund - Title V	19,555	---	19,555	---	---	---
Trust Fund (no-year)	9,218	9	4,000	---	(5,218)	(9)
Advances and Reimbursements	1,750 *	110	1,750 *	110	---	---
Inspector General - Salaries & Expenses:	\$10,300	106	\$10,755	111	\$455	5
General Fund	960	10	960	10	---	---
General Fund - Carryover	25	---	---	---	(25)	---
Trust Fund (annual)	9,145	95	9,645	100	500	5
Trust Fund (annual) - Carryover	20	---	---	---	(20)	---
Advances & Reimbursements	150	1	150	1	---	---
Revolving Fund:	\$188,375	695	\$194,084	673	\$5,709	(22)
DOD Testing	7,601	157	7,980	157	379	---
Employment Service	34,038	364	36,083	364	2,045	---
Investigations Service	87,713	35	89,748	35	2,035	---
Workforce Relations	36,622	27	37,478	27	856	---
Executive Resources	22,401	69	22,795	69	394	---
Agency Reserve (FTE)	---	43	---	21	---	(22)
TOTAL OPM	\$405,984	2,984	\$413,214	2,984	\$7,230	---

* External

OFFICE OF PERSONNEL MANAGEMENT
FY 2000 TRANSFERS FROM THE TRUST FUNDS
NEW OBLIGATIONAL AUTHORITY
(dollar amounts in thousands)

	<u>S&E</u>	<u>OPM OIG</u>	<u>TOTAL</u>
<u>TRUST FUNDS:</u>			
Civil Service Retirement and Disability Fund:			
Annual	\$75,103	\$1,061	\$76,164
No-Year (Retirement Systems Modernization)	<u>4,000</u>	<u>---</u>	<u>4,000</u>
Sub-Total	\$79,103	\$1,061	\$80,164
 Employees and Retired Employees Health Benefits	 14,988	 8,102	 23,090
 Employees Life Insurance	 1,395	 482	 1,877
 Total OPM	 <u>\$95,486</u>	 <u>\$9,645</u>	 <u>\$105,131</u>

The Merit Systems Protection Board (MSPB) also receives an annual transfer for administrative costs from the Civil Service Retirement and Disability Fund. MSPB's FY 2000 request is \$2,430. MSPB is not part of OPM and submits its budget separately.

OFFICE OF PERSONNEL MANAGEMENT

FY 2000 RESOURCE SUMMARY BY STRATEGIC GOAL

(dollar amounts in thousands)

SUMMARY OF GOALS I THROUGH V

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Grand Total	92,544	743	124,686	1,457	1,900	111	194,084	673	413,214	2,984
Merit Sys.Oversight & Effectiveness	21,244	212	0	0	0	0	0	0	21,244	212
Employment Service	30,893	219	0	0	0	0	36,083	364	66,976	583
ES - DOD Testing	0	0	0	0	0	0	7,980	157	7,980	157
Retirement & Insurance Service	0	0	108,307	1,280	750	5	0	0	109,057	1,285
Workforce Comp. & Perf. Service	7,659	74	0	0	500	7	0	0	8,159	81
Investigations Service	3,141	29	0	0	0	0	89,748	35	92,889	64
Workforce Relations	3,812	38	0	0	500	10	37,478	27	41,790	75
Executive Resources	2,494	23	0	0	0	1	22,795	69	25,289	93
Administrative Services	14,186	57	2,909	31	3,561	48	0	0	20,656	136
Executive & Other Services	8,155	81	3,825	46	3,908	39	0	0	15,888	166
Agency FTE Reserve	0	0	0	0	0	0	0	21	0	21
Less Internal A&R	0	0	0	0	(7,469)	0	0	0	(7,469)	0
Total	91,584	733	115,041	1,357	1,750	110	194,084	673	402,459	2,873
Inspector General	960	10	9,645	100	150	1	0	0	10,755	111

Goal I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	44,516	340	15,739	252	3,036	32	0	0	63,291	624
Merit Sys. Oversight & Effectiveness	6,434	61	0	0	0	0	0	0	6,434	61
Employment Service	13,508	80	0	0	0	0	0	0	13,508	80
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	14,950	244	0	0	0	0	14,950	244
Workforce Comp. & Perf. Service	7,154	68	0	0	0	0	0	0	7,154	68
Investigations Service	2,854	27	0	0	0	0	0	0	2,854	27
Workforce Relations	2,343	26	0	0	0	0	0	0	2,343	26
Executive Resources	1,746	16	0	0	0	0	0	0	1,746	16
Administrative Services	6,127	18	253	2	848	11	0	0	7,228	31
Executive & Other Services	4,350	44	536	6	2,188	21	0	0	7,074	71
Total	44,516	340	15,739	252	3,036	32	0	0	63,291	624
Inspector General	0	0	0	0	0	0	0	0	0	0

***FY 2000 Resource Summary
by Strategic Goal***

Goal II. PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	22,126	202	22,157	240	299	4	0	0	44,582	446
Merit Sys. Oversight & Effectiveness	11,670	117	0	0	0	0	0	0	11,670	117
Employment Service	6,532	47	0	0	0	0	0	0	6,532	47
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	11,563	130	0	0	0	0	11,563	130
Workforce Comp. & Perf. Service	0	0	0	0	0	0	0	0	0	0
Investigations Service	287	2	0	0	0	0	0	0	287	2
Workforce Relations	70	1	0	0	0	0	0	0	70	1
Executive Resources	0	0	0	0	0	1	0	0	0	1
Administrative Services	842	8	337	3	71	1	0	0	1,250	12
Executive & Other Services	1,765	17	612	7	78	1	0	0	2,455	25
Total	21,166	192	12,512	140	149	3	0	0	33,827	335
Inspector General	960	10	9,645	100	150	1	0	0	10,755	111

Goal III. PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	18,384	165	1,642	23	3,216	39	0	0	23,242	227
Merit Sys. Oversight & Effectiveness	2,093	23	0	0	0	0	0	0	2,093	23
Employment Service	10,853	92	0	0	0	0	0	0	10,853	92
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	1,583	23	750	5	0	0	2,333	28
Workforce Comp. & Perf. Service	505	6	0	0	500	7	0	0	1,005	13
Investigations Service	0	0	0	0	0	0	0	0	0	0
Workforce Relations	1,399	11	0	0	500	10	0	0	1,899	21
Executive Resources	748	7	0	0	0	0	0	0	748	7
Administrative Services	910	8	21	0	684	9	0	0	1,615	17
Executive & Other Services	1,876	18	38	0	782	8	0	0	2,696	26
Total	18,384	165	1,642	23	3,216	39	0	0	23,242	227
Inspector General	0	0	0	0	0	0	0	0	0	0

Goal IV. DELIVER HIGH-QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC

ACTIVITIES	<u>Salaries & Expenses</u>		<u>Trust Fund</u>		<u>Advances & Reimbursements</u>		<u>Revolving Fund</u>		<u>Total</u>	
	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>
Total	4,692	14	84,345	931	1,920	19	194,084	652	285,041	1,616
Merit Sys.Oversight & Effectiveness	1,047	11	0	0	0	0	0	0	1,047	11
Employment Service	0	0	0	0	0	0	36,083	364	36,083	364
ES - DOD Testing	0	0	0	0	0	0	7,980	157	7,980	157
Retirement & Insurance Service	0	0	80,211	883	0	0	0	0	80,211	883
Workforce Comp. & Perf. Service	0	0	0	0	0	0	0	0	0	0
Investigations Service	0	0	0	0	0	0	89,748	35	89,748	35
Workforce Relations	0	0	0	0	0	0	37,478	27	37,478	27
Executive Resources	0	0	0	0	0	0	22,795	69	22,795	69
Administrative Services	3,481	1	1,495	15	1,060	10	0	0	6,036	26
Executive & Other Services	164	2	2,639	33	860	9	0	0	3,663	44
Total	4,692	14	84,345	931	1,920	19	194,084	652	285,041	1,616
Inspector General	0	0	0	0	0	0	0	0	0	0

Goal V. ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND, DIVERSE AND COOPERATIVE WORK ENVIRONMENT.

ACTIVITIES	<u>Salaries & Expenses</u>		<u>Trust Fund</u>		<u>Advances & Reimbursements</u>		<u>Revolving Fund</u>		<u>Total</u>	
	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>	<u>\$</u>	<u>FTE</u>
Total	2,826	22	803	11	898	17	0	0	4,527	50
Merit Sys. Oversight & Effectiveness	0	0	0	0	0	0	0	0	0	0
Employment Service	0	0	0	0	0	0	0	0	0	0
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance Service	0	0	0	0	0	0	0	0	0	0
Workforce Comp. & Perf. Service	0	0	0	0	0	0	0	0	0	0
Investigations Service	0	0	0	0	0	0	0	0	0	0
Workforce Relations	0	0	0	0	0	0	0	0	0	0
Executive Resources	0	0	0	0	0	0	0	0	0	0
Administrative Services	2,826	22	803	11	898	17	0	0	4,527	50
Executive & Other Services	0	0	0	0	0	0	0	0	0	0
Total	2,826	22	803	11	898	17	0	0	4,527	50
Inspector General	0	0	0	0	0	0	0	0	0	0

CROSSWALK OF FY 1998–FY 2002 STRATEGIC PLAN GOALS AND OBJECTIVES TO FY 2000 ANNUAL PERFORMANCE GOALS

ORGANIZED BY FUND AND PROGRAM ACTIVITY

This table provides an easy-to-understand guide that directs the reader to the sections of OPM's *FY 2000 Congressional Budget Justification and Annual Performance Plan* that contain the specific annual performance goals, for all of OPM's programs, that support the general goals and objectives contained in OPM's Strategic Plan. Each Strategic Plan goal begins a new section of this table, and is surrounded by a double-lined box. Underneath each Strategic Plan goal are the FY 2000 resources committed to achieving this goal, across all OPM programs. Next, marked by a bold, large dot, are the more specific objectives which are a part of the Strategic Plan. (In Goal I, these more specific objectives are grouped under headings, such as "Overall Human Resources Management" and "Staffing and Examining.") Below each Strategic Plan objective is a list of all annual program goals which support that particular objective, followed by the page number where the goal can be found. The lists are organized by the funding section in which the goals are found (S&/General Fund Appropriation, Transfers from the Trust Fund, or Revolving Fund).

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: (\$ IN 000'S)	Salaries & Expenses	Trust Fund	Advances & Reimbursements	Revolving Fund	Total
	\$44,516 340 FTE	\$15,739 252 FTE	\$ 3,036 32 FTE	\$ 0 0 FTE	\$63,291 624 FTE

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

S&E/General Fund Appropriation Office of Merit Systems Oversight and Effectiveness Goal 1 See page 57
Employment Service Goal 1 See page 81
Workforce Compensation and Performance Service Goal 1 See page 123
Office of Workforce Relations Goal 1 See page 155
Office of Executive Resources Goal 1 See page 184

- By the year 2002, modernize the Central Personnel Data File (CPDF) to be the Governmentwide system for efficiently collecting, analyzing, and disseminating accurate, comprehensive, and timely workforce information on all Federal civilian employees (other than Postal Service) that supports policy research, development, and evaluation.

S&E/General Fund Appropriation Office of Merit Systems Oversight and Effectiveness Goal 2 See page 58

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

HUMAN RESOURCES SYSTEMS AUTOMATION

- Provide Governmentwide leadership via the Human Resources Technology Council for cooperative business process redesign and system modernization efforts, in support of the Clinger-Cohen Act of 1996. (Continuing)
- Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and recordkeeping, by achieving the following sub-objectives:
 - By the year 1998, establish core requirements for human resources systems; set benchmarks; and evaluate existing and developing systems against requirements and benchmarks.
 - By the year 1999, establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records.

S&E/General Fund Appropriation

Employment Service Goal 2 See page 85

Employment Service Goal 2A See page 87

Employment Service Goal 2B See page 87

Office of Information Technology Goal 1 See page 203

Office of Information Technology Goal 2A See page 205

Office of Information Technology Goal 2B See page 206

Office of Information Technology Goal 2C See page 206

- Continue to increase the number of agencies using Employee Express each year, to enable more employees to make self-directed benefits changes.

S&E/General Fund Appropriation

Employment Service Goal 2C See page 88

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

<p>GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.</p>			
<p>COMPENSATION, CLASSIFICATION, AND BENEFITS</p>			
<ul style="list-style-type: none"> ● By the year 2002, propose legislative changes to achieve a modernized performance-oriented system of total compensation including establishing the value of jobs/work/performance; setting and adjusting basic pay; designing and delivering variable pay; and establishing and ensuring appropriate earned benefits — that can adapt to a variety of missions, structures, labor markets, and work technologies and can keep total costs apparent to managers who are held accountable for managing those costs. 	<p><i>S&E/General Fund Appropriation</i></p>	<p><i>Workforce Compensation and Performance Service</i></p>	<p><i>Goal 2 See page 126</i></p>
<ul style="list-style-type: none"> ● Carry out the tasks required to ensure cost-effective implementation of existing and newly-enacted pay and leave provisions. (Continuing) 	<p><i>S&E/General Fund Appropriation</i></p>	<p><i>Workforce Compensation and Performance Service</i></p>	<p><i>Goal 3 See page 127</i> <i>Goal 4 See page 129</i> <i>Goal 5 See page 130</i></p>
<ul style="list-style-type: none"> ● By the year 2002, simplify and automate the current General Schedule position classification system, reducing the number of position classification standards from more than 400 to fewer than 100. 	<p><i>S&E/General Fund Appropriation</i></p>	<p><i>Workforce Compensation and Performance Service</i></p>	<p><i>Goal 6 See page 132</i> <i>Goal 7 See page 133</i> <i>Goal 8 See page 134</i></p>
<ul style="list-style-type: none"> ● By the year 1999, work with stakeholders to formulate a consensus regarding a credible annual pay adjustment process for the General Schedule and related pay systems. 	<p><i>S&E/General Fund Appropriation</i></p>	<p><i>Workforce Compensation and Performance Service</i></p>	<p><i>Goal 9 See page 136</i></p>
<ul style="list-style-type: none"> ● Become the acknowledged leader in the design and provision of cost-effective employee earned benefits programs. 	<p><i>Transfers from the Trust Funds</i></p>	<p><i>Retirement and Insurance Service</i></p>	<p><i>Goal 1 See page 255</i> <i>Goal 2 See page 256</i> <i>Goal 3 See page 256</i> <i>Goal 4 See page 258</i></p>

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

STAFFING AND EXAMINING

- Ensure that agencies are able to determine the lawful rights of employees and applicants, including veterans, during hiring, promotion, and restructuring. (Continuing)
- Increase the quality of the Federal workforce by continually encouraging the use of valid, fair, and merit-based examining procedures for selection and promotion. (Continuing)
- Encourage the use of targeted programs designed to attract highly qualified candidates for the Federal Government, such as the Presidential Management Intern Program. (Continuing)

S&E/General Fund Appropriation

*Employment Service Goal 3 See page 89
Goal 4 See page 91
Goal 5 See page 92
Goal 6 See page 93
Goal 7 See page 96
Goal 8 See page 97
Goal 9 See page 98
Goal 10 See page 100
Goal 11 See page 101
Goal 12 See page 103*

- By the year 2002, using incremental targets established each year, raise the levels of underrepresented groups in Federal employment to be equivalent to their percentages in the relevant external labor market.

S&E/General Fund Appropriation

Employment Service Goal 13 See page 105

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

- Promote performance improvements by maintaining a flexible, decentralized policy framework for appraisal, awards, and human resource development within which agencies can establish results-oriented and merit-based programs for planning, measuring, developing, and rewarding employee performance at the individual, group, and organizational level that by 2002 are tailored to agency mission, structure, culture, workforce, and work technology. (Continuing)

- Promote credible, effective programs that provide monetary and nonmonetary incentives and recognition for individual, group, and organizational achievements. (Continuing)

*S&E/General Fund Appropriation Workforce Compensation and Performance Service Goal 10 See page 137
Goal 11 See page 138*

- Promote programs for dealing with poor performers and improve the capacity of managers to identify and resolve performance problems effectively. (Continuing)

S&E/General Fund Appropriation Office of Workforce Relations Goal 2 See page 156

- By the year 2002, successfully support and promote cross-cutting efforts to streamline the adjudicatory system and make it understandable, timely, and less costly.

S&E/General Fund Appropriation Office of Workforce Relations Goal 3 See page 159

- Support the transformation of Federal training from a set of process-focused, event-based activities into an outcome-oriented, measurable performance improvement function that supports managers and employees in sustaining a consultative, learning environment.

S&E/General Fund Appropriation Office of Workforce Relations Goal 4 See page 160

EMPLOYEE AND LABOR RELATIONS

- Advise and consult with Federal agencies on labor-management relations by providing timely, accurate and useful information so that agencies may effectively work with their labor organizations that represent 1.1 million Federal employees. (Continuing)

S&E/General Fund Appropriation Office of Workforce Relations Goal 5 See page 163

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

- In cooperation with the National Partnership Council, continue to champion strong and effective labor management partnerships that support Federal employees, managers, and their representatives and promote improved performance, results, and service to the public. (Continuing)

S&E/General Fund Appropriation *Office of Workforce Relations Goal 6 See page 165*

- By the year 2002, develop, promote, and increase the use and accessibility of alternative dispute resolution programs among employees Government wide.

S&E/General Fund Appropriation *Office of Workforce Relations Goal 7 See page 167*

- By the year 2002, increase the awareness and use by employees Governmentwide of Employee Assistance Programs, as well as other health promotion and disease prevention programs and practices.

S&E/General Fund Appropriation *Office of Workforce Relations Goal 8 See page 168*
Goal 9 See page 170

- Develop and promote family-friendly programs and personnel flexibilities (e.g., alternative work schedules, leave flexibilities, telecommuting, dependent care services) so that they are available and used appropriately by employees Government wide to balance work and family needs successfully. (Continuing)

S&E/General Fund Appropriation *Office of Workforce Relations Goal 10 See page 172*

EXECUTIVE RESOURCES

- Achieve a Government wide senior executive corps of strong leaders with a national, corporate vision who can lead the continuing transformation of Government and provide for effective management of the Government's human resources.

S&E/General Fund Appropriation *Office of Executive Resources Goal 2 See page 186*

- In allocating executive personnel resources, maintain the corporate goal of a smaller executive corps that is consistent with an overall smaller, more streamlined and delayed Federal workforce.

S&E/General Fund Appropriation *Office of Executive Resources Goal 3 See page 188*

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

**GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND
RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST
CENTURY.**

- By the year 2002, foster movement by senior executives as a means of broadening the executive's perspective and bringing fresh insight to agency programs.

S&E/General Fund Appropriation

Office of Executive Resources Goal 4 See page 190

PERSONNEL INVESTIGATIONS

- Ensure the suitability of applicants for and appointees to Federal positions. (Continuing)

S&E/General Fund Appropriation

Investigations Service Goal 1 See page 146

- Be an effective leader in the personnel security community by continuing to set Government wide investigative policy and serving as an active member of the Security Policy Board. (Continuing)

S&E/General Fund Appropriation

Investigations Service Goal 2 See page 148

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL II. PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

- By the year 1999, resolve material weaknesses and improve financial systems and internal controls to maintain the integrity of the earned employee benefits trust funds totaling more than \$60 billion in annual benefit payments and OPM’s appropriated and reimbursable funds.
- Ensure Federal Employees’ Health Benefits and Federal Employees’ Group Life Insurance contract compliance through financial and performance audits, and quality assurance standards. (Continuing)

<i>Transfers from the Trust Funds</i>	<i>Retirement and Insurance Service Goal 5</i>	<i>See page 259</i>
<i>Salaries and Expenses, Trust Fund, and Advances and Reimbursements</i>	<i>Office of the Inspector General Goal 1</i>	<i>See page 304</i>
	<i>Goal 2</i>	<i>See page 306</i>
	<i>Goal 3</i>	<i>See page 307</i>
	<i>Goal 4</i>	<i>See page 308</i>

- Ensure that agencies adhere to Executive orders and regulations by inspecting and evaluating agencies’ personnel security programs. (Continuing)

<i>S&E/General Fund Appropriation</i>	<i>Investigations Service Goal 3</i>	<i>See page 150</i>
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*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

**GOAL III. PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES
IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO
EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND
ENVIRONMENT OF THE 21ST CENTURY.**

FY 1999 RESOURCE SUMMARY: (\$ IN 000'S)	Salaries & Expenses	Trust Fund	Advances & Reimbursements	Revolving Fund	Total
	\$18,384 165 FTE	\$ 1,642 23 FTE	\$ 3,216 39 FTE	\$ 0 0 FTE	\$23,242 227 FTE

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

S&E/General Fund Appropriation

*Employment Service Goal 15 See page 111
Goal 16 See page 114
Goal 17 See page 115*

Workforce Compensation and Performance Service Goal 12 See page 141

Office of Workforce Relations Goal 12 See page 176

Executive Resources Goal 5 See page 191

Advances and Reimbursements

Workforce Compensation and Performance Service Goal 12 See page 288

Office of Workforce Relations Goal 14 See page 292

Retirement and Insurance Service Goal 15 See page 283

Goal 16 See page 285

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL III. PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

- Help agencies design, implement, manage, and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

S&E/General Fund Appropriation Office of Merit Systems Effectiveness and Oversight Goal 9 See page 72
Employment Service Goal 18 See page 118
Workforce Compensation and Performance Service Goal 13 See page 143
Office of Workforce Relations Goal 13 See page 179

- By the year 2000, improve agency administration of the earned benefit programs so that (a) 80% of all retirement submissions are received within 30 days of employee retirement dates, (b) most retirement application packages are ready for processing upon receipt at OPM, and (c) employees receive from their agency complete and timely retirement counseling and services pertinent to the earned benefit programs.

Transfers from the Trust Funds Retirement and Insurance Service Goal 6 See page 262
Goal 7 See page 263
Goal 8 See page 265

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL IV. DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

FY 1999 RESOURCE SUMMARY: (\$ IN 000'S)	Salaries & Expenses	Trust Fund	Advances & Reimbursements	Revolving Fund	Total
	\$ 4,692 14 FTE	\$84,345 931 FTE	\$1,920 19 FTE	\$194,084 652 FTE	\$285,041 1,616 FTE

- Provide information about Federal employment opportunities to the public and to Federal employees 24 hours a day, 7 days a week, through the use of a Government wide, comprehensive information system to ensure fair and open competition and to assist agencies in reaching diverse, well-qualified job applicants. (Continuing)
 - By the year 1999, expand coverage to include all excepted service job openings.
 - By the year 2000, improve access for disabled information-seekers of employment information by using new technology.
 - By the year 2000, integrate the automated Federal employment information system with other employment information systems, at the State, local and collegiate levels, to ensure comprehensive service to the public.

Revolving Fund

*Employment Service Goal 19 See page 339
Goal19A See page 341
Goal19B See page 341
Goal 20 See page 342*

- By the year 2000, become the provider of choice for direct human resources management services including examining, test administration, downsizing, career transition, organizational assessment, and occupational analysis, on a reimbursable basis.

Revolving Fund

*Employment Service Goal 21 See page 343
Goal 22 See page 334*

- Provide readily accessible primary source data for meeting the workforce information needs of OPM, the other central management agencies, the Congress, the White House, and the public through the Central Personnel Data File and other reporting systems. (Continuing)

S&E/General Fund Appropriation

Office of Merit Systems Oversight and Effectiveness Goal 10 See page 74

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL IV. DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

- By the year 2002, earned benefit programs customers will (a) be paid the right amount on the day payment is due, and (b) receive responses to their inquiries and service requests that are accurate and that meet or exceed their expectations.

Transfers from the Trust Funds

*Retirement and Insurance Service Goal 9 See page 267
Goal 10 See page 268
Goal 11 See page 269
Goal 12 See page 271
Goal 13 See page 272*

- By the year 2002, begin deploying a modern retirement system that fully automates a redesigned retirement process including retirement counseling, trust fund and financial management, and claims processing.
 - By the year 1998, validate business requirements of the retirement programs based on input from Federal agencies and other stakeholders.
 - By the year 1999, based on analysis of business requirements, develop alternative "Concepts of Operations" for modernized system and define system modules (i.e., retirement counseling, trust fund and financial management, claims processing, etc.).
 - From 1999 through the year 2002, based on Concepts of Operation, develop and deploy technology solutions to defined modules consistent with OPM's Information Technology technical architecture.

Transfers from the Trust Funds

Retirement and Insurance Service Goal 14 See page 273

- Strengthen the corporate identity and leadership effectiveness of Federal managers and executives through the training and development programs offered by the Federal Executive Institute and the Management Development Centers and through the Senior Executive Service Orientation programs.

Revolving Fund

*Office of Executive Resources Goal 6 See page 360
Goal 7 See page 363*

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

**GOAL IV. DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES
SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND
THE PUBLIC.**

- By the year 1999, increase the capacity of OPM's reimbursable Training and Management Assistance program to provide cost-effective services that enhance human resource effectiveness through a partnership between OPM, Federal agencies, and private sector firms to develop training materials, as well as other performance management, workforce productivity improvement, and business process reengineering applications.

Revolving Fund

Office of Workforce Relations Goal 15 See page 356

- Continue to enhance and support the Presidential Management Intern program as a source of future Government leaders through effective assessment and development.

Revolving Fund

Employment Service Goal 23 See page 346

- Operate the Government wide personnel program for Administrative Law Judges, including examining candidates, classifying positions, and protecting employee rights, in a timely and quality manner. (Continuing)

Revolving Fund

Employment Service Goal 24 See page 348

- Provide a broad range of high-quality, cost-effective investigative products to Federal agencies.

Revolving Fund

Investigations Service Goal 4 See page 353

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL V. ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND, DIVERSE AND COOPERATIVE WORK ENVIRONMENT.										
FY 1999 RESOURCE SUMMARY:	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
		\$ 2,826	22 FTE	\$ 803	11 FTE	\$ 898	17 FTE	\$ 0	0 FTE	\$ 4,527
<ul style="list-style-type: none"> ● Develop and maintain a well trained and versatile OPM workforce to support our mission. <i>Office of Human Resources and EEO Goal 1 See page 213</i> 										
<ul style="list-style-type: none"> ● Manage the OPM workforce as an effective team and communicate clearly and knowledgeably with our internal and external customers. <i>Office of Human Resources and EEO Goal 2 See page 215</i> 										
<ul style="list-style-type: none"> ● Serve as the Government wide benchmark for partnership and create a work culture where all employees are valued. <i>Office of Human Resources and EEO Goal 3 See page 217</i> 										
<ul style="list-style-type: none"> ● By the year 2000, following a multi-year plan, link all of OPM's individual employee performance plans to our agency strategic and performance goals. <i>Office of Human Resources and EEO Goal 4 See page 219</i> 										

VERIFICATION AND VALIDATION

A fundamental concept behind the Government Performance and Results Act is that measurement will become an integral part of program management and budget decisions. If measurement is to be used for such critical decision-making, it *must be based on useful, reliable, valid data*. Chosen measures *must have meaning* for stakeholders and for program managers. Simultaneously, any *data collection must be practical and cost-effective*. These are not easy standards to meet, particularly during the early stages of introducing a broad-based program of measurement.

At the U.S. Office of Personnel Management (OPM), we are fortunate in that we have a tradition of measurement in key program areas, and through these programs, direct access to top-quality measurement expertise. The Employment Service (ES), the Investigations Service (IS), the Office of Merit Systems Oversight and Effectiveness (OMSOE), and particularly the Retirement and Insurance Service (RIS) have developed and used extensive measurement information for many years. Data are used to track inputs, activities, outputs, and outcomes, including public customer satisfaction, and the data are accessible via internal management information systems. Other parts of OPM have less long-term measurement experience, but all introduced at least some measures and data management systems prior to the implementation of the Results Act.

Nevertheless, OPM, like other agencies, faces some significant challenges in assuring that the various measures used to support the Results Act and to improve internal program management are appropriate, reliable, valid, and cost-effective, and that systems are in place to ensure that data quality remains high. In addition, OPM, like other agencies, must take steps to ensure that measurement data are used effectively to improve program management.

OPM has a three-part strategy for approaching these challenges:

- **Balanced Measurement:** Using a balanced set of measures, from multiple sources, to assess program performance;
- **Data Quality:** Strengthening the quality of measurement data and systems used; and
- **Use of Measurement Data:** Ensuring that program managers understand how to use data effectively.

Each of these strategies is discussed below.

Balanced Measurement

OPM's Strategic Plan includes five major goals -- four external and one internal -- which are all focused on the overarching outcome of achieving a high-quality, diverse Federal workforce, within the principles of a merit-based system. The five strategic goals define outcomes for policy

leadership, oversight, technical assistance, and direct service delivery (external goals), and operating as a model employer (internal goal), to be reached by the end of FY 2002. The FY 2000 Annual Performance Plan sets incremental targets for progress toward the strategic goals.

Both the Strategic Plan and the Annual Performance Plan use the process of multi-measurement to assess our success in meeting the overarching goal of a high-quality, diverse workforce. Assessment of the quality of any workforce -- Federal or otherwise -- has been recognized as a significant measurement challenge. In 1992, a blue-ribbon panel of public and private sector executives, union officials and academicians, the Advisory Committee on Federal Workforce Quality, recommended that a broad definition of quality be adopted for measurement purposes. Their definition included measures of individual attributes of workers, organizational processes affecting workers, and outcomes at the individual, team, and organizational level, such as good customer service. The panel recognized that the cost and logistics of obtaining and maintaining many direct measures of workforce quality (such as assessments of the skill levels of individual employees) would be significant, and specifically included the use of employee and customer assessments as important surrogate measures of workforce quality.

Consequently, OPM is using a measurement approach which depends on a balanced set of intermediate indicators from multiple available data sources. Two key indicators are direct surveys to assess the perceptions of Federal employees about workforce quality and the fairness and equity of HRM processes, and user surveys -- from both public and internal customers -- to assess customer satisfaction with the content, process and outcomes of policies and services. The primary employee surveys used are the OPM Merit System Principles Questionnaire and the National Partnership for Reinventing Government (NPR) employee survey. The primary customer surveys used are OPM agency customer surveys (HR Directors and HR Specialists) and surveys of job-seekers, annuitants, and health insurance users. These surveys are described in more detail below.

Other direct measures include financial data, comparative data on the diversity of the Federal workforce, timeliness of operations, and program data. These data are available from OPM's internal management information systems and systems maintained for Governmentwide use, like the Central Personnel Data File (CPDF), or from systems maintained by other agencies, like the Bureau of Labor Statistics and the Bureau of the Census.

Other key indicators are qualitative in nature, rather than quantitative. These are the results of externally conducted program evaluations, conducted by such entities as the Merit Systems Protection Board (MSPB), the General Accounting Office (GAO), and the National Academy of Public Administration (NAPA). These organizations conduct periodic studies of Federal HRM practices and outcomes, and their findings are an important measure of program success. OPM's Office of the Inspector General also provides external evaluations, conducting audits and reviews of the earned benefits programs' financial systems, work processes, and performance measures.

Finally, in some instances OPM relies on indirect, or surrogate, measures as indicators. One surrogate measure is the use of competency-based selection tools to hire and promote workers. The assumption underlying this measure is that recent research has identified the wide range of competencies needed by employees in today's changing workplace, and the use of tools which are based on a full evaluation of these competencies will translate to a more highly-qualified workforce.

We will continually review our choices of program measures, and incorporate new or improved measures as needed. We will also work with any external providers of data to be sure we are using the best sources, and using the data appropriately.

Following is information on the two key surveys used as elements in OPM's balanced measurement program.

- **OPM Customer Satisfaction Survey.** OPM introduced its first agency customer survey process during FY 1998. Two surveys were administered to assess how well we are meeting our responsibility to provide policy leadership, information, and assistance to agencies in conducting their HRM activities.

Each survey is targeted to the appropriate customers for the different kinds of services OPM provides. The first survey was mailed to 75 Human Resource Directors of Federal agencies and departments, including all members of both the IAG Executive Committee and the Small and Independent Agency Personnel Directors Group. This survey asked for evaluations of our policy leadership and our success in involving agencies as partners in the policy development process. The questions covered all HR policy areas in general, and also covered specific FY 1998 initiatives. The second survey was mailed to a nationwide sample of 4,850 HR specialists at all grade levels, and geographic locations. This survey asked for evaluations of our technical assistance and information sharing, including -- again -- specific FY 1998 initiatives, as well as new publications, CD-ROMs, and electronic methods of sharing information and guidance.

The results from these surveys are reported in each program's section of the Annual Performance Plan. They will serve as the baseline for the improvements in customer satisfaction that are promised in our five-year Strategic Plan, and will be used to track performance over time and make continuous improvements in our products and services. As with any survey data, we are using the results as a starting point, and holding focus groups and conducting other follow-up to understand the areas of dissatisfaction and the improvements that should be made.

Our surveys also incorporate core customer satisfaction dimensions drawn from a research-based model developed by OPM psychologists. This model has been applied to customer satisfaction surveys used in other Federal agencies. The results on the core dimensions can be

benchmarked against other Federal agencies, and also against data from similar surveys used in the private sector.

Although the return rates for our initial surveys this summer were lower than we had anticipated (57% for the HR Directors and 29% for the HR specialists), enough surveys were returned to give us confidence in using the data to establish baselines for improvement. We will take steps to improve the response rate next year, including more follow-up to survey recipients and administering the survey earlier in the summer.

- **Merit Systems Principles Questionnaire.** The Office of Merit Systems Oversight and Effectiveness administered its second annual *Merit Systems Principles Questionnaire* to a statistically valid, random sample of employees Governmentwide in the summer of 1998. The results of this questionnaire provide a broad indication of employee perceptions of agency accountability with merit system principles, which include merit staffing, fair treatment, integrity, efficiency, performance, training, protection from partisan political pressure and protection from reprisal for lawful disclosure of information. OMSOE uses the results in individual agency oversight visits, and to help identify needed improvements in Governmentwide HRM policies and procedures.

Because the questionnaire measures perceptions, it is necessary to examine the results further by discussing them with employees and looking at related hard data on human resources management. For example, employee perceptions regarding performance may be influenced by a small number of incidents rather than a large and pervasive problems. Nonetheless, they provide a useful marker, or indicator, that can track changes over time.

The 1998 questionnaire was administered to 1,961 supervisors (including managers and executives) and 1,943 non-supervisors Governmentwide. We had a response rate of 42%, which was an increase of 2% over the first year's survey rate. We are confident that enough responses were received to accurately represent employee views.

Data Quality (Validation and Verification)

OPM will take the following steps to improve the quality of all of our measurement information:

- We will use our internal Results Act working group to establish standards for data quality, validity, and objectivity for all measures used in OPM programs. The working group will review the data that are currently being used in each program, share best practices, and develop a consistent set of standards for data validity and reliability. They will assist each other to make improvements where needed.
- We will review the quality standards followed by external data suppliers to ensure that we can have confidence in the data they provide.

- We will work with our Office of the Inspector General as they conduct their annual reviews of our Results Act implementation, including an evaluation of the goals and measures that we are using, and implement their recommendations.
- We will use only accepted professional accounting and tracking software to measure cost savings and improvements in quality and efficiency, and assess accuracy of data through quality control reviews.
- We will use accepted professional survey design, sampling techniques, and analysis procedures for internally developed customer satisfaction surveys, to ensure reliability and validity. We will work to improve response rates.
- We will use accepted qualitative analysis techniques to assess direct feedback, participant evaluation forms, and focus group results, to ensure objectivity.
- We will evaluate qualitative analyses of feedback against survey data to determine if the findings from the two assessment methods are consistent, and will follow up discrepancies with additional research, to include focus groups, telephone interviews, or on-site visits on specific issues.
- We will work to improve our data collection, to be sure we are using the most efficient and cost-effective processes. We will use automation to collect data whenever possible, including customer satisfaction data.
- We will work to improve our management information systems, to ensure that they provide managers with the information they need, as well as information for external reporting purposes. The RIS management information system (described in detail in the RIS program section of the Annual Plan) will serve as a good example for other OPM programs.

Use of Measurement Data

In addition to the challenges of assuring good measurement, it is important to ensure that managers understand how to interpret data, how to balance measurement data with other sources of information, and how to integrate measurement review and reporting into their program management.

To help ensure effective use of measurement in OPM, we will:

- Continue the process begun in FY 1998 to align individual performance plans for executives, managers, and employees with the achievement of Strategic and Annual Plan goals and objectives. This is a specific OPM Strategic and Annual Plan goal.

- Ensure that management and staff have the knowledge and skills they need to use measurement information. We will share widely useful guidance materials from other agencies and support necessary training of key staff.
- Communicate to all employees the content of the Strategic and Annual Plans, including the measures of success, so that employees are more aware of how their work helps to accomplish our strategic goals.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES ACCOUNT

DESCRIPTION

The Office of Personnel Management's Salaries and Expenses (S&E) account finances the operating expenses necessary to carry out OPM's authorized functions and responsibilities, excluding those specifically included under the Office of the Inspector General and the Revolving Fund accounts. This account has the following three separate fund sources:

- **Salaries and Expenses/General Fund Appropriation**

This annual appropriation pays for the operating expenses required to carry out OPM's mandated responsibilities. This primarily includes Merit Systems Oversight and Effectiveness, Employment Service, Workforce Compensation and Performance Service, Investigations Service, Workforce Relations and the Executive Resources programs.

This appropriation also finances other programs for which OPM has been assigned administrative responsibility. These include the President's Commission on White House Fellowships and parts of the Voting Rights Act program.

In addition, this appropriation funds the S&E share of agencywide Administrative Services and Executive Services.

- **Transfers from the Trust Funds**

OPM receives from Congress an annual appropriation to pay the operating expenses associated with OPM's administration of the civil service retirement and insurance programs. In addition, this appropriation funds the Trust Funds' share of agencywide Administrative Services and Executive Services.

These funds are transferred from OPM's Civil Service Retirement and Disability Fund, Employees and Retired Employees Health Benefits Fund, and Employees Life Insurance Fund.

- **Advances & Reimbursements**

OPM provides services, on a reimbursable basis, to other agencies when OPM possesses special skills and technical expertise that are more economical than alternative public or private sources, e.g., technical assistance on staffing and human resources management.

In addition, OPM has internal reimbursements from other OPM accounts to finance their share of agencywide Administrative Services and Executive Services and internal printing costs.

SALARIES AND EXPENSES ACCOUNT

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request	FY 2000 Change
Obligations	\$202,831	\$214,578	\$215,844	\$1,266
Carryover	\$500	\$200	---	(\$200)
Total Obligations	\$203,331	\$214,778	\$215,844	\$1,066
 <u>Offsetting Collections:</u>				
Advances and Reimbursements	\$8,940	\$9,219	\$9,219	\$0
Trust Fund (Annual)	91,114	91,236	91,486	250
Carryover	250	---	---	0
Permanent Indefinite Authority, Title V	16,461	19,555	19,555	0
New Trust Fund (No-Year)	---	---	4,000	4,000
Prior Trust Fund (No-Year)	1,411	9,218	---	(9,218)
Total	\$118,176	\$129,228	\$124,260	(\$4,968)
 <u>Budget Authority:</u>				
Budget Authority	\$85,350	\$85,350	\$91,584	\$6,234
Carryover	250	200	---	(200)
Total	\$85,600	\$85,550	\$91,584	\$6,034
 Outlays	 \$81,440	 \$85,250	 \$91,500	 \$6,250
 Full-Time Equivalents	 2,147	 2,183	 2,200	 17

SALARIES AND EXPENSES ACCOUNT
(General Fund, Trust Funds and Advances and Reimbursements)

OBLIGATIONS BY OBJECT CLASS
(dollar amounts in thousands)

OBJECT CLASS	FY 1999 Estimate	FY 2000 Request	Change
Personnel Compensation	\$105,168	\$109,778	\$4,610
Personnel Benefits	23,530	24,785	1,255
Benefits for Former Personnel	70	70	0
Travel and Transportation of Persons	2,498	2,498	0
Transportation of Things	174	174	0
Rental Payments to GSA	17,750	17,750	0
Communications and Utilities	11,332	11,332	0
Printing and Reproduction	2,589	2,589	0
Advisory and Assistance Services	2,166	397	(1,769)
Other Services	36,265	34,011	(2,254)
Supplies and Materials	3,076	3,077	1
Equipment	9,610	8,833	(777)
Land and Structures	550	550	0
Total Obligations	\$214,778	\$215,844	\$1,066

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Merit Systems Oversight & Effectiveness	\$17,505	\$19,444	\$21,244	\$1,800
Employment Service	25,267	28,893	30,893	2,000
Workforce Compensation & Perf. Service	6,361	7,659	7,659	0
Investigations Service	2,911	3,141	3,141	0
Workforce Relations	3,876	3,812	3,812	0
Executive Resources	2,418	2,494	2,494	0
Administrative Services	17,140	11,752	14,186	2,434
Executive and Other Services	<u>9,427</u>	<u>8,155</u>	<u>8,155</u>	<u>0</u>
Total	\$84,905	\$85,350	\$91,584	\$6,234
 Carryover	 <u>\$250</u>	 <u>\$200</u>	 <u>---</u>	 <u>(\$200)</u>
 Grand Total	 \$85,155	 \$85,550	 \$91,584	 \$6,034
 <u>Budget Authority:</u>				
Budget Authority	\$85,350	\$85,350	\$91,584	\$6,234
Carryover	<u>250</u>	<u>200</u>	<u>---</u>	<u>(200)</u>
Total	\$85,600	\$85,550	\$91,584	\$6,034
 <u>Outlays</u>	 \$81,440	 \$85,250	 \$91,500	 \$6,250
 <u>Full-Time Equivalents:</u>				
Merit Systems Oversight & Effectiveness	185	198	212	14
Employment Service	287	219	219	0
Workforce Compensation & Perf. Service	63	74	74	0
Investigations Service	29	29	29	0
Workforce Relations	37	38	38	0
Executive Resources	21	23	23	0
Administrative Services	61	54	57	3
Executive and Other Services	<u>90</u>	<u>81</u>	<u>81</u>	<u>0</u>
Total	773	716	733	17

SALARIES AND EXPENSES
GENERAL FUND APPROPRIATION
OBLIGATIONS BY OBJECT CLASS
(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1999</u> <u>Estimate</u>	<u>FY 2000</u> <u>Request</u>	<u>Change</u>
Personnel Compensation	\$39,348	\$41,716	\$2,368
Personnel Benefits	9,021	9,659	638
Benefits for Former Personnel	20	20	0
Travel and Transportation of Persons	1,990	1,990	0
Transportation of Things	82	82	0
Rental Payments to GSA	9,000	9,000	0
Communications and Utilities	2,639	2,639	0
Printing and Reproduction	838	838	0
Advisory and Assistance Services	0	0	0
Other Services	13,256	16,987	3,731
Supplies and Materials	1,729	1,729	0
Equipment	7,127	6,424	(703)
Land and Structures	500	500	0
Total Obligations	\$85,550	\$91,584	\$6,034

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

OFFICE OF MERIT SYSTEMS OVERSIGHT AND EFFECTIVENESS

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$17,505	\$19,444	\$21,244	\$1,800
Full-Time Equivalents	185	198	212	14

DESCRIPTION OF ACTIVITY

The Office of Merit System Oversight and Effectiveness (OMSOE) assures that agency personnel management is conducted in accordance with the merit system principles and the civil service laws, rules, and regulations of title 5, U.S.C. It provides Governmentwide leadership, oversight, and workforce information to further merit system accountability; helps agencies develop, through demonstration projects and alternative personnel systems, innovative human resource management policies and programs that support agency missions; and serves as the central source for information on the Federal workforce.

In order to meet the above responsibilities, OMSOE recruits highly experienced human resource generalists, statisticians, and program analysts from other Federal agencies, as well as the private sector. When unique skills are required, or when work load demands exceed current staff capacity, it hires contractors to complement the work of permanent staff. The oversight and effectiveness mission requires knowledge of a wide range of human resource management areas as well as knowledge of management theory. These skilled OMSOE personnel must have the ability to research, analyze and evaluate technical regulatory material in addition to human resource programs for the purpose of evaluating agency systems and proposing alternative approaches. The workforce information mission requires information technology, statistical and analytical skills. It also requires a keen understanding of human resource related data elements to maintain and enhance the Central Personnel Data File system. Required core competencies for each employee have been identified and training and development are provided to meet those needs in OMSOE.

FY 2000 Priorities

OMSOE has three priorities for FY 2000.

The first is the prevention of merit system abuses and the enhancement of human resources management in agencies through systematic oversight of agency systems and practices, including delegated examining. (OMSOE Goals 3A and 3B).

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The second is ensuring that agency managers carry out their newly flexible and delegated personnel authorities in a meritorious way by helping agencies develop internal human resources management accountability systems. (OMSOE Goal 4).

The third is to modernize the Central Personnel Data File and related personnel records to improve the utility and accessibility of the information and to replace the employment history function now served by paper Official Personnel Folders. (OMSOE Goal 2).

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:
*PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.*

FY 2000 RESOURCE SUMMARY: Obligations (000):\$6,434 Full-Time Equivalents: 61

[Includes \$1,200 and 5 FTE for CPDF Modernization]

- OVERALL HUMAN RESOURCES MANAGEMENT
- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
 - By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

OMSOE Federal HRM policies and programs are merit-based, mission-
Goal 1: focused, and cost-effective.
FY 1999/2000

Means:

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- Each year, identify areas of HRM that need attention by analyzing data and information from the Central Personnel Data File (CPDF), the *Merit System Principles Questionnaire (MSPQ)*, oversight reviews, and other sources.
- Conduct at least two major HRM studies in response to the areas identified above. In FY 1999, OMSOE will conduct studies of:

The effectiveness of current examining methods;

How supervisors are selected, developed, held accountable, and promoted into executive positions;

Family-Friendly policies and practices in agencies;

Recruitment, retention, and relocation allowances and bonuses;

Capability of the HRM workforce; and

Alignment of HRM with agency strategic planning.

The studies to be conducted in FY 2000 are identified during the Fall of 1999, based on the results of earlier studies, monitoring of HRM trends and developments, and on OPM priorities.

- Propose to OPM program offices any new or revised HRM policies which the studies may indicate.

Indicators/Performance Results:

- OMSOE studies produce valuable information which contributes to policy or program proposals.

Recent and past studies have contributed to the following changes:

- *Elimination of the non-competitive appointment of congressional staff to the competitive service (Ramspeck Act);*
- *Increased benefits and protection for part-time workers;*
- *Elimination of monetary awards for appointees during Presidential transitions;*
- *A legislative proposal to make it possible to eliminate special rates which are no longer needed without it costing the Government more than the higher rates do;*
- *Support for an Executive order to extend oversight to non-title 5 agencies;*

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- *Answering congressional concerns about the misuse of non-technical training and family-friendly practices in agencies; and*
- *Valuable information on the classification system which is being used in OPM's study of total compensation.*

In FY 1998, OMSOE published studies on six HRM programs: awards, workers compensation, non-technical training, deregulation and delegation, downsizing, and non-title 5 personnel systems. In addition, it completed evaluations of three more programs: delegated examining, the openness of Federal employment, and poor performance in the Federal workforce.

It produced two special reports for the Director of OPM in FY 1998:

Change in Average Grade: 1992 - 1997 examines the structural change (change in occupational mix) and net change (change within occupational series) for full-time permanent employees in the executive branch.

Methodology for Retirement Projection presents two models to estimate the number of retirements, one for stable employment and the other for a downsizing environment.

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2002, modernize the Central Personnel Data File (CPDF) to be the Governmentwide system for efficiently collecting, analyzing, and disseminating accurate, comprehensive and timely workforce information on all Federal civilian employees (other than Postal Service) that supports policy research, development, and evaluation.

OMSOE **The Central Personnel Data File (CPDF) is modernized to acquire data electronically, to make the CPDF more accessible, and to use it to**
Goal 2: **replace the employment history function now served by paper Official**
FY 1999/2000 **Personnel Folders.**

To implement the CPDF modernization, this budget request includes \$1,200,000 and 5 FTE in FY 2000 as the first installment of a multi-year program to be completed by FY 2002. These resources will be used as follows:

- To acquire CPDF data from agencies electronically, a total of \$50,000 will be needed to fully implement electronic submissions and quality control of the information.

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- To make the CPDF more accessible, a total of \$500,000 will be needed to procure and monitor a contractor to design an information retrieval system, including identifying the most appropriate data base management system, telecommunications requirements, and estimated maintenance costs.
- To have the CPDF replace the employment history function now served by paper Official Personnel Folders, \$650,000 and 5 FTE will be required to (a) replace the paper SF 50 “Notification of Personnel Action” with an electronic Employment History File; and (b) contract a study of the dynamics file to determine if the current records can adequately replace the paper records. The study will also recommend ways to improve record quality.

Means:

- Execute a *CPDF Modernization Plan* to (a) acquire data electronically from agencies, (b) make CPDF information more readily accessible to Government clients and the public, and (c) use the CPDF to replace the employment history function now served by paper Official Personnel Folders.
- Contract for the design of a CPDF information retrieval system that identifies the most appropriate data base management systems and telecommunication requirements and estimates the maintenance costs.

Indicators/Performance Results:

- Technical requirements for electronic exchange of CPDF submissions and quality control information developed. Significant progress on the *CPDF Modernization Plan*, including, a tracking system for contract milestones, approval of technical requirements by the Chief Information Officer, and agency satisfaction with proposed technical requirements.
- Detailed design specifications for a CPDF online information retrieval system developed, taking into account feedback from CPDF users.
- Assessment of the quality of CPDF historical dynamics records completed, taking into account feedback from human resource management offices and employee organizations.
- Quality control procedures for the CPDF Employment History File developed using the following to measure success: number of issues addressed by procedures, feedback from technical experts on feasibility of the procedures, and feedback from agency officials on workability of quality control feedback.

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In FY 1998, the requirements for the Standard Form 50 were revised to allow electronic employee notification for many actions without OPM's prior approval.

The filing requirements for the Official Personnel Folder (OPF) were reduced by an estimated 1.6 million documents a year in FY 1998.

- Increase in the level of agency HR Directors' satisfaction with regard to 1) OPM's leadership in this area, and 2) their opportunity for involvement, and HR Specialists' satisfaction with regard to 1) information sharing and 2) technical assistance, as measured by informal customer feedback and an increase of 2% over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) in the annual OPM Customer Satisfaction Survey.

The satisfaction levels as measured by the FY 1998 customer survey for HR Directors were 53.7% for leadership, and 63.2% for opportunity for involvement, and for HR Specialists were 65.5% for information sharing and 64.2% for technical assistance. We are concerned by these results, and will explore them in focus groups and through other follow-up, to determine underlying causes and improvement actions. Also, when we design the FY 1999 survey, we will use the pilot test to determine if the questions in this area are appropriately phrased and addressed to the correct audiences.

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$11,670 Full-Time Equivalents: 117

[Includes 9 FTE and \$600,000 for increased oversight presence and technical assistance and to implement enhanced oversight authority over non-title 5 agencies.]

- By the year 2000, complete evaluations of agency-level human resources management effectiveness in all major Federal agencies.

**OMSOE
Goal 3A:
FY 1999/2000** **Agencies, Governmentwide, adhere to the merit system principles and the laws, rules, and regulations governing Federal human resources management.**

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To enhance the oversight program in FY 2000, this budget request includes \$600,000 and 9 FTE to (a) increase the number of review sites from 120 to 134 annually (a 12 percent increase) and (b) augment technical assistance and non-title 5 oversight coverage. These enhancements will make oversight more visible and encourage voluntary compliance with merit requirements.

Means:

- Evaluate the HRM effectiveness and compliance of 24 major agencies at the rate of 6 per year over a 4-year period and of the 35 small agencies at the rate of 7 per year over a 5-year cycle.
- Administer the *Merit System Principles Questionnaire (MSPQ)* to a random sample of employees in each agency reviewed and Governmentwide to assess employee perceptions of how well merit principles are being observed.
- Recommend improvement or direct correction of agency HRM programs and practices.
- Report areas of HRM compliance that need attention to OPM program offices for action.
- Participate in agency-led reviews to assess and assist self-evaluation programs.
- Promote OPM's merit system oversight role to Federal officials, professional organizations, and other interested groups.
- Monitor current and emerging HR issues, trends, and stakeholder interests as reflected in the CPDF, the *Merit System Principles Questionnaire (MSPQ)* responses, and oversight reports.

In FY 1998, *Trip-Wire Indicators* identified potentially serious abuses of the Outstanding Scholar appointing authority in a number of agencies and possible misuse of the FLSA exemption criteria in an agency. The *Trip-Wire Indicators* are a pre-identified list of certain personnel actions which are most subject to abuse or misuse. These actions are monitored quarterly to identify possible trouble-spots for further review or investigation.

- Continually improve the methodology and quality of the *MSPQ* and other data tools.
- Supply data and technical assistance to OPM and agency clients for the collection, research, design, sampling, and use of data.

Indicators/Performance Results:

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- HRM improvements and correction of abuses that result from oversight reviews. OMSOE found that, for the most part, agencies are in compliance with law and regulation and identified several examples of excellent practices to share with agencies. Corrective action was ordered in those cases requiring it.

Scores of regulatory violations were found, and fortunately, few were serious. All violations were satisfactorily resolved. Numerous program improvements were adopted in all of the agencies reviewed in FY 1998.

- Agencies score their satisfaction with our evaluations at least at least 4.25 on a scale of 5 as follows:

1	Poor	2	Fair	3	Good	4	Excellent	5	Outstanding
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The cumulative response averages from FY 96 and FY 97 rate the quality of reviews as 4.55 out of a possible 5.0.

OMSOE’s stakeholders--the White House, Congress, OPM program offices, agencies, Federal employees, and the public--reported in FY 1998, and continue to report in FY 1999, that they are highly satisfied with its work. Stakeholders reported that OMSOE’s reviews, data, and reports are accurate and helpful.

For example, the Merit Systems Protection Board said in a July 1998 report to Congress that “OPM’s oversight program is much improved since our 1992 review, and that OPM is providing constructive leadership to departments and independent agencies in the development of agencies’ self-assessment capabilities.”

- Agencies reviewed as scheduled. *In FY 1998, OMSOE reviewed seven major agencies and five small agencies:*

<ul style="list-style-type: none"> • <i>Environmental Protection Agency</i> • <i>Railroad Retirement Board</i> • <i>National Credit Union Adm.</i> • <i>Department of Education</i> • <i>Department of the Interior</i> • <i>Consumer Product Safety Commission</i> 	<ul style="list-style-type: none"> • <i>Small Business Administration</i> • <i>Federal Trade Commission</i> • <i>Holocaust Museum</i> • <i>Securities and Exchange Commission</i> • <i>Department of Veterans Affairs</i> • <i>National Aeronautics and Space Administration</i>
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The agencies being reviewed in FY 1999 are:

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<ul style="list-style-type: none"> • <i>Department of Health and Human Services</i> • <i>Office of Personnel Management</i> • <i>Department on Energy</i> • <i>National Labor Relations Board</i> • <i>Federal Communications Commission</i> • <i>Department of Transportation</i> 	<ul style="list-style-type: none"> • <i>Department of the Navy</i> • <i>National Capital Planning Commission</i> • <i>Commodities Futures Trading Commission</i> • <i>Pension Benefit Guaranty Corporation</i> • <i>Two or three other small agencies to be determined in late FY 99</i>
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- Improved adherence to the merit system principles and improved HRM effectiveness.

OMSOE measures HRM performance at three levels:

- (1) **At the transactional level.** Over 40 personnel action data indicators are monitored and compared with the Governmentwide averages to identify any unusual or aberrant behavior.
- (2) **At the merit principle outcome level.** OMSOE measures the *health* of the merit system through the *Merit System Principles Questionnaire*, evaluations of agencies' HRM practices, and through policy and program studies.
- (3) **At the strategic level.** OMSOE measures the extent to which HRM is fully integrated in an agency's strategic goals, (e.g., to what extent an agency addresses the current and future capacity of its workforce to meet mission goals).

Each measurement level is critical to the success of the succeeding level. All three of these measures chart the extent to which the Government is achieving the merit outcomes called for by the principles.

- Improvement in the percentage of employee responding *favorably* to the *Merit Systems Principles Questionnaire* in FY 2000, as measured against the FY 1999 baseline, the data for which was collected in FY 1998. *The FY 1999 baseline for the nine merit system principles is:*

<i>Merit System Principle</i>	<i>% Favorable</i>
1. <i>Recruit and selection on the basis of merit.</i>	47
2. <i>Treat employees and applicants fairly and equitably.</i>	46
3. <i>Provide equal pay for equal work, and reward excellent performance.</i>	36

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4. <i>Maintain high standards of integrity, conduct, and concern for the public interest.</i>	56
5. <i>Manage employees efficiently and effectively.</i>	56
6. <i>Retain or separate employees on the basis on their performance.</i>	43
7. <i>Educate and train employees when it will result in better performance.</i>	50
8. <i>Protect employees from improper political influence.</i>	64
9. <i>Protect employees against reprisal for the lawful disclosure of information.</i>	47

➤ *By FY 2000, a 2 percent increase in favorable responses/2 percent decrease in unfavorable responses over the FY 1999 MSPQ baseline. The increases/decreases shown in the chart below are annual increments to reach the 5-year strategic targets (e.g., 2 percent a year for 5 years equals the 10 percent, 5-year target):*

Response	Annual Increase/Decrease	5-year Target Increase/Decrease
• <i>Merit-base of overall HRM</i>	<i>Favorable responses increase: 2 percent</i>	<i>10 percent increase</i>
• <i>Merit-base of classification and compensation</i>	<i>Unfavorable responses decrease: 2 percent</i>	<i>10 percent decrease</i>
• <i>Merit-base of staffing</i>	<i>Favorable responses increase: 2 percent</i>	<i>10 percent increase</i>
• <i>Workforce relations</i>	<i>Favorable responses increase: 1 percent</i>	<i>5 percent increase</i>
• <i>Performance management</i>	<i>Favorable responses increase: 1 percent</i>	<i>5 percent increase</i>
• <i>Retention of high-quality employees</i>	<i>Favorable responses increase: 2 percent</i>	<i>10 percent increase</i>
• <i>Quality of the Federal workforce</i>	<i>Favorable responses increase: 2 percent</i>	<i>10 percent increase</i>
• <i>Dealing with poor performance</i>	<i>Unfavorable responses decrease: 2 percent</i>	<i>10 percent decrease</i>

➤ Five and 10-year efficiency and productivity trends for personnel office operations are monitored and charted for key agencies, any agency upon request, and Governmentwide. Data reflecting these trends is found in the CPDF.

OMSOE HRM practices in non-title 5 agencies adhere to the merit system
Goal 3B: principles.

OPM sees an increased need for the authority and capacity to monitor merit system accountability in agencies which do not operate under title 5. Recently there has been an increase in this

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responsibility. There must be assurance that the entire executive branch operates consistently with the underlying American values that govern Federal employment.

Means:

- Evaluate the adherence of non-title 5 systems to the merit system principles.
- Administer the *Merit System Principles Questionnaire (MSPQ)* to a random sample of employees in each agency reviewed to assess employee perceptions of how well the merit system principles are being observed.

Indicators/Performance Results:

- The systems and practices of non-title 5 agencies adhere to the merit system principles.
- Merit principle abuses are corrected.
- Agencies score their satisfaction with OMSOE evaluations at 4.25 on a scale of 5.
- Agencies reviewed as scheduled.

- Promote agency development of internal accountability systems---including links to ongoing oversight reviews---for conducting human resources management in accordance with merit system principles.

OMSOE **Agency systems assure accountability for the merit system principles**
Goal 4: **and the laws, rules, and regulations governing Federal human**
FY 1999/2000 **resources management**

Means:

- Evaluate HRM accountability in each of the 24 major agencies at the rate of six per year over a 4-year cycle.
- Work with agencies to develop or improve HRM accountability systems, using the *Accountability System Development Guide* and other tools.

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- Promote adoption and improvement of accountability systems through the Inter-Agency Advisory Group and other interested organizations.
- Collect and share information on HRM accountability with agencies and other interested parties.
- Develop, apply, and share with agencies data models, agency profiles, and merit principle indicators to monitor and analyze agency and Governmentwide accountability.

Indicators/Performance Results:

- The number of internal accountability systems established or improved.

The Department of the Air Force has established a total accountability system, based on the Baldrige Criteria which Navy is now adopting. We are working with Navy on its new system and are helping the Department of the Interior to establish an HRM accountability system for the first time. This work will continue in FY 1999 and accelerate in FY 2000.

- Inter-agency projects produce accountability models and measures.

OMSOE continues to work with agencies to develop effective HRM accountability systems. It has published Human Resources Management (HRM) Accountability in Federal Agencies: Current Efforts and Future Direction on OPM's Internet Home Page.

It works closely with the Interagency Advisory Group (IAG) Committee on Accountability. With help from an IAG task force, it is developing an HRM Accountability System Development Guide to make the case that an accountability system is vital to an agency's mission. The Guide provides guidance on developing and enhancing such systems.

A major emphasis in all three years will be to foster accountability systems that promote adherence to the merit system principles, laws, and regulations. In conjunction with the Development Guide, OMSOE is working with agency representatives to get their ideas on the design of an HRM measurement model, based on the merit principles. Such a model was recommended in a July 1998 study by the General Accounting Office, MANAGEMENT REFORM, Agencies' Initial Efforts to Restructure Personnel Operations.

The model, to become operative in FY 2000, will identify key HRM indicators that measure both the effectiveness of human resource programs and their compliance with merit system principles, laws, and regulations. The indicators will be aligned with strategic plans, as required by the Government Performance and Results Act.

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- Evaluations of accountability systems in key agencies according to the *Accountability Program Coverage Guide*.

OMSOE will apply the *Guide* to the following agencies in FY 1999 and to those scheduled for agency-focused review in FY 2000:

<ul style="list-style-type: none">• Department of Health and Human Services• Office of Personnel Management• Department on Energy• National Labor Relations Board	<ul style="list-style-type: none">• Federal Communications Commission• Department of Transportation• Department of the Navy
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- Increase in the level of agency HR Directors' satisfaction with regard to 1) OPM's leadership of in this area, and 2) their opportunity for involvement, and HR Specialists' satisfaction with regard to 1) information sharing and 2) technical assistance, as measured by informal customer feedback and an increase of 2% over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) in the annual OPM Customer Satisfaction Survey.

The satisfaction levels as measured by the FY 1998 customer survey for HR Directors were 60.0% for leadership, and 60.6% for opportunity for involvement, and for HR Specialists were 48.4% for information sharing and 47.3% for technical assistance. We are concerned by these results, and will explore them in focus groups and through other follow-up, to determine underlying causes and improvement actions. Also, when we design the FY 1999 survey, we will use the pilot test to determine if the the questions in this area are appropriately phrased and addressed to the correct audience.

**OMSOE The Federal workforce understands and is guided by the merit system
Goal 5: principles.
FY 1999/2000**

Means:

- Provide the workforce educational and informational materials to secure and increase acceptance of the merit system principles.
- Incorporate the merit system principles in supervisory, employee, and executive orientation and training, in cooperation with agencies and vendors.

Indicators/Performance Results:

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- Increased understanding of the principles by managers and employees as measured by questions #27 and # 28 of the *Merit System Principles Questionnaire*.
- Agencies adopt programs and practices that promote the merit system principles as determined by oversight reviews.
- Educational materials are used by agencies to increase awareness of the principles.

The Merit System Principles poster, which OMSOE developed and first distributed in FY 1998, has become highly popular in agencies. For example, the Social Security Administration has ordered enough posters for its hundreds of district offices, nationwide. The Merit Mousepad has even become an international favorite with several foreign governments expressing an interest in duplicating the idea.

In FY 1998, OMSOE, with contractor assistance, developed a training video on the merit system principles. It will be distributed Governmentwide in FY 1999. In addition, OMSOE continues to help agencies promote the merit system principles through interagency HRM Satellite Broadcasts, training materials, and brochures.

- Ensure that delegated examining is conducted in accordance with merit system laws, regulations, and principles. (Continuing)

**OMSOE Delegated examining is conducted in accordance with merit system
Goal 6: laws, regulations, and principles (See also Employment Service Goal 14.)
FY 1999/2000**

Means:

- Review delegated examining in 16-18 delegated examining units to verify compliance with law, regulations, and the merit system principles.

These reviews are in addition to the delegated examining units that are examined during agency-focused reviews.

- Direct the correction of any violations found.
- Identify and deal with potential compliance issues in cooperation with Employment Service.

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Indicators/Performance Results:

- Reviews conducted as scheduled.
- Violations are corrected.

In FY 1998, OMSOE conducted reviews of 18 delegated examining units and found few violations of regulation or the merit system principles. A similar number of these reviews will be done in FY 1999.

NOTE: To support a highly specialized form of Federal oversight, OMSOE provides observers for elections, and examines and produces lists of eligible voters who are protected under the provisions of the Voting Rights Act of 1965 (Public Law 89-110), as amended.

**OMSOE The Department of Justice's requests for assistance under the Voting
Goal 7: Rights Act are fully supported.
FY 1999/2000**

Means:

- Provide Federal observers and examiners for elections at the request of the Civil Rights Division, U.S. Department of Justice.
- Build and maintain a bilingual, bicultural cadre of observers for race- or language-based exercises.
- Maintain voter lists as required by the Act.

Indicators/Performance Results:

- The Department of Justice's requirements are met.

In FY 1998, OMSOE developed a Memorandum of Understanding with the Department of Justice which spells out its voting rights role and other voting rights issues. OMSOE also

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developed a Customer Feedback form which will be used to establish a baseline on its performance, beginning in FY 1999.

- Skilled observers are provided for exercises.

In FY 1998, OMSOE developed a nationwide strategy to recruit poll observers with special linguistic abilities. In FY 1999, it will explore new sources and means for recruiting language capable and culturally aware observers.

OMSOE observed elections in the Arizona and New York primaries during FY 1998. In FY 1999, it will observe elections in Louisiana, Alabama, North Carolina, South Carolina, Mississippi, Georgia, and Texas; and conduct of language-based exercises in Mississippi, Texas, Arizona, New Mexico, Utah, California, and New York. These later exercises are held at locations where the predominate language of voters is not English.

- High quality election day reports, accurate voter lists, resolution of voting problems, and timely voter list maintenance.

In FY 1999, at the direction of the Department of Justice, OMSOE will begin processing the removal of names from the lists of Federally registered voters for jurisdictions in Alabama, Georgia, Louisiana, Mississippi, and South Carolina.

**OMSOE Classification appeals, Fair Labor Standards Act (FLSA) claims, and
Goal 8: the mobility provisions of the Intergovernmental Personnel Act (IPA)
FY 1999/2000 are properly administered.**

Means:

- Adjudicate all classification appeals and FLSA claims accepted, answer related questions, issue guidance, and assure that mobility assignments comply with the law and regulations.

Historically, OMSOE decides between 150 and 200 position classification appeals and about 25 Fair Labor Standards Act claims a year. It publishes guidance on these programs in the Digest of Significant Classification Decisions and Opinions and in FLSA Fact Sheets. FLSA Fact Sheets will continued to be published as the need arises.

- Audit agency use of the mobility provisions of the Intergovernmental Personnel Act.

Indicators/Performance Results:

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- Correct, consistent, and timely decisions, as tracked by the *Claims and Appeals Tracking System*.
- Two editions of the *Digest* were published in FY 1998 and another is scheduled for publication in FY 1999.
- FLSA regulations were revised in FY 1998, and FY 1999 will see the publication of FLSA decisions on OPM's website.

The 10-year average processing time for classification appeals is 125 days which is considered reasonable. In FY 97, the number of days was 121. Data for FY 1998 has not yet been calculated. No comparable time lines for FLSA claims have been calculated in the past since the volume was so low. However, beginning later in FY 1999, the number, timeliness, and nature of FLSA claims will be tracked through the Claims and Appeals Tracking System.

- IPA delegations are properly exercised.

The IPA Handbook and IPA Program Coverage Guide were created in FY 1998. The Guide will be used to audit mobility assignments in the big users during FY 1999. About seven or eight agencies account for about 80 percent of these assignments. This will be the first time these assignments have been audited for compliance with the law and regulations.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$2,093 Full-Time Equivalents: 23

- Help agencies design, implement, manage, and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

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OMSOE **Personnel demonstration projects and alternative personnel systems**
Goal 9: **are successfully implemented.** (See ES Goal 18, WCPS Goal 13, and
FY 1999/2000 OWR Goal 13).

Means:

- Help agencies design, implement, manage, and evaluate personnel demonstration projects to test innovative and more effective HRM practices and programs.
- Monitor, evaluate, and publicize the implementation of active personnel demonstration projects.
- Monitor and publicize alternative personnel management systems.
- Share lessons learned.
- Publicize the nature and outcomes of demonstration projects and alternative personnel systems.

Indicators/Performance Results:

- The number of demonstration projects and alternative personnel management systems approved by OPM for publication in the *Federal Register* and the number implemented.

FY 1998 was a record-setting year for demonstration projects. Final Federal Register plans were published and implementation began on five projects:

<ul style="list-style-type: none">• Department of Commerce• Naval Warfare Centers• Army Medical Research and Materiel Command	<ul style="list-style-type: none">• Army Research Laboratory• Army Engineer Waterways Experiment Station
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Proposed Federal Register plans were completed and published for the DoD Acquisition Workforce, the only demonstration project to cover a workforce rather than an organization.

In FY 1999, four more demonstration projects are expected to be implemented. Work is in progress on three more projects testing new pay and classification systems. The Demonstration Project Evaluation Handbook was released as a working draft in FY 1998. Demonstration project presentations were given for the American Compensation Association, the International Personnel Management Association, Federal Executive Boards, and a variety of agencies.

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- New HRM laws, regulations, or lessons learned from demonstration projects.

The Federal Employees Pay and Compensation Act authorized, for the first time, recruitment, retention, and relocation bonuses and allowances. These were first tested in the China Lake Demonstration Project. OPM's most recent legislative initiative would authorize broadbanding, which also was tested at China Lake and at the National Institute of Science and Technology.

Categorical ranking and the authority to extend probationary periods, particularly when a job's life cycle covers more than a year, were tested at the Department of Agriculture (USDA) and found to be highly successful. The USDA project also was made permanent through legislation.

The Demo Web Page was enhanced by linking all demo plans in the Federal Register and including the Demo Handbook and Demo Fact Sheets. Demonstration Project Guides were prepared to help agencies improve their HRM programs. The Guides include the Innovator Took Kit, Flexibilities in the Federal Government, and the Demo Handbook.

The first status report on the DoD Labs was reviewed for conformance to OPM's standards and criteria and approved in FY 1998.

- Increase in the level of agency HR Directors' satisfaction with regard to 1) OPM's leadership of in this area, and 2) their opportunity for involvement, and HR Specialists' satisfaction with regard to 1) information sharing and 2) technical assistance, as measured by informal customer feedback and an increase of 2% over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) in the annual OPM Customer Satisfaction Survey.

The satisfaction levels as measured by the FY 1998 customer survey for HR Directors were 35.7% for leadership, and 41.4% for opportunity for involvement, and for HR Specialists were 55.5% for information sharing and 52.9% for technical assistance. These results, particularly for leadership, are inconsistent with the other measures and results described above and the informal feedback we have received directly from agencies we have assisted to design new demonstration projects. Nevertheless, we are concerned about these results and will explore them in focus groups and through other follow-up. We will also reassess whether this survey and its target audience is an appropriate vehicle for assessing customer satisfaction in this area.

OPM STRATEGIC PLAN GOAL IV:

***DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$1,047 Full-Time Equivalents: 11

- Provide readily accessible primary source data for meeting the workforce information needs of OPM, the other central management agencies, the Congress, the White House, and the public through the Central Personnel Data File and other reporting systems. (Continuing).

**OMSOE Goal 10:
FY 1999/2000** **The workforce information needs of OPM, other central management agencies, the Congress, the White House, and the public are met.**

Means:

- Maintain and update data reporting requirements, workforce information systems, the Central Personnel Data File (CPDF), and other reporting systems.
- Maintain and update the *Guide to Processing Personnel Actions*, *EXPRO*, the *Guide to Personnel Record Keeping*, the *CPDF Edit Manual*, the *Guide to CPDF*, the *Guide to Personnel Data Standards*, and the *SF-113 Summary Data Reporting System Operating Manual*.
- Produce recurring and non-recurring reports for OPM, O&E, agencies, and others, conventionally and electronically.
- Administer Federal record keeping requirements and personnel action documentation.
- Answer questions about the Official Personnel Folder, merged files, medical files, service credit, documentation of personnel actions, and access to the CPDF.
- Respond to and give legal advice on Freedom of Information and Privacy Act requests concerning Governmentwide personnel systems and the release of O&E records and reports.

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- Assist OPM and agencies in the techniques of collecting, researching, sampling, and using data from the CPDF.

Indicators/Performance Results:

- Accurate and timely CPDF and other workforce information systems.

In FY 1998, OMSOE published the Fact Book, Work Years & Personnel Costs, Pay Structure of the Federal Civil Service, Occupations of the Federal White-Collar and Blue-Collar Workforce, and four issues of Employment and Trends. These were published on paper and on the web. All manuals on the Workforce Information pages and the statistical data were updated during the year.

- The records of at least 97 percent of employees per major agency are correct on all core elements.

The General Accounting Office (GAO) report of September 1998, OPM'S CENTRAL PERSONNEL DATA FILE, Data Appear Sufficiently Reliable to Meet Most Customer Needs, reported that:

- *The majority of the data elements are 99 percent accurate. Depending on the methodology, 63 percent or 70 percent of the data elements are at least 99 percent accurate, and 35 percent to 44 percent are 100 percent accurate.*
 - *All of the data used by OPM's Office of the Actuaries to help estimate the Government's liability for future retirement payments are 99 percent accurate or more, except adjusted basic pay which is about 94 percent accurate.*
- User satisfaction with OPM's record keeping requirements, workforce information, and data services.

According to the GAO report, between 67 and 81 percent of respondents said that the CPDF meets their needs to a very great or great extent, and between 72 and 84 percent rated the quality of CPDF products as excellent to very good. Between 72 and 86 percent of respondents said that the explanatory material they receive enables them to use the data correctly to a very great or great extent.

The FY 1998 baseline for technical inquiries is: 50 unique data requests per week; 30 inquiries about personnel documentation or CPDF processes per week; and an average of 11,800 website hits per week.

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➤ Growing interest in data publications on OPM's website.

Its web files are routinely in the top 25 files downloaded from OPM's website, and the Workforce Information directory now averages over 11,800 "hits" a week. The Internet has profoundly affected the way OMSOE disseminates data, increasing its audience, while reducing its publication costs. Between October 1, 1997, and September 30, 1998, OMSOE responded to 150 Internet e-mail requests for information.

VERIFICATION AND VALIDATION

- An outcome-focused system model that applies HRM indicators for each merit system principle will be used for measuring (1) HRM contributions to agency missions, (2) the effectiveness and cost of HRM operations, and (3) compliance with merit system principles, laws, and regulations.
- Accepted data collection, analysis, and evaluation practices will be used to collect HRM data, study policies and programs, review agency operations, and answer technical inquiries.
- The *Merit System Principles Questionnaire* which measures employee attitudes annually on merit practices will be content valid and reliable according to accepted practices.
- Proposals for HRM policy change will be fully justified by the quality and quantity of the evidence produced by the data, analyses, and evaluations performed.
- Accepted statistical processes will be used to determine 5- and 10-year outcome trends for HRM efficiency and productivity.
- Accepted, automated tracking software will be used to monitor progress in data collection, analyses, studies, and reviews.
- Feedback will be collected from clients and analyzed according to accepted evaluation practices.

FY 2000 BUDGET CHANGES:

An increase of \$1,800,000 is composed of:

An increase of \$600,000 is requested to expand oversight efforts to ensure that merit system principles are followed. OPM will redirect 9 FTE in support of these efforts.

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A transfer of \$1,200,000 from Administrative Services is necessary to finance CPDF Modernization efforts. OPM will redirect 5 FTE to support this effort.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EMPLOYMENT SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$25,267	\$28,893	\$30,893	\$2,000
Full-Time Equivalents	287	219	219	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) performs major core functions that OPM is required by law to provide to agencies. These functions include policy leadership and technical advice and assistance in Federal employment information, selection and promotion, delegated examining, training and assistance, testing, workforce restructuring, Veterans' employment issues, and affirmative recruiting programs. Also, as co-chair of the Human Resources Technology Council (HRTC), ES helps agencies collaborate on the Governmentwide effort to streamline and automate human resources management functions. ES performs certain other core functions which are funded through a mix of appropriated and reimbursable funds (e.g., USAJOBS, Presidential Management Intern program, Administrative Law Judges); goals for these programs are described in the Revolving Fund section of this FY 2000 Annual Plan and Budget Justification.

In order to meet these responsibilities, ES has designed and implemented a capacity model that reflects core competencies and skills needed to carry out our mission. Based on this model, skilled individuals are recruited from a variety of sources including highly-experienced public sector human resource specialists and managers from other Federal, State & local agencies, leading graduates from a diverse cross section of colleges and universities, and private sector candidates from across the nation. In addition, ES utilizes a contingent workforce of temporary and term employees, and experienced staff from other agencies, who can offer operational experience to supplement our existing professional staff in areas where we are designing new and innovative policy. As needed, ES contracts with leading private sector companies and contractors to provide functional and technical expertise in application development, Y2K compliance, operational support, and other areas.

All existing ES automated systems have been upgraded to the new agency standards for Y2K compliant applications and internal systems needed to manage the nationwide network of Service Centers are being streamlined, refined, and upgraded. ES utilizes a number of systems to accomplish the delivery of human resource services and the management of program information.

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FY 2000 Priorities

ES has identified three priorities for FY 2000, the first of which will be to design a model for workforce planning, analysis, and forecasting. Agencies must prepare to deal with future potential crisis (e.g., the aging workforce & Y2K) that could be averted through proper workforce planning. As part of this model, an automated tool will support data-driven HR strategies and decision making in agencies and enable users to profile agency-specific needs (e.g., by occupational series, required competencies, race, national origin, and gender) and conduct “what if” scenarios, projections, and analyses. Results of this initiative will support effective succession planning in agencies and enable them to select from a diverse pool of applicants for mission-critical occupations. (ES Goal 8)

The second ES priority will be to redesign the Government’s qualification standards to use the Department of Labor/OMB Standard Occupational Classification (SOC) as the organizing framework. This will align public and private occupations for the first time. The revised qualification standards will be integrated with competency-based approaches to examining and other human resource functions. The result will support a seamless coordination of selection, career development, and job mobility programs. (ES Goal 3)

The third priority is to ensure that agencies are carrying out their delegated examining responsibilities in accordance with law and regulation, the Employment Service provides support to, and regularly recertifies, each operating Delegated Examining Unit (DEU) to ensure that agency DEU staff are fully trained. ES will take an aggressive look at each of the DEU’s, in conjunction with the Office of Merit Systems Oversight and Effectiveness, to ensure proper and effective operation. (ES Goal 14)

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 2000 Resource Summary: Obligations (000): \$13,508 Full-Time Equivalents: 80

[Includes \$2,000 for the development of recruitment, selection, training and retention strategies for information technology occupations.]

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

**ES Goal 1:
FY 1999/2000** **By the end of FY 2000, needed changes in all significant OPM program policies are identified and changes are introduced so that Federal agencies are better equipped to respond to changing human resources and agency needs in the 21st century.**

In FY 1998, ES completed a review of all employment policies and programs and identified useful staffing flexibilities requiring legislation as part of the OPM Director's HRM '98 Initiatives effort. This effort, which provided a framework for evaluating policies and systems across OPM, had two consequences: 1) the goal established in the FY 1999 Annual Plan to review all employment policies by the year 2000 was accomplished in FY 1998; and 2) the value of continuously working closely with agencies and other stakeholders (who played a significant role in the development of the HRM '98 Initiatives package) was integrated into future policy review indicators in ES. ES policy development initiatives for FY 2000 clearly focus policy development efforts on meeting agencies needs for increased flexibility and speed in hiring and internal placement processes, while still ensuring that agencies are able to operate within the merit system that underpins the civil service.

In addition, ES has established three specific goals (ES Goals 3-5) that cover major policy and program initiatives that were identified in the FY 1998 policy review process. These three goals are: 1) Redesigning the Qualification Standards, 2) Integrating and streamlining the three existing workforce restructuring programs, and 3) Revising the merit promotion process. Work on these three initiatives began in FY 1998 and will continue in FY 1999, FY 2000 and beyond. **The first of these goals, Redesigning the Qualification Standards, is an ES priority initiative for FY 1999/2000.**

Means:

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- Collaborate with agencies, interagency groups, and external stakeholder groups (such as veterans' organizations, minority representation groups, and others) to obtain feedback on existing policies and programs, and needed revisions.
- Collaborate with other OPM Services and the Office of Merit Systems Oversight and Effectiveness (OMSOE) as policy and program reviews are conducted, to ensure that policies and programs are supportive of each other and facilitate high performance in Federal agencies.
- Establish a practice of evaluating new policies, after implementation, to determine that agency needs are met, and forecast projected needs for the next 5-10 years.
- Review reports, studies, CPDF data, demonstration project results, and innovative public and private sector HR programs to identify areas of program and policy improvement.
- Use OPM Web site as an interactive means to post information and obtain feedback on proposed and current policies and programs from external stakeholders.
- Listen and respond to stakeholder input by developing policies and programs that meet specific short-term and long-term needs of agencies. Examples of actions that have been identified for FY 1999/2000 are:
 - Facilitate Governmentwide shift to contingent workforce through new policies and procedures.
 - Identify and anticipate potential labor shortages and turnover problems and provide policies that address these issues.
 - Explore policy options for recruiting and retaining talented individuals who have left Federal service (e.g. hiring annuitants).
- Continue to review and reduce, where appropriate, the overall number of excepted service appointing authorities to simplify the hiring process.

Indicators and Performance Results:

- An increase in the level of agency HR Directors' satisfaction with 1) OPM's employment policy leadership and 2) their opportunity for involvement, as measured by informal feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

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The HR Directors' baseline satisfaction levels with major components of the ES program, as measured by the FY 1998 survey were as follows:

<u>Program Area</u>	<u>Policy Leadership</u>	<u>Opportunity for Involvement</u>
<i>Employment Information</i>	83.7%	78.0%
<i>Selection and Promotion</i>	75.6%	75.0%
<i>Workforce Restructuring</i>	80.6%	75.0%
<i>HR Systems Automation</i>	54.3%	57.6%

- Meet at least quarterly with key stakeholder groups (agencies, interagency groups, and external stakeholders) to determine their views on proposed and existing policies and programs, and to obtain ideas on revisions.

In FY 1998, stakeholder forums for collaborative staffing policy development were used successfully to begin the review of merit promotion policies and to assist in the development of revised workforce restructuring policies.

- Favorable perception of employees Governmentwide that staffing is conducted in accordance with Merit Systems Principle 1, "Recruit, select and advance on the basis of merit," as measured by a 50% favorable rating, or higher, on relevant questions on the OPM Merit Systems Principles Questionnaire (MSPQ).

The baseline FY 1999 MSPQ survey showed a 47.5% overall favorable rating for Principle 1.

- New or revised policies are issued in a timely manner, so that agency needs are met without delay, and informal feedback from agencies indicates that these policies are beneficial to agencies.

In FY 1998, ES supported agencies by moving quickly to provide waivers and other flexibilities to deal with staffing for agency Y2K computer positions. ES also added a new job search feature to USAJOBS to make Y2K compliance job opportunities easy to find and to attract the attention of job seekers.

ES continued to play a critical role in providing policy and guidance to agencies on minimizing the negative impact of downsizing on displaced employees. New policies implemented provided agencies with more control and discretion in making early retirement offers, gave additional flexibility in taking into account employee performance during reductions-in-force, expanded career transition programs for displaced employees, and added several new restructuring tools to help avoid involuntary separations.

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ES also provided agency managers with more tools and options to use during downsizing and restructuring. For example, ES finalized regulations on use of annual leave after RIF; finalized regulations on retreat; issued interim regulations on offers of vacant positions in RIF; implemented new legislation; and issued new regulations on Early Retirement Authority to correct a court decision.

Subsequently, between FY 1996 and FY 1997, 43,340 displaced Federal employees facing RIF-separations were given career transition assistance and selection priority for other jobs; 17,620 surplus and displaced Federal employees were placed into other positions within their agency; 1,738 displaced Federal employees were rehired through the Reemployment Priority List by the agency from which they were separated; and 793 displaced Federal employees who were RIF-separated by one agency were selected for positions in other agencies. [Note: Data from FY 1998 will be available in March 1999]

- The numbers of appointing authorities continue to be reduced.

In FY 1998, ES published final regulations that established two Governmentwide Schedule A appointing authorities -- one for fellowship-type positions and the other for student/employees who are paid stipends. These two authorities enabled ES to revoke 36 individual authorities in 10 different agencies. ES continues to evaluate the remaining authorities for possible reduction.

- Indication by agencies that the new policies and programs are assisting them in recruiting and selecting a diverse, high quality workforce, as measured through the OPM Customer Satisfaction Survey, after the new policies and programs have been implemented.

Because this is an FY 1999/2000 initiative, there are no data to report from the baseline FY 1998 survey.

- The effectiveness of policies and programs available to recruit and select a high quality workforce as measured by the results of external studies and program evaluations conducted by independent organizations such as the U.S. Merit Systems Protection Board, the General Accounting Office and OPM's Office of Merit Systems Oversight and Effectiveness.

HUMAN RESOURCES SYSTEMS AUTOMATION

- Provide Governmentwide leadership via the Human Resources Technology Council for cooperative business process redesign and system modernization efforts, in support of the Clinger-Cohen Act of 1996. (Continuing)
- Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and recordkeeping, by achieving the following sub-objectives:
 - By the year 1998, establish core requirements for human resources systems; set benchmarks; and evaluate existing and developing systems against requirements and benchmarks.
 - By the year 1999, establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records.

ES Goal 2: **With the Chief Information Officer (CIO), leadership and support are**
FY 1999/2000 **provided to the Human Resources Technology Council (HRTC) so**
 that Governmentwide Human Resources business process redesign,
 systems modernization efforts, and planning initiatives to fully exploit
 the use of modern automated technologies are pursued. [See also
 OCIO Goal 1 under Administrative Services tab.]

The Human Resources Technology Council (HRTC) supports OPM's interest in ensuring that agencies are able to make the best and most cost-effective use of automation to achieve human resource management objectives. The HRTC is responsible for crafting a long-term strategic vision and goals for human resource management Governmentwide, particularly as it relies on automation to accomplish these goals. (This goal incorporates actions covered by ES Goals 3 & 4 in the FY 1999 plan.)

Means:

- Co-chair the HRTC with OPM's Chief Information Officer, convene regular meetings, and provide administrative support.
- Ensure that a high level of participation continues through FY 2000 by addressing topics that are relevant and important to the HRTC members and their respective agency missions.
- Through the HRTC, conduct and coordinate Governmentwide HR automation studies, such as the recently completed Governmentwide HR Information Systems Study and the ongoing

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Virtual Human Resources Data Repository (subgoal 2a) and share results of these studies to foster improvements in HR management.

- Develop Governmentwide policy for cooperative business process redesign and systems modernization based on HRTC studies and analyses.
- Use feedback from the HRTC members and other agencies as a tool for assessing policy effectiveness.
- With HRTC support, encourage small agencies to establish consortia or other mechanisms to enable these agencies to benefit from automation advances.
- Provide assistance to small agencies seeking to modernize their HR processing system(s) by offering access to a Government compliant, client-server based, HR processing system. Access would be offered through OPM’s “HR Host” service on a reimbursable basis to agencies interested in such service.

Indicators and Performance Results:

- Satisfaction of HRTC members with the results of HRTC studies and services, and their opportunity for involvement in the Council policy making will increase over FY 1999 or maintain at 90%, as measured by the annual OPM Customer Satisfaction Survey.

The HRTC member’s baseline satisfaction levels as measured by the FY 1998 survey were as follows:

	<u>Policy Leadership</u>	<u>Opportunity for Involvement</u>
<i>HR Systems Automation</i>	64%	82%
<i>Governmentwide HR Infor. Systems Study (1998)</i>	100%	92%

- Actions are initiated as a result of HRTC policy discussions.

During FY 1998, the HRTC delivered to the President’s Management Council a Governmentwide study on HR systems requirements and a review of current legacy and new developing systems in all major departments and agencies. This critically acclaimed study has been widely disseminated and is the basis for follow-on work during FY 1999 and 2000. These actions include development of a strategy with OPM on electronic data record-keeping and reporting; an occupational analysis of IT positions; working with the Joint Financial Management Improvement Program (JFMIP) on finalization of payroll requirements; and research on best practices in the public and private sectors in human resource automation.

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ES Subgoal 2a: FY 1999/2000 As co-chair of the Human Resources Technology Council (HRTC), ES will support and assist other OPM organizations to begin the delivery of the initial capabilities that implement the Governmentwide vision of a Virtual Human Resources Data Repository. [See OCIO Goal 2a under Administrative Services tab for Means and Indicators].

ES Subgoal 2b: Under direction of the Human Resources Technology Council (HRTC), human resources information flow between agencies, OPM, and other relevant parties is improved through an expanded centralized delivery mechanism (“data hub”).

Means:

- Create and support the “data hub,” a centralized delivery mechanism for electronic human resource information as it flows between agencies, OPM and other relevant parties.
- As a first step, work with OPM’s Retirement and Insurance Service to implement a process to allow Federal agencies who electronically collect FEHB enrollment information to pass that information to OPM’s “data hub,” to be reorganized and forwarded to over 380 FEHB carriers, thus relieving agencies of the burden of developing and maintaining multiple interfaces with carriers.
- Through the use of a single collection point (“data hub”), provide any agency who wishes to utilize this service with a consistent data delivery model for the flow of HR information.

Indicators and Performance Results:

- Evaluate qualitative feedback from the HRTC members on satisfaction with the operations of the “data hub.”
- Increase the scope of the centralized delivery mechanism (“data hub”) to accommodate Governmentwide requirements.

HUMAN RESOURCES SYSTEMS AUTOMATION

- Continue to increase the number of agencies using Employee Express each year, to enable more employees to make self-directed benefits changes.

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ES Subgoal 2c: Through the encouragement of the Human Resources Technology Council (HRTC), an increased number of agencies are using self-service benefits selection systems (such as OPM's Employee Express).
FY 1999/2000

Means:

- Continue to form consortia of small agencies to make Employee Express affordable.
- Continue to work with customer agencies to define additional options for Employee Express and Annuitant Express.
- Expand capability of OPM systems for easy, organized flow of automated HR data to meet diverse system needs of agencies, and thereby encourage agencies to utilize existing or to develop new self-service benefits selection systems.
- Continue to provide excellence in customer service.

Indicators and Performance Results:

- The numbers of agencies and employees covered by self-service benefits selection systems is increased by 10% over the numbers covered in FY 1999.

Many agencies use Employee Express, an automated system which uses the Internet, telephones and touchscreen computers to enable employees to make direct changes to their personnel files. In FY 1998, participation in the Employee Express system for automated self-selection of benefits increased to include 18 large agencies and a consortium of 13 small agencies, and coverage of more than 770, 700 employees. This was an increase of more than 20% over FY 1997. At least through FY 2000 ES expects increases in the numbers of employees with access to Employee Express. As more agencies implement planned acquisition of major HR automated systems this use could decline. However, this will not reduce the numbers of employees with access to self-selection benefits systems, as the new systems will include these features, or will be configured to continue linkage to Employee Express.

- The scope of OPM data delivery systems is increased to accommodate diverse agency self-service benefits selection system requirements. Self-service benefits systems allow for the direct entry of transactions once processed in operating HR offices, saving valuable resources and at the same time, increasing employee access to their own data.

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In FY 1999, new options for Savings Bonds and overseas employee coverage were added; in FY 2000 plans are underway to add a retirement estimator, W4 worksheet, access to a federal benefits knowledgebase, and paperless CFC contributions. When Employee Express was expanded to the Internet, the ES team developed an in-depth security plan addressing the system network, software, architecture, and user access security issues. The system underwent thorough testing by security experts from partner agencies and private security contractors which resulted in no security breeches to the system. ES also built a system modeled after Employee Express, the D. C. Government Health Benefits Selection System, in just three weeks.

STAFFING AND EXAMINING

- Ensure that agencies are able to determine the lawful rights of employees and applicants, including veterans, during hiring, promotion, and restructuring. (Continuing)
- Increase the quality of the Federal workforce by continually encouraging the use of valid, fair, and merit-based examining procedures for selection and promotion. (Continuing)
- Encourage the use of targeted programs designed to attract highly qualified candidates for the Federal Government, such as the Presidential Management Intern Program. (Continuing)

ES Goal 3: Redesigned Qualification Standards that integrate competency-based examining and DOL/OMB Standard Occupational Classification systems are completed so that agencies are better able to coordinate selection, career development, and job mobility programs and to provide a simple, understandable framework for Government job applicants.

OPM will redesign the Government's qualification standards to use the Department of Labor/OMB Standard Occupational Classification (SOC) as the organizing framework. This will align public and private occupations for the first time. The revised qualification standards will be integrated with competency-based approaches to examining and other human resource functions. The result will support a seamless coordination of selection, career development, and job mobility programs. Much of the redesign work will be accomplished through teams from Federal departments and agencies on reimbursable detail to OPM. The new standards will benefit the HR community and Federal managers and provide a simple, understandable framework for job applicants.

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In FY 1999, OPM will identify key occupations to study initially and will pilot “model” qualification standards criteria. The pilot occupations will be evaluated and the results used for improvement and implementation of a new qualifications standards approach. As standards are revised, they will be issued in a new format that makes them more useful to line managers and members of the public, as well as to HR professionals. CDS and Internet-based hypertext systems will make standards readily available to everyone needing access to them.

After development and validation of the model, OPM will move forward in FY 2000 to implement comprehensive standards revision. The process will be closely integrated with the new SOC. OPM’s competency-based approach will identify common clusters of occupations for which a general standard is appropriate. Where single-occupation standards are required, they will be developed in close consultation with agencies, appropriate unions, professional associations, and other stakeholders. Stakeholder input and other labor market data will also be used to identify critical need occupations for immediate attention.

With requested additional funding and/or funding obtained from stakeholder agencies, the revised standards will be completed and implemented, the new Qualifications Standards Handbook will be issued, and the “virtual handbook” will be available in FY 2000/2001. **This is an ES priority initiative.**

Means:

- Collaborate with agencies to ensure the standards meet user needs and assemble teams, on reimbursable details to OPM, to review work and make revisions where needed.
- Define competency-based approach to identify common clusters of occupations, single-occupation standards and competency-based job-family clusters for Qualifications Standards methodology (to be completed in FY 2000).
- Develop and implement a prototype “virtual handbook,” to showcase the revised qualifications standards on the Internet; and use Internet capabilities to provide access and links to other Federal job information sites and resources, (to be completed by the end of FY 2000).
- Establish a process for continual review of single-occupation standards and job-family clusters standards as critical occupations change.

Indicators and Performance Results:

- Revised Qualifications Standards for critical occupations are available to agencies as planned by the end of FY 2000.

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- Agencies will indicate that the new standards are assisting them in recruiting and selecting a diverse, high quality workforce, as measured through the OPM Customer Satisfaction Survey, after the new Qualifications Standards have been issued. *Because this is an FY 1999/2000 initiative, there are no data to report from the baseline FY 1998 survey.*
- In the longer term (FY 2002 or beyond), agency performance reports will indicate that they were able to hire the high quality workforce needed to accomplish agency goals, and CPDF data will indicate that agencies were able to recruit from a diverse workforce.

ES Goal 4: A flexible framework is in place to help agencies that are downsizing and restructuring to maximize their use of various alternatives to involuntary separations without reducing employee protections provided by the four statutory retention factors established in the veterans preference act for use in reductions in force.

In FY 1999/2000, ES will integrate and streamline the three existing Governmentwide programs which assist Federal employees displaced by restructuring to be more user-friendly for both employees and agencies.

Means:

- Review existing alternative personnel systems (e.g. Demonstration Projects), and pending and proposed legislation to identify agency plans for flexibilities in areas such as pay, broadbanding, performance management and qualifications.
- Based on identified agency plans, develop a framework that provides agencies with alternatives in the reduction in force process while maintaining consistency with the four statutory retention factors mandated by the Veterans Preference Act.
- Form agency work groups to review alternative framework and to provide feedback in regard to practicality and flexibility.
- Provide technical assistance in using flexibilities for any agency/groups of agencies for which new statutory personnel tools are enacted.
- Work closely with other OPM offices to ensure that the flexible framework is in compliance with other existing policies and regulations.
- Ensure that the framework recognizes reduced HR resources in agencies.

Indicators and Performance Results:

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- Alternative reduction in force processes will be developed and available for use as planned.
- Agencies will be able to implement new personnel practices that will be supported by the alternative framework while preserving the four statutory retention factors mandated by the Veterans Preference Act.
- Agency satisfaction with the new framework will be at the 90% or higher level, as measured through the OPM Customer Satisfaction Survey. *Because this is an FY 1999/2000 initiative, there are no data to report from the FY 1998 baseline survey.*

ES Goal 5: A new merit promotion process, supported by the merit principles, will provide agencies with practical and flexible processes that support a high- quality workforce.

Means:

- Continue to work with cross-disciplinary agency work groups consisting of human resources professionals, EEO professionals, line managers, and a variety of OPM offices including the internal personnel office, OMSOE, and Center for Partnership and Labor-Management Relations, to identify agencies' concerns and best practices regarding existing merit promotion processes.
- Consult, on an ongoing basis, a variety of stakeholders (e.g., NAPA, IPMA, 11 national unions, Federal senior executives) and private sector counterparts to identify and maintain best practices in employee recruitment, selection, and promotion.
- Final regulations to implement revised merit promotion policy process will be issued during FY 2000.
- Develop merit promotion guidebook that provides agencies and employees with best merit promotion practices, a definition of terms, and approaches and options available to agencies while adhering to the merit principles.
- Develop a component of new merit promotion policy that requires agencies to provide orientation and training for employees on the agency's merit promotion process.
- Work closely with OMSOE to ensure that agencies are implementing new merit promotion processes in compliance with merit principles and regulations.

Indicators and Performance Results:

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- Agency satisfaction that their views were taken into account and that the new process will be effective at the 90% or higher level, as measured by the OPM Customer Satisfaction Survey. *Because this is an FY 1999/2000 initiative, there are no data to report from the FY 1998 baseline survey.*
- The publication of new regulations regarding merit promotion policy will be issued as planned.
- A merit promotion process guidebook will be developed and published as planned.
- Orientation and training materials that assists agencies in meeting the regulatory requirements will be developed and published as planned.

ES Goal 6: **Agencies receive clear, accurate, timely advice and assistance to ensure
FY 1999/2000 that the lawful rights of employees and applicants, including veterans,
 are safeguarded.**

Means:

- Develop simple and clear explanations of laws, regulations, and Presidential policies which can be understood and easily adapted by agencies, following plain language guidance.
- Provide comprehensive models, guidance, and assistance to agencies as they conduct decentralized HR activities and implement employment policies and programs.
- Continue to use more collaborative processes with agencies to improve the way in which operating managers and personnel staff learn about new developments affecting their human resource management responsibilities and the policy tools available to them.
- Use electronic media, including the OPM Web site and CD ROM formats to widely disseminate core policy and program information, including laws, regulations, appellate decisions, and to respond to questions.
- Ensure that all proposed and final rules published in the Federal Register use plain language.
- Review and rewrite, as needed, all ES documents explaining how to obtain services or how to comply with agency requirements in plain language, by the end of FY 2001.

Indicators and Performance Results:

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- Report on the guidance and models issued during the year.

ES issued memoranda to HR Directors announcing new provisions of the Defense Authorization Act for FY 1998 that extended veterans' preference to Gulf War veterans and veterans meeting certain other specific service criteria. ES prepared questions and answers addressing issues concerning these new provisions and placed them on the OPM web site; and issued instructions to OPM examining offices and agency Delegated Examining Units (DEU's) on how to apply the new provisions.

ES conducted two special reviews of sample vacancy announcements to determine whether they met special career transition announcement requirements; conducted a study of the Reemployment Priority Program; completed comprehensive reports on agency buyout use and agency reemployment of buyout-takers; developed a new regulation-based voluntary early retirement program; and issued guidance on the use of Early Retirement Authority during FY 1998 and FY 1999.

Also in FY 1998 ES issued a new CD-Rom entitled "Career Transition -- a Briefing and Resource Guide for Employees" and in FY 1999, ES will develop comprehensive guides for agencies and managers on restructuring alternatives and RIF avoidance, and on HR issues and policies when outsourcing.

ES provided support to agencies in understanding medical disqualifications of preference eligibles, and in developing medical standards for positions considered arduous and hazardous.

ES also assisted the District of Columbia in its efforts to minimize the impact of downsizing, by establishing a special program to place in Federal positions displaced D.C. corrections workers, and approved an early retirement authority request for all D.C. Government.

- Evaluate qualitative feedback from agencies on the usefulness of guidance provided, including feedback on the OPM Web site.
- An increase in the level of agency HR Specialists' satisfaction with information sharing and technical assistance in employment areas, as measured by informal feedback and by a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels with major components of the ES program as measured by the FY 1998 survey were as follows:

<u>Program Area</u>	<u>Information</u>	<u>Technical</u>
	<u>Sharing</u>	<u>Assistance</u>

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<i>Employment Information</i>	86.9%	83.7%
<i>Selection & Promotion Policy</i>	81.0%	78.6%
<i>Merit Based Examining Tools</i>	77.4%	76.1%
<i>Veteran's Preference</i>	86.6%	84.2%
<i>Reduction in Force</i>	83.1%	79.5%
<i>Early Retirement/VSIP</i>	85.8%	81.7%
<i>Career Transition</i>	75.0%	73.1%

- Satisfaction levels at 80% or higher for specific guidance materials issued in FY 2000 as measured by HR Specialists' ratings on the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels with guidance materials issued in FY 1998 were as follows:

<u>Guidance Material</u>	<u>Satisfied/Very Satisfied</u>
<i>VetGuide</i>	88.1%
<i>VERA Guide</i>	84.6%
<i>VSIP Guide</i>	84.7%
<i>Employee Guides (RIF, RIF Separation Benefits, Career Transition, Buyouts)</i>	85.3%

- Evaluate the results of the annual Merit System Principles Questionnaire to determine if there has been at least a 2% improvement in perception of equity and merit base of agency staffing decisions over the FY 1999 results.
- Evaluate the results of oversight reviews to determine if fewer findings of systemic problems are found in agencies, and improvements are noted.
- All proposed and new rules published in the Federal Register meet plain language criteria.
- At least half of all existing ES policy documents are rewritten in plain language by the end of FY 2000.

**ES Goal 7:
FY 1999/2000** **Agency requests for variations, exceptions, extensions, waivers, adjudications, and Schedule C activities are responded to in a manner that is both timely and consistent with law and merit staffing principles so that agencies can proceed in a timely manner.**

Means:

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- Maintain expert staff fully knowledgeable of relevant statute, legislative history, case law, regulation, guidance, agency practice, and interaction between these various sources, in order to provide accurate reviews of issues which fully consider the impact on existing statute, regulations, and other programs and policies.
- Review exceptions on a periodic basis to ensure that the basis for the exception is well-documented, and compellingly justified.
- Monitor timeliness against standards established in FY 1998 for response to each type of review requested.
- Publish variations within specified timeframes and place on OPM's Web site.

Indicators and Performance Results:

- An increase in the level of agency HR Specialists' satisfaction (or maintenance at the 90% level) with the timeliness, courtesy, and responsiveness of staffing casework service as measured by the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction level with staffing casework service as measured by the FY 1998 survey was as follows:

	<u>Satisfied/Very Satisfied</u>
<i>Staffing casework</i>	76.6%

- Improve timeliness standards by 5% over FY 1999 levels. *ES will begin tracking these data in FY 1999.*
- Evaluate the results of the review of exceptions through qualitative analysis to determine if standards for documentation and justification have been met.

ES Goal 8: A model for workforce planning, analysis, and forecasting (initially enhanced by a direct link to Census, Labor, and educational institution data, with expansion of databases in later versions) is in place so that agencies can enhance workforce quality for mission-critical occupations by selecting from a diverse pool of well-qualified applicants, and by conducting effective succession planning.

Throughout Government, agencies have reached a stage in their downsizing and realignment efforts which requires a look towards the future to ensure that workforce needs are defined and

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addressed. Agencies must prepare to deal with future potential crisis (e.g., the aging workforce & Y2K) that could be averted through proper workforce planning.

OPM will respond by designing a model for workforce planning, analysis, and forecasting to assist agencies in understanding and responding to these future challenges. In FY 1997-1998, OPM began the conceptual design of an automated tool which merges information from the Central Personnel Data File (CPDF) and other internal sources to support data-driven HR strategies and decision making in agencies. This tool provides information about potential vacancies due to retirements, promotions, and restructuring. It enables users to profile agency-specific needs (e.g., by occupational series, required competencies, race, national origin, and gender) and allows users to conduct “what if” scenarios, projections, and analyses.

OPM has identified sets of data sources (e.g., Civilian Personnel Data File, Educational Pipeline for Postsecondary Educational Institutions, and Census) to be incorporated in a full-scale version of this automated tool. Results of this initiative will support effective succession planning in agencies and enable them to select from a diverse pool of applicants for mission-critical occupations.

In FY 1999 OPM will continue to work with interested agencies to refine the requirements for this tool, and to compile all of the technical requirements. By FY 2000, a fully operational prototype tool for automated workforce planning will be available. In collaboration with agencies, OPM will leverage the use of this automated workforce planning tool to surface occupationally-specific issues in areas such as staff intake, diversity, and retention. In addition, OPM will establish options for addressing these issues and lead agency stakeholders to begin broad workforce analyses of high profile occupations.

The finished workforce planning tool will be completed in FY 2001. **This is an ES priority initiative.**

Means:

- Design and implement operational version of existing Workforce Analysis and Planning tool, and provide to agencies on a reimbursable basis.
- Work with interested agencies to refine the requirements for this tool, and to compile all of the technical requirements.
- Implement fully operational prototype tool for Workforce Analysis and Planning, and make it available to agencies on a reimbursable basis by FY 2000.

Indicators and Performance Results:

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- The model is available to agencies as planned by the end of FY 2000, and at least two agencies will have begun to use the model.
- Agencies will indicate that the model is assisting them in their internal workforce planning, analysis, and forecasting and additional agencies will use the model with positive feedback.
- In the longer term, agency performance reports will indicate that they were able to hire the high quality workforce needed to accomplish agency specific goals, and that CPDF data indicates agencies were able to recruit from a diverse workforce.

**ES Goal 9:
FY 1999/2000** **Flexible, cost-effective, Governmentwide intern programs that incorporate competency-based assessment tools, and are built on the successful recruitment model of the Presidential Management Intern program and other successful agency intern programs, are available so that agencies can identify high quality, diverse candidates for mission-critical occupations. [See also ES Goal 12]**

OPM's success with the Presidential Management Intern (PMI) program leads way to the innovation and creation of new programs to meet the continued and crucial demand of recruiting and hiring high quality candidates for mission-critical occupations. One such program is the Career Intern Program for entry-level hiring primarily at the GS-5 and 7 levels. In FY 1999, OPM began implementation of this model program for hiring within the agency. By FY 2000, we will offer this program to other agencies to implement, on a pilot basis, for Governmentwide mission-critical occupations. Since the program will be in a pilot testing stage, continued agency feedback for improvements will be an integral component. Agency representatives will be identified to provide such feedback.

The Career Intern Program will focus on recruiting individuals with diverse backgrounds, specifically work and educational experiences that demonstrate their potential to excel in specific Federal career fields. Recruitment strategies effectively used in the PMI program will also be used in the Career Intern Program as well as other agency intern programs. ES will develop cost-effective and valid assessment tools to identify the competencies needed for mission-critical occupations covered by the pilot program. Additional funding will be requested to support the development of such tools, as well as funding obtained from external stakeholders. ES also intends to develop a wide variety of marketing tools to promote this new program (e.g., brochures, information on OPM's Web site, and specific recruiting tools).

In addition to the Career Intern Program, OPM intends to collaborate with other agencies in identifying additional recruitment programs needed (e.g., selecting and developing outstanding college graduates and those with equivalent education and background).

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Means:

- Establish an agency working group (in FY 1999, continuing in FY 2000) to review results of model Career Intern Program and other agency intern programs.
- Design and implement Governmentwide pilot programs in selected agencies and/or for selected mission-critical occupations.
- Develop cost-effective and valid assessment tools to identify competencies needed for mission-critical occupations covered by the pilot programs.
- Design and develop targeted recruitment programs, including high quality recruiting tools to promote new programs (e.g., brochures, information on OPM's Web site, and other specific recruiting tools).
- Plan evaluation of first year implementation of programs, including recruitment strategies and assessment tools, to be conducted in FY 2001.
- Work with agency advisory groups to review needs and develop and/or maintain special recruitment programs to attract the high quality, diverse candidates needed to accomplish Federal Government business (e.g., Presidential Management Intern Program, new programs to select for specific occupations such as IT professionals).
- Begin initial outreach programs with high schools, colleges, and universities to promote the Cyber Corps, a program designed to develop a cadre of IT professionals who will help ensure that Federal agencies are in the forefront of computer security technology and critical infrastructure protection.
- Utilize USAJOBS, the Governmentwide automated employment information system, to provide entry/intern program information and application forms to a wide audience of potential candidates.

Indicators and Performance Results:

- Agency satisfaction with program design and their involvement in the process, will be measured using the OPM Customer Satisfaction Survey, focus groups and other qualitative analysis efforts. *Because this is an FY 1999/2000 initiative, there were no data to report from the FY 1998 baseline survey.*
- Agency satisfaction with speed of the hiring process and the quality of hires made through the program, assessed through focus groups and other qualitative analysis efforts.

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- External stakeholders satisfaction with effectiveness of policies and programs available to recruit and select a high quality workforce, as measured by the results of studies conducted by such independent organizations as the Merit Systems Protection Board and General Accounting Office.

ES Goal 10: The *USACareers* Web-based system is placed in 100 universities and colleges with diverse enrollments in academic disciplines related to mission-critical occupations in Government to enhance agency recruitment efforts.

The *USACareers* Web-based system is a state-of-the-art career planning and development system that can be used by students to perform comprehensive diagnostics of their skills, identify their strengths and weaknesses, obtain feedback on occupational choices and link them to Federal career opportunities. The system is available on a subscription-basis, and ES will continue to offer it on this basis to publicly funded educational institutions. ES has requested additional funding to place the system in educational institutions who cannot afford the fees, or who are privately funded and therefore unable to contract for the system. These placements would include 100 universities and colleges with diverse enrollments in academic disciplines related to mission-critical occupations in Government, and high schools and other locations where the system could be used to support school-to-work initiatives such as Welfare to Work.

Means:

- Using data collected by the Employment Service, place *USACareers* systems in 100 universities and colleges with diverse enrollments in academic disciplines related to mission-critical occupations in Government.
- Place *USACareers* systems in selected high schools and other locations where case workers and counselors could use the system for job placement and training counseling.

Indicators and Performance Results:

- *USACareers* usage will increase (as measured by increased hits to the Web-based system).
- Longitudinal studies conducted in conjunction with the National Association of Colleges and Employers (NACE) will monitor increases in numbers of students hired from the schools where *USACareers* is placed.

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- Agencies indicate that recruitment of diverse, high-quality candidates is enhanced (as measured through the OPM Customer Satisfaction Survey) and through specific follow-up with agencies to assess recruitment. *Because this is an FY 1999/2000 initiative, there were no data to report from the baseline FY 1998 survey.*
- *Welfare to Work* and other school-to-work initiatives show gains in individuals moving into paid employment.

ES Goal 11: Required competencies are identified for all major Federal occupations and occupational analyses of three Governmentwide mission-critical occupations (auditing, accounting, information technology) are completed in order to provide information to support improved recruitment, selection, promotion, and career development tools needed for a high-quality Federal workforce.

Completion of occupational analyses in these three occupations will support OPM's continued Governmentwide leadership role in providing broad-based occupational analysis information to identify competencies for all mission-critical Government occupations. The analyses of these three occupations will begin in FY 1999, when detailed plans will be developed.

Once the occupational studies have been completed, ES will work in collaboration with major agency users of these occupations to develop innovative recruitment and retention strategies. These will include identifying sources and locations of high quality candidates; introducing high quality recruiting strategies; identifying critical job competencies for developing assessment tools; developing specific Governmentwide career intern programs for the specific occupations; and developing focused career development programs and orientations for each occupation. With requested additional funding and/or funding obtained from stakeholder agencies, these studies will be completed in FY 2000; otherwise they will be completed in FY 2001 or beyond.

Means:

- Work in collaboration with Federal agencies, various Federal organizations (e.g., Chief Financial Officers, Information Technology Association, Critical Infrastructure Coordination Group), and educational institutions with related academic concentrations to conduct the occupational studies and to develop the strategies for recruitment, selection, training, and retention.

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- Assess availability of competency information for critical Government occupations and work with agencies to form cooperative special interest groups to fund studies of remaining occupations.
- Complete the study of trades and labor occupations begun in FY 1998.
- Continue the international study of information technology, telecommunications, and Cyber Corps occupations to be completed in FY 2001.
- Develop a competency-based assessment consortia of state Governments to augment competencies in customer and work orientation.
- Add new competency information to the HRManager automated system which is widely available to agencies and other users to assist in developing valid, job-related selection and promotion procedures and other assessment tools.

Indicators and Performance Results:

- Agency and stakeholder satisfaction with the design and results of the studies, and with the strategies developed (as measured by qualitative analysis of feedback from agencies and stakeholders).
- In future years, by assessing results of longitudinal studies of the quality of the workforce in these occupations to determine if new tools were useful.
- An increase in the Federal occupations for which competency information is available.

In FY 1998 OPM began a job analysis study of trades and labor occupations; this study is partially funded by agencies with large numbers of wage grade occupations, such as the U.S. Mint and the D.C. Government. (This initiative, estimated to cost about \$2,000,000 would cost at least \$10,000,000 if conducted separately by individual agencies, thus saving \$8 million and ensuring availability of the information Governmentwide.) Previous studies have established tasks and competencies for clerical/technical, professional/ administrative, and supervisory/managerial/executive occupations covering more than 1,000,000 employees.

- Competency data are made widely available through the HRManager and USACareers automated systems.

All of the data from competency studies conducted in previous years are in the HRManager system, and the trades and labor data will be added in FY 2000.

ES Goal 12: **The value of the continued use of valid, fair, merit-based examining procedures, and the improved automated, competency-based assessment tools designed to support them, is communicated so that agencies have a better understanding of the impact of such procedures on workforce quality. [See also ES Goal 9, 21]**
FY1999/2000

Means:

- Assist agencies in tailoring and managing their own decentralized personnel systems so they select, in accordance with merit principles, those employees who will best help them accomplish agency missions.
- Educate Federal agency managers about the benefits of objective competency-based assessment tools for maximizing organizational productivity, reducing turnover, and improving customer service.
- Evaluate validity and cost-effectiveness of existing and new methods for selection and promotion and share findings with agencies.
- Maintain staff expertise in best practices for selection and promotion, in order to provide the best possible advice and assistance to agencies as they tailor their programs.
- Review data in the CPDF to monitor the types of appointing authorities used to determine if any should be moved to the competitive service.
- Use competency-based selection tools in model programs developed and operated by OPM (e.g., Presidential Management Intern program, Career Intern program).
- Recommend use of competency-based procedures in response to reimbursable requests for assessment assistance, and share results of effective applications.
- Encourage agencies to form cooperative special interest groups to fund the design of competency-based occupational development plans, selection procedures, and other human resource tools to improve workforce quality.

Indicators and Performance Results:

- Favorable perception of employees Governmentwide that staffing is conducted in accordance with Merit Systems Principle 1, (“Recruit, select and advance on the basis of merit”), as

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measured by a 50% or higher favorable ratings on relevant questions on the OPM Merit Systems Principles Questionnaire (MSPQ).

The baseline FY 1999 MSPQ survey showed a 47.5% overall favorable rating for Principle 1.

- Report whether the review of CPDF data indicated a need for movement of appointing authorities to the competitive service, and the status of this movement.
- Documentation of effective uses of objective competency-based assessment procedures in a variety of situations and at various Government levels.

In FY 1998, ES partnered with the Office of Executive Resources to update the leadership competencies for the Senior Executive Service. The new SES competencies will help agencies to select and promote the senior executive corps needed to lead the continuing transformation of Government.

STAFFING AND EXAMINING

- By the year 2002, using incremental targets established each year, raise the levels of underrepresented groups in Federal employment to be equivalent to their percentages in the relevant external labor market.

**ES Goal 13:
FY 1999/2000** **Information and strategies (including a model target recruitment plan) are available to agencies to increase the levels of underrepresented groups in key Federal occupations and at key grade levels by 2 percent over FY 1999 levels where necessary to be equivalent to their percentages in the relevant external labor market.**

The results of the first annual OPM Customer Satisfaction Survey (see Indicators and Performance Results below) indicate that OPM needs to take additional steps to assist agencies in their efforts to create a diverse Federal workforce. In FY 1999, ES will meet with agency representatives to identify actions both OPM and agencies can take to meet this goal; the new and continuing initiatives described below will likely be included.

Means:

- Work cooperatively with veterans' groups such as the Disabled American Veterans, The American Legion, Veterans of Foreign Wars, AMVETS and minority groups such as the

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Hispanic Association of Colleges and Universities (HACU), Historically Black Colleges and Universities (HBCU), Federal Asian Pacific American Council (FAPAC), Federally Employed Women (FEW), Blacks in Government (BIG), National IMAGE, Inc., the American Indian Higher Education Consortium; and other relevant groups such as the Equal Employment Opportunity Commission, and the President's Committee on Employment of People with Disabilities to develop strategies for encouraging applications from minority applicants.

- Promote awareness of USAJOBS, the Governmentwide automated employment information system, to the groups identified above.
- Target recruitment for special entry/intern programs to Historically Black Colleges and Universities, the Hispanic Association of Colleges and Universities, and other sources of high-quality candidates from groups that are underrepresented in Federal employment.
- Place Federal job information Touchscreen computer kiosks at selected HACU's and HBCU's and other targeted educational institutions in order to increase the diversity of Federal job applicant pools.
- Develop special section on OPM Website to communicate information regarding diversity and minority issues.
- Develop and issue specific guidance on recruitment strategies for diversity and minority groups who are underrepresented in Federal occupations.
- Explore, develop, and implement programs, tools, techniques, and policies which assist agencies in downsizing and restructuring with methods which do not adversely impact diversity; create new methods to avoid involuntary separations which typically have a more disparate impact on women and minorities.
- Create a model target recruitment plan that incorporates effective methods to assist agencies in their recruitment efforts.
- Provide agencies with clear, easy-to-understand, and timely diversity data and other information to support their own assessment of policy goals and objectives.
- Support special initiatives that could have an impact on increased hiring of a diverse workforce, e.g. Welfare to Work.
- Maintain staff expertise in order to provide advice and assistance to agencies in their own efforts to increase diversity.

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Indicators and Performance Results:

- Evaluate comparative data to determine if minority hiring and retention has resulted in a 2% increase in numbers in key occupations and at key grade levels where underrepresentation in the relevant labor market was shown in FY 1999.

ES has identified occupations across Government that we know are underrepresented. We are working with agencies that have a high percentage of underrepresentation in those occupations to develop strategies to address the shortfalls on a more detailed level. In addition, ES staff will continue to foster efforts to ensure that all agencies focus greater attention on diversity issues. For example, we will focus additional efforts on the Interagency Working Group on Race and Ethnicity which is reinventing the way the Federal Government collects race and national origin information. Issues raised include the adoption of a multi-racial category and the ability to make comparisons between the newly proposed categories and the current categories.

- Specific guidance is issued to assist agencies.

In FY 1998, OPM issued a strengthened nine-point plan to increase Hispanic employment, an initiative for improving Black representation at higher grade levels, and targeted recruitment guidance for women and for persons with disabilities. OPM also conducted extensive seminars and workshops on diversity and co-hosted a national summit of Federal Hispanic senior executives to develop strategies for increasing their numbers.

- Model recruitment plan issued and agencies are satisfied with its usefulness, as measured by customer satisfaction results on the annual OPM Customer Satisfaction Survey. *Because this is a new FY 1999/2000 initiative, there were no data to report from the baseline FY 1998 survey.*

- Special initiatives lead to qualitative and quantitative results.

The ES partnered with the Social Security Administration to establish Project Able to assist workers with disabilities in reentering the workforce. In FY 1998, the number of employer inquiries soared from an average of 32 per month to over 200 per month. ES also undertook a variety of activities to support the Welfare to Work initiative. To facilitate recruitment, ES implemented a Worker-Trainee job search on USAJOBS, and developed a one-page template to simplify the application process. ES Service Centers worked to support and motivate agencies nationwide through the Federal Executive Boards and Associations, Federal Personnel Councils, and other Federal community groups. ES also sponsored special sessions of the Clerical and Administrative Support examination for individuals participating

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in job training and placement programs. ES staff were recognized with a Hammer Award for their efforts in making this program a success.

- Touchscreens are placed in HACU's and HBCU's.

In FY 1998, ES collaborated with the Department of the Interior and the Department of the Treasury to place Federal Employment Information Touchscreen Kiosks at Hispanic-serving institutions and Historically Black Colleges and Universities. There are currently 33 institutions that have received a Federal Employment Touchscreen Kiosks through similar partnership agreements.

- Evaluate satisfaction with assistance through a qualitative analysis of direct feedback from external stakeholders, including feedback posted on the OPM Web site.
- An increase in the level of agency HR Specialists satisfaction with information sharing and technical assistance as measured by informal feedback and by a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels with this component of the ES program as measured by the FY 1998 survey was as follows:

<u>Program Area</u>	<u>Information Sharing</u>	<u>Technical Assistance</u>
<i>Workforce Diversity</i>	70.3%	68.5%

- Satisfaction levels at 80% or higher as measured by HR Specialists' ratings on specific guidance materials issued in FY 2000, as measured by the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels with guidance materials issued in FY 1998 were as follows:

<u>Guidance Material</u>	<u>Satisfied/Very Satisfied</u>
<i>Annual Statistical Profiles (Diversity Reports)</i>	66.7%

- Evaluate the results of the annual Merit System Principles Questionnaire to determine if there has been at least a 2% improvement in perception of equity and merit base of agency staffing decisions over the FY 1999 results.

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OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$6,532 Full-Time Equivalents: 47

- Ensure that delegated examining is conducted in accordance with merit system laws, regulations, and principles. (Continuing)

ES Goal 14: An effective program of support to agency Delegated Examining Units (DEU's) is maintained so that agency DEU's are continuing to operate according to merit system laws, regulations, and principles.
FY 1999/2000

To ensure that agencies are carrying out their delegated examining responsibilities in accordance with law and regulation, the Employment Service provides support to, and regularly recertifies, each operating Delegated Examining Unit (DEU) to ensure that agency DEU staff are fully trained. Now that three full years have passed since OPM provided full delegation of authority for examining to agencies, it is time to take an aggressive look at each of the DEU's, in conjunction with the Office of Merit Systems Oversight and Effectiveness, to ensure proper and effective operation. ES will begin this scrutiny in FY 1999 and continue it in FY 2000. **This is an ES priority initiative.**

Means:

- Work with agency representatives to ensure that the revised Delegation Examining Unit Handbook issued in FY 1998 is providing the assistance DEU's need; issue revisions to the Handbook as required.
- Develop and implement new, automated DEU training tools, including on-line assistance, to ensure the information that agency DEU staff need is available quickly and efficiently.
- Review frequency of regular on-site visits for DEU training and recertification (currently on a 3-year cycle), and increase if needed to assure quality operations.

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- Review quarterly reports filed by agency DEU's (of workload, certificate use, and veterans preference activity) for indicators that more frequent (or immediate) recertification and training is required; review adequacy of existing indicators, develop and implement revised/additional DEU performance based outcome measures, as needed.
- Work with OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE) to clarify what is expected of DEU operations when oversight reviews are conducted. (See OMSOE Goal 6)
- Review results of oversight reviews conducted by OMSOE to identify persistently identified problem areas.
- Work with OMSOE to create new methods for agencies to self-assess and enhance accountability in DEU operations.

Indicators and Performance Results:

- Adherence to schedule for DEU training and recertification; revisions to schedule made if warranted by FY 1999 review. *In FY 1998 ES continued regular recertification of agency Delegated Examining Units (DEU's) and accomplished all scheduled recertifications.*
- Results of OPM oversight reviews indicate fewer findings of systemic problems are found in agency DEU's and improvements are noted. In FY 1998 the ES developed and implemented an automated system to flag and identify systemic problem areas. A summary report is distributed to Service Center Directors to assist them in their DEU training and certification visits. The report identifies problems in nine areas (public notice, application processing, minimum qualifications, veterans' preference, ranking/scoring, certification, agreement jurisdiction, privacy act, and RNO/gender issues) and actions taken or recommended. In the future, comparisons will be made of the numbers and types of problems included in these reports, to determine if improvements are noted.
- New tools will be introduced to support DEU's, and existing tools will be improved as needed.

In FY 1998, ES issued a revised DEU Handbook to assist DEU staff, and established "Examiner Notes" to clarify examining policy for our Service Center Directors. In FY 1999/2000, ES will continue to work with the Office of Merit Systems Oversight and Effectiveness to develop a strategy to increase agency accountability through use of self-assessment procedures.

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- An increase in the level of agency HR Specialists' satisfaction with information sharing and technical assistance, as measured by informal feedback and by a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels with this component of the ES program as measured by the FY 1998 survey was as follows:

<u>Program Area</u>	<u>Information Sharing</u>	<u>Technical Assistance</u>
<i>Delegated Examining Unit Assistance</i>	<i>79.8%</i>	<i>77.5%</i>

- Satisfaction levels at 80% or higher as measured by HR Specialists' ratings on specific guidance materials issued in FY 2000 as measured by the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels with related guidance materials issued in FY 1998 was as follows:

<u>Guidance Material</u>	<u>Satisfied/Very Satisfied</u>
<i>Delegated Examining Operations Handbook</i>	<i>80.0%</i>

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$10,853 Full-Time Equivalents: 92

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

ES Goal 15: **Federal agencies receive timely, clear, accurate, and useful advice and**
FY 1999/2000 **assistance on existing employment policy flexibilities, tools, and models**
 so that they can apply them to reaching their strategic objectives.

Means:

- Identify and solve common problems and avoid duplication of effort by working cooperatively with consortia, agencies, and interagency groups, including the National Performance Review, the President's Management Council, the National Partnership Council, the Interagency Council on Administrative Management, the Interagency Advisory Group of Federal Human Resources Directors and its component Networks and Working Groups, the Human Resources Technology Council, Federal Executive Boards and Associations, and other more program-specific groups.
- Support a "one call does it all" policy with designated, accountable staff available anytime to troubleshoot for agency officials and staff.
- Use electronic media, including the Internet, to share with agencies the most current information about applicable laws, policy and program improvements, and innovative practices.
- Track where OPM has removed barriers but agencies have maintained internal barriers.
- Help agencies to apply the best HRM tools and practices available under law in order to hire, develop, and retain those who are most successful at accomplishing the agencies' missions.
- Establish improved procedures to ensure consistent guidance is given and hold both agencies and OPM staff accountable for clear communications.

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- Evaluate existing and new human resources management practices and procedures and share findings.
- Provide human resources managements leadership and maintain the visibility of expert staff through presentations and participation in professional associations, training events, workshops, conferences, and Federal Executive Boards and Associations, and by establishing and maintaining direct contacts within the human resource management community at all levels.
- Provide human resources management leadership and enhance visibility of expert staff through by preparing high-quality multi-media instructional materials, reports, and handbooks for agency use.
- Provide cutting-edge employment programs, policies, and operational solutions to agencies through holding an annual conference.
- Monitor current and emerging issues, trends, and stakeholder interests and incorporate in presentations and materials.
- Strengthen relationships with state and local counterparts through attendance at national meetings of key associations and through Service Center Director contacts with local Government officials.

Indicators and Performance Results:

- Evaluate satisfaction with advisory services process through a qualitative analysis of direct feedback, including feedback posted on the OPM Web site. Qualitative analysis of direct feedback and complaints received from agencies indicates that agencies are more aware of existing policy flexibilities.
- Improved information tools are available for key initiatives.

In FY 1998, ES issued several easy-to-use policy reference tools to assist agencies and the public (e.g. CD-Rom “Career Transition- A Briefing and Resource Guide for Employees,” “VetsInfo Guide”). Also in FY 1998, ES added the Title 5 Code of Federal Regulations to OPM’s Internet web site.

- An increase in the level of agency HR Directors’ satisfaction with 1) OPM’s employment policy leadership and 2) their opportunity for involvement, as measured by informal feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

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The HR Directors' baseline satisfaction levels with major components of the ES program, as measured by the FY 1998 survey were as follows:

<u>Program Area</u>	<u>Policy Leadership</u>	<u>Opportunity for Involvement</u>
<i>Employment Information</i>	83.7%	78.0%
<i>Selection and Promotion</i>	75.6%	75.0%
<i>Workforce Restructuring</i>	80.6%	75.0%
<i>HR Systems Automation</i>	54.3%	57.6%

- Evaluate whether standards for "one call does it all" have been met.
- Numbers and scope of requests received by staff to give presentations at external conferences, workshops, etc. *We will begin formal tracking of this information in FY 1999.*
- Numbers of reports issued and/or workshops and other events held to share information on best practices with human resources community. *We will begin formal tracking of this information in FY 1999.*
- Successful participation in key national association meetings. *We will begin formal tracking of this information in FY 1999.*

In FY 1998 Employment Service participated in the following national conferences: IPMA, IPMAAC, ASPA, NASPE, SIOP, APA, ICACT, ICAP, & MTA.

- Successful annual staffing conference held.

In May, 1998, ES held its first conference for agency HR employment professionals, "Solutions '98." Ninety-eight percent of the 540 attendees who responded to this question on the post-conference questionnaire rated the conference as good or excellent. Based on this success, the conference will now become an annual event; the 2nd conference is scheduled for May 2-4, 1999.

- Increased requests for advisory assistance and information as measured by the number of "hits" in employment program areas of the OPM Web site.

ES Goal 16: Organizational assessment tools are available to agencies to improve Government performance, including customer service.

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Federal Government agencies are increasingly aware of the need to assess organizational processes and customer service to assist in their efforts to improve Government performance, and ES is committed to assisting agencies with this effort.

Means:

- Develop and refine the Organizational Assessment Survey (OAS), an instrument to assess how well an organization's processes contribute to mission accomplishment, and make it available to agencies and other organizations.
- Develop customer service measurement instruments in response to agency and other organizational requests.
- Develop data bases of results from organizations who have used the OAS and customer service instruments (while protecting confidentiality), to provide benchmarking information to user organizations.

Indicators and Performance Results:

- The Organizational Assessment Survey (OAS), developed by OPM, is used by agencies and other organizations to contribute to the measurement and improvement of Government performance.

In FY 1997/1998, ES established Performance America, a network of agencies interested in building high performance organizations. Member agencies are using the OAS, which was designed by OPM for this purpose, to gather Governmentwide data on organizational culture, in order to do internal benchmarking and external benchmarking with high performing private sector organizations. In FY 1998, Connecticut became the first State to join this network.

The National Partnership for Reinventing Government (NPR) is also using a survey developed by ES (primarily from items in the OAS), to assess the impact of reinvention, particularly improved customer service, in high impact Federal agencies. The survey was administered in FY 1998 and results reported in FY 1999. The survey will be repeated in future years to assess change.

- The customer service measurement tools are used by agencies and other organizations to contribute to improved Government customer service.

In FY 1998 ES assisted several agencies, including OPM, with the development of specific customer satisfaction surveys.

ES Goal 17: OPM websites and other communication improvements are in place so that agencies are well-informed of changes in Employment Service policies and programs.

Agency feedback received at the Employment Service " Solutions '98" Conference made it clear that OPM needed to take additional steps to improve communications of policies and programs. Improvements are needed both in the direct delivery of information from OPM to agencies, and in the facilitation of information sharing within agencies.

Means:

- Issue an annual report that includes information on ES policies and programs.
- Develop and implement improved procedures to ensure that all policy offices maximize the use of automation to communicate.
- Foster better communication among staff for increased consistency in policy guidance.
- Explore additional uses of the Internet to deliver more information to agencies.
- Expand and maximize use of OPM website to communicate ES policies and programs.
- Develop and make available a basic library of electronic interactive media on ES policies and programs.
- Create a simple directory (ES-OPM) for the public and agencies on how to obtain information on the Internet regarding ES policies and programs.
- Develop special section on website to communicate information regarding diversity and minority issues.
- Develop and implement improved procedures for communicating to FEBs and FEAs.
- Minimize reliance on using paper as a form of communication.
- Work with agency groups to identify strategies that will facilitate better information sharing within agencies.

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Indicators and Performance Results:

- New communication methods will be introduced and current processes improved.
- An increase in the level of agency HR Directors' and HR Specialists' satisfaction with the methods used for communication of policy and other information, as measured by informal feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The baseline satisfaction levels as measured by the FY 1998 Customer Satisfaction Survey were as follows:

How easy is it for you to pass on OPM information to employees and managers in your organization?

	<u>HR Directors</u>	<u>HR Specialists</u>
<i>Difficult/Very Difficult</i>	16.3%	08.7%
<i>Neither easy nor difficult</i>	23.3%	30.3%
<i>Easy/Very Easy</i>	60.5%	61.0%

How useful are OPM briefings, forums, workshops, and satellite broadcasts as a means of sharing information?

	<u>HR Directors</u>	<u>HR Specialists</u>
<i>Not Useful</i>	04.9%	04.7%
<i>Somewhat useful</i>	56.1%	47.5%
<i>Very useful</i>	39.0%	47.8%

Have you ever visited the OPM Web site at <http://www.opm.gov>?

	<u>HR Specialists</u>
<i>Yes</i>	83.1%
<i>No, not aware of the Web page</i>	05.2%
<i>No, I do not have Web access</i>	04.3%
<i>No, I do not use the Web</i>	07.4%

How useful have these Web sites been to you?

	<u>HR Specialists</u>
<i>Not useful</i>	01.4%
<i>Somewhat useful</i>	37.2%
<i>Very user friendly</i>	61.5%

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To what extent do you find these Web sites to be user friendly?

	<u>HR Specialists</u>
<i>Not user friendly</i>	02.3%
<i>Somewhat user friendly</i>	45.3%
<i>Very user friendly</i>	52.4%

- The number of visits to the ES Web site will increase by 5% over FY 1999.

- Help agencies design, implement, manage, and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

ES Goal 18: Agency demonstration projects and other alternative personnel approaches address employment issues effectively.

Means:

- Work cooperatively with OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE) to review and identify employment issues with regard to Demonstration Project proposals and other proposals for alternative personnel approaches (such as Performance Based Organizations), and assess the soundness of proposed alternatives. When appropriate, provide options for improvement.
- Share with agencies the "lessons learned" from earlier demonstration projects and alternative personnel systems which included employment innovations.

Indicators and Performance Results:

- Positive comments and feedback provided informally and/or through customer satisfaction surveys.

In FY 1998, ES staff worked on two of the five workgroups established by the Dept. of Defense (DOD) to develop a DOD alternative personnel system under Title 5. The success of this interaction is demonstrated by the inclusion of many of the concepts developed in these workgroups in the HRM '98 Initiatives Framework. The ES also assists agencies to evaluate their personnel demonstration projects through reimbursable projects. Evaluations are underway for the DOD research laboratories and for the DOD

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acquisition workforce project. ES also assisted the U. S. Mint, the D. C. Government, and the Defense Finance Accounting Service to design alternative personnel approaches dealing with career banding for career development and management.

- Increased number of successful demonstration projects result in legislative and regulatory changes allowing greater flexibility in agency HR practices.

VERIFICATION AND VALIDATION

The measures used in this FY 2000 Annual Performance Plan for the Employment Service are a mix of measures that are already in place, or will be introduced in FY 1999.

The support for the measures included in this Plan is described below:

- ES will use accepted professional survey design, sampling techniques, and analysis procedures for internally developed customer satisfaction surveys, to ensure reliability and validity.
- ES will use accepted qualitative analyses techniques to assess direct feedback, participant evaluation forms, and focus group results, to ensure objectivity.
- ES will use data from Governmentwide surveys such as OPM's Merit System Principles Questionnaire, and from surveys conducted by external organizations such as the Merit Systems Protection Board, the General Accounting Office, and the National Partnership for Reinventing Government, which have met professional standards for validity and reliability.
- ES will evaluate qualitative analyses of feedback against survey data to determine if the findings from the two assessment methods are consistent, and will follow up discrepancies with additional research, to include focus groups, telephone interviews, or on-site visits on specific issues.
- ES will use results from OPM oversight reviews which have been conducted following accepted professional evaluation practices.
- ES will use accepted professional accounting and tracking software to measure cost savings and improvements in quality and efficiency, and assess accuracy of data through quality control reviews.
- ES will use accepted web page "counter" software and systems to measure "hits."

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- ES will use appropriate, valid and reliable external data sources to collect and track comparison personnel data (such as the Central Personnel Data File).

FY 2000 BUDGET CHANGES:

An increase of \$2,000,000 is requested to conduct an outreach program with high schools, colleges and universities and to develop strategies to recruit and train students for information technology occupations in the Federal Government.

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SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

WORKFORCE COMPENSATION AND PERFORMANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$6,361	\$7,659	\$7,659	---
Full-Time Equivalents	63	74	74	---

DESCRIPTION OF ACTIVITY

Workforce Compensation and Performance Service (WCPS) encourages innovative thinking and long-range planning about the forms, delivery, and cost management of both direct and indirect compensation for Federal employees in the 21st century; and promotes results-oriented performance management and recognition in support of reinvention, the Results Act, and performance-oriented organizations.

WCPS comprises the programs responsible for performance management and incentive awards, classification, compensation strategic planning and policy, and pay and leave administration. It includes a new Total Compensation Policy Center, which links the systems for classification, compensation, and performance management with the Government's management systems, with the objective that the Government's investments in people and in their compensation work together for performance and results. For administrative purposes, WCPS also includes the Federal Prevailing Rate Advisory Committee.

In order to meet these responsibilities, WCPS recruits highly-experienced human resource specialists and managers from other Federal agencies who have hands-on experience in supervising and operating performance management, classification, and compensation programs. As needed, it hires contractors who are applications experts to upgrade or replace automated systems. All existing automated systems are being upgraded to the new agency standards for Y2K-compliant applications, and employees are being trained in-house in the new standards and applications. Major projects are controlled and monitored with an automated project tracking system, and required core competencies for each employee have been identified.

FY 2000 Priorities

The Workforce Compensation and Performance Service has identified three priorities for FY 2000.

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The first, total compensation design (WCPS Goal 2), will establish a new performance-oriented system for determining the value of work, setting and adjusting basic pay, and ensuring appropriate earned benefits for all Federal employees in a highly flexible structure to adjust to rapidly changing mission needs, technologies, and labor markets so that total costs are readily apparent and the Federal government is a market-competitive employer;

The second is the continued development of job classification family standards (WCPS Goal 7), which, in compliance with Partnership for Reinventing Government initiatives, will reduce the total number of job classification standards, increase flexibilities, and decrease the number of classification appeals; and,

The third priority is the administration of current compensation systems (WCPS Goal 3), including the General Schedule and related pay systems, the Federal Wage System, and the Nonforeign Area Cost-of-Living Allowance Program, so that Federal employees continue to be paid in an efficient, accurate, and timely manner .

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$7,154 Full-Time Equivalents: 68

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

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WCPS Goal 1: By the end of FY 2000, needed changes in all significant OPM program policies are identified and changes are introduced so that Federal agencies are better equipped to respond to changing human resources and agency needs in the 21st century.

Means:

- WCPS organized its review of policies and programs by establishing a 3-year review of major policy areas. In FY 2000, all areas will have been reviewed and changes needed to promote a merit-based and cost effective Federal service identified. Policies scheduled for review each year include the following:
FY 1998: General Schedule pay-setting and basic pay administration;
FY 1999: allowances, differentials, premium pay, and hours of duty;
FY 2000: Federal Wage System administration and all leave programs.
- Necessary changes in law or regulation to promote a merit-based and cost-effective Federal service are developed based on the results of the second year (FY 1999) of the 3-year comprehensive review of compensation, position classification, and performance management policies and programs.
- Issue a *Federal Register* notice or other document indicating OPM's intent to conduct a review of selected Governmentwide compensation, position classification, and performance management policies and programs; seek comments on specific policies and programs in an effort to identify possible legislative and regulatory changes; distribute copies widely through electronic means.
- Seek involvement of existing stakeholder groups, such as the President's Management Council (as appropriate) and the Planning Committee and Compensation Network of the Interagency Advisory Group, in identifying needed changes.
- Issue a report to the Director of OPM on the results of each phase of the review, including changes identified by stakeholders.
- In consultation with existing stakeholder groups, reach agreement with key stakeholders on changes needed in specific General Schedule pay-setting and basic pay administration policies and programs.
- Publicize consensus reached among stakeholders through electronic and other means.
- Develop specific legislative and regulatory proposals to carry out agreements reached.

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Indicators/Performance Results:

- An increase in the level of agency HR Directors' satisfaction with OPM's compensation, position classification, and performance management policy leadership, as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey. *The baseline level of satisfaction as measured by the 1998 OPM Customer Survey was as follows:*

<u>Program Area</u>	<u>Policy Leadership</u>
<i>Pay and leave administration</i>	<i>78%</i>
<i>Nonforeign area Cost-of-Living Allowances (COLA)</i>	<i>54%</i>
<i>Federal Wage System (FWS)</i>	<i>67%</i>
<i>Position Classification and Position Management</i>	<i>58%</i>
<i>Performance Management</i>	<i>85%</i>

- A report to the Director is issued on each phase of the scheduled policy review.

Key results of the FY 1998 policy and program review were as follows:

WCPS discussed with stakeholders the need for greater flexibility in administering the General Schedule (GS) pay system. A general consensus was reached that one way to accomplish this goal would be to authorize Federal agencies to establish broadbanding systems covering GS positions. Within broadbanding systems, agencies would be permitted to establish their own policies governing such matters as (1) how pay is set or administered upon initial appointment or change of position or type of appointment, (2) how general pay increases are granted to individual employees, and (3) how individual employees progress through the pay range.

Other ideas for changing GS pay-setting and basic pay administration policies and practices that developed out of OPM's FY 1998 review include (1) proposals to make recruitment and relocation bonuses and retention allowances more flexible (resulting in the issuance of interim regulations in June 1998) and (2) a legislative proposal to address pay anomalies relating to the interaction of special rates and locality pay (transmitted to Congress in July 1998).

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WCPS also developed a legislative proposal in FY 1998 to simplify the way Federal firefighters are paid. This legislation was enacted by Congress and signed by the President on October 21, 1998.

In FY 1999, WCPS will continue to consult with stakeholders to develop a proposal to give Federal agencies greater pay-setting and basic pay administration flexibility through broadbanding. We will expand our review to include allowances, differentials, premium pay, and hours of work policies, and we will improve our rate of positive responses in the agency customer satisfaction survey.

- *An increase in the level of agency HR Directors' satisfaction with their opportunity for involvement with the compensation, position classification, and performance management policy making process, as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.*

The baseline level of satisfaction as measured by the 1998 OPM Customer Survey was as follows:

<u>Program Area</u>	<u>Agency Involvement</u>
<i>Pay and leave administration</i>	<i>68%</i>
<i>Nonforeign area Cost-of-Living Allowances (COLA)</i>	<i>52%</i>
<i>Federal Wage System</i>	<i>58%</i>
<i>Position Classification and Position Management</i>	<i>63%</i>
<i>Performance Management</i>	<i>88%</i>

- *Specific legislative and regulatory proposals which reflect broad consensus among stakeholders are developed.*

Since FY 1998 was the first year of WCPS' 3-year review of compensation policies and programs, we did not identify a comprehensive package of changes to be made in FY 1998 as a result of that review. However, some proposals were developed during FY 1998, including more flexible retention allowance provisions and legislative changes designed to improve the interrelationship between special salary rates and locality pay.

In FY 1999, WCPS will work with Congress to develop solutions to existing concerns dealing with locality pay and special salary rate anomalies.

In FY 1999, OPM will develop proposals to encourage greater pay-setting flexibilities through broadbanding.

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COMPENSATION, CLASSIFICATION, AND BENEFITS

- By the year 2002, propose legislative changes to achieve a modernized performance-oriented system of total compensation including establishing the value of jobs/work/performance; setting and adjusting basic pay; designing and delivering variable pay; and establishing and ensuring appropriate earned benefits — that can adapt to a variety of missions, structures, labor markets, and work technologies and can keep total costs apparent to managers who are held accountable for managing those costs.

WCPS Goal 2: Options for performance-oriented approaches to total compensation in the Federal government are formulated and vetted among stakeholders so that consensus legislative proposals can be drafted and forwarded for action.

Means:

- Conduct comprehensive research on best practices in compensation systems, techniques, and practices to find compensation tools that can be utilized within the Federal government, through review of academic and professional literature, and attending conferences and symposia.
- Thoroughly canvass all Federal stakeholders to understand the range of views on compensation issues and to determine which elements of the current structure are identified as needing change through such means as surveys and focus groups.
- Conduct a Total Compensation Conference, incorporating pay, position classification, and performance management themes and utilizing panels of Federal stakeholders and compensation experts in order to summarize the findings for a wider audience.

Indicators/Performance Results:

- OPM develops and disseminates a comprehensive picture of state-of-the-art compensation practices.

In FY 1998, established the Total Compensation Policy Center (TCPC) to carry out OPM's strategic goal of developing legislation by:

- *researching current practices and innovations in pay, benefits and other forms of compensation in the Federal government, state and local governments, the private sector and foreign governments;*

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- *gathering views throughout the Federal government about changes in compensation practices that would help us recruit and retain the high quality workforce necessary to meet the challenges of the future; and*
 - *working with stakeholders throughout the Federal government to fashion comprehensive proposals for a comprehensive system that ensures equity while providing organizations the tools necessary to meet future challenges.*
- Federal stakeholders indicate their satisfaction with the opportunity to express views and opinions to OPM on its total compensation efforts.

In FY 1998, began process of disseminating to Federal stakeholders information about the TCPC program by speaking at Governmentwide forums.

- The Total Compensation Conference is shown by end-of-conference surveys to have satisfied participants' expectations for the level and type of information provided to help them understand developing issues in Federal compensation.

In FY 1999, we plan to conduct the first Total Compensation Conference, so baseline data does not yet exist.

COMPENSATION, CLASSIFICATION, AND BENEFITS

- Carry out the tasks required to ensure cost-effective implementation of existing and newly-enacted pay and leave provisions. (Continuing)

WCPS Goal 3: **Compensation systems under current law are administered
FY 1999/ FY 2000** **efficiently, accurately and in a timely manner. These include:
(1) the pay-setting process for General Schedule (GS) and related
pay systems; (2) the Federal Wage System (FWS); and, (3) the
Nonforeign Area Cost-of-Living Allowance (COLA) Program.**

Means:

- Maintain and/or modify, as necessary, a methodology for comparing GS and non-Federal salaries in designated locality pay areas.

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- Provide staff support to the Federal Salary Council, OMB, and the President's Pay Agent, as appropriate, for decisions on (a) the ECI-based pay adjustment, (b) locality payments for GS and other employees, and (c) SES pay rates.
- Prepare an annual report of the President's Pay Agent on locality payments.
- Issue salary tables and other explanatory materials to assist agencies in implementing pay adjustments.
- Provide Governmentwide leadership and staff support for FWS labor-management partnership activities, primarily through the Federal Prevailing Rate Advisory Committee.
- Conduct a continuing program of maintenance and improvement regarding FWS pay policies and programs, including a targeted review of FWS local wage area boundaries.
- Conduct living-cost surveys in nonforeign allowance areas and Washington, DC, through involvement of affected agencies and employee groups in the COLA Partnership Pilot Project. Implement new COLA rates, as needed.

Indicators/Performance Results:

- All actions necessary to make new pay schedules effective are accomplished within statutory deadlines, and agencies are provided with sufficient information to implement new pay schedules on a timely basis.

In FY 1998, WCPS provided cost and other analyses needed for the Administration to plan for the 1999 Federal pay raises. Issued January 1998 salary tables which implemented changes in General Schedule pay and locality increases. This work will continue in FY 1999 and FY 2000.

- The annual report by the President's Pay Agent is issued in a complete and timely manner.

Modified and updated computer programs needed to calculate pay gaps for the 1998 report of the President's Pay Agent on locality pay. Produced the 1998 annual report of the President's Pay Agent. This work will continue in FY 1999 and FY 2000.

WCPS reviewed numerous requests for adding additional locality pay areas or modifying the definitions of existing locality pay areas.

- Through comments and feedback provided informally and/or through the OPM Customer Satisfaction Survey, relevant Federal agencies, unions, and employee groups express

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satisfaction with OPM’s efforts to: provide leadership for FWS administration and involve them in administering the COLA program.

The 1998 OPM Customer Satisfaction Survey showed a 67 % satisfaction rate with policy leadership for FWS administration and 52 percent satisfaction with agency involvement in administering the COLA program. Only 5% expressed dissatisfaction with agency involvement in administering the COLA program.

- Maintain the level of satisfaction of HR Specialists with regard to the pay tables guidance materials.

The FY 1998 OPM Customer Satisfaction Survey showed a 92% satisfaction level with these materials.

- An increase in the level of HR Specialists’ satisfaction with OPM’s information sharing and technical assistance about pay issues as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The baseline level of satisfaction as measured by the 1998 OPM Customer Survey was as follows:

<u>Program Area</u>	<u>Information Sharing</u>	<u>Technical Assistance</u>
<i>Annual pay adjustment process</i>	<i>89%</i>	<i>83%</i>
<i>Federal Wage System</i>	<i>80%</i>	<i>77%</i>
<i>Nonforeign Area COLA</i>	<i>76%</i>	<i>74%</i>

**WCPS Goal 4: In order to ensure a cost-effective Federal service, a collaborative
FY 1999/FY 2000 review of the COLA (Cost-of-Living Allowance) program and other
 compensation issues affecting employees in the COLA areas is
 carried out in preparation for a report to Congress.**

Means:

- Work with COLA plaintiffs, their attorneys, and the Department of Justice to conduct joint research under the terms of a court-approved Memorandum of Understanding and arrive at common principles for administering and/or reforming the program in the future.

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- Oversee and/or conduct independent research in preparation for OPM’s report to Congress.

Indicators/Performance Results:

- On the basis of joint and independent research efforts and appropriate discussions with key stakeholders, OPM reaches agreement with COLA plaintiffs on common principles and/or clearly articulates its rationale for areas of disagreement.

In FY 1998, continued to work on research for the COLA program in Safe Harbor Working Group meetings with the COLA plaintiffs and their representatives.

- Report submitted to Congress on the status of the COLA program as required by.
- An increase in the level of agency HR Directors’ satisfaction with 1) OPM’s policy leadership and 2) their opportunity for involvement, as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Directors’ baseline satisfaction levels as measured by the 1998 OPM Customer Survey were as follows:

<u>Program Area</u>	<u>Policy Leadership</u>	<u>Agency Involvement</u>
<i>Nonforeign area Cost-of-Living Allowances (COLA)</i>	54%	52%

WCPS Goal 5: Policies and programs for Governmentwide pay, leave, and hours of work under current law are administered in an effective and timely manner in order to ensure a cost-effective Federal service.

Means:

- Maintain and interpret Governmentwide regulations on the administration of pay, leave, and hours of work for Federal employees and develop appropriate regulatory proposals in response to changes in law, OPM staff analyses, or requests from Federal agencies, as needed.
- Conduct and implement the results of OPM’s annual review of special rates for white-collar employees and respond to requests for new or modified special rates.

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- Monitor title 38 delegation agreements on special pay authorities for health care workers and facilitate agreement among agencies on use of delegated authorities.

Indicators/Performance Results:

- An increase in the level of HR Specialists' satisfaction with OPM's information sharing about pay and leave issues as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels, as measured by the 1998 OPM Customer Survey was as follows:

<u>Program Area</u>	<u>Information Sharing</u>
Pay Administration	85%
Leave Administration	87%
Premium Pay and Hours of Work	80%

- Regulations and policy guidance on pay, leave and hours of work issued as needed.

In FY 1998 WCPS issued proposed regulations at the request of the Smithsonian Institution to provide a new category of hazardous duty pay.

WCPS conducted annual review of special salary rate system in FY 1998. Replaced DOS-based automated system with a new system created in Microsoft Access for Windows 95/NT which is Year 2000 compatible.

WCPS issued a memorandum for heads of executive departments and agencies in FY 1998 transmitting the President's memorandum, entitled "Assistance for Federal Employees Affected by the Bombings at U.S. Embassies in Kenya and Tanzania." It provided agencies with information on the various human resource programs and benefits that are available to employees in the aftermath of the tragedy and guidance on the newly established emergency leave transfer program.

In FY 1998 WCPS issued a memorandum for heads of executive departments and agencies transmitting the President's memorandum, entitled "Strengthening Our Commitment to Service." It provided guidance on flexibilities that may be used for granting Federal employees time off to participate in volunteer activities.

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COMPENSATION, CLASSIFICATION, AND BENEFITS

- By the year 2002, simplify and automate the current General Schedule position classification system, reducing the number of position classification standards from more than 400 to fewer than 100.

WCPS Goal 6: Agencies are equipped with a further simplified General Schedule classification system that contains fewer than 225 classification standards. Agencies are equipped with a Federal Wage System that is updated and maintained to reflect agency work practices.

Means:

- Continue development of job family standards in collaboration with agency HR managers and the IAG Position Classification Network. This activity began in FY 1997 and will be completed at the end of FY 2002.
- Determine the sequence in which standards will be developed based on such factors as significant changes in the nature of the occupation, size of Federal employee population and agency requests.

Indicators/Performance Results:

- By the end of FY 2000, approximately 150 single series standards have been eliminated from the classification system. This is 56 percent of the FY 2002 goal, a reduction at least 267 single series from the FY 1997 baseline.

Number of Classification Standards

FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
366	346	320	216	155	99

In FY 1998, issued final job grading standard for Machinist, 3414 and Hazardous Material Handling, 6913. Reduced the number of General Schedule classification standards by 24 through the issuance of two job family standards. Conducted job family standards workshops in Denver, San Francisco, Atlanta, Dallas, and Ocean City.

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In FY 1999, will issue final job grading standard for Aircraft Mechanic, 8852, draft and final job grading standards for Composite and Plastic Fabricator, 4352 and Aircraft Engine Mechanic, 8602.

In FY 1999, will issue draft position classification standard for Administrative Investigation Work.

WCPS Goal 7: Leadership of the multi-year effort to develop job family standards to evaluate General Schedule positions that comply with title 5 U.S.C. and the Partnership for Reinventing Government initiatives is continued.

Means:

- Develop job family standards criteria that address work of all similar series into a single document.
- Monitor and assist in the implementation of standards across agencies.
- Meet with the Position Classification Network of the Interagency Advisory Group (IAG) and other stakeholders to discuss concerns and any unanticipated problems.

Indicators/Performance Results:

- Number of job family standards developed.

In FY 1998, the GS-0900 Technical Legal and Kindred Work job family standard was submitted to agencies for comment. WCPS issued final job family standards for GS-1300 Professional, GS-0500 Clerical and Technical, GS-0500 Professional, GS-0200 Clerical, and GS-0900 Clerical and Technical families. In addition, extensive fact finding for 13 on-going job family standards studies was conducted.

In FY 1999, WCPS will issue six additional job family standards and initiate four additional job family standards studies.

In FY 2000, WCPS will issue seven additional job family standards and initiate five additional job family standards studies.

- Positive feedback from IAG Position Classification Network, Internet Forums, conferences, and the website questionnaire indicate that HR community/managers are familiar with and understand new/simplified approach.

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- Positive feedback on draft standards application as expressed in the OPM Customer Satisfaction Survey, and fewer appeals indicate that classification standards have improved.
- Satisfaction levels at 80% or higher as measured by HR Specialists' ratings on specific guidance materials issued in FY 2000 as measured by the annual OPM Customer Satisfaction Survey are achieved. *The HR Specialists' baseline satisfaction levels with guidance materials issued in FY 1998 were as follows:*

<u>Guidance Material</u>	<u>Satisfied/Very Satisfied</u>
<i>GS-0500 Clerical and Technical Job Family Standards</i>	76%
<i>GS-1300 Professional Job Family Standards</i>	81%

WCPS Goal 8: Agency managers are receiving easy-to-use classification and position management program guidance that facilitates delayering and streamlining their organizations.
FY 1999/FY 2000

Means:

- Evaluate the initial impact of the Leader Grade (LG) Evaluation Guide implementation through the OPM Customer Satisfaction Survey and feedback from agency specialists participating in the IAG Classification Forum on agency delayering programs, and effect whatever revisions/changes are deemed necessary to facilitate optimum utility of the Guide.
- Explore with stakeholders the need to revise the General Schedule Supervisory Grade Evaluation Guide (GSSG) as needed to coordinate with the LG Evaluation Guide in assisting agency delayering programs and create more position classification flexibility.

Indicators/Performance Results:

- Comments and feedback provided through customer surveys of the IAG Network on Position Classification representatives indicate satisfaction with the Guide in their agencies.
- Classification and position management program guidance is issued, as necessary.

In FY 1998, WCPS issued the final General Schedule Leader Grade Evaluation Guide and revised the General Schedule Supervisory Grade Evaluation Guide. In addition, a successful 1998 OPM Position Classification Symposium was held.

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- Issuance of two enhanced HRCD-ROMs each year with current salary tables and other automated improvements.

In FY 1998, WCPS issued two updates to the HRCD-ROM.

- An increase in the level of agency HR Directors' satisfaction with 1) OPM's policy leadership and 2) their opportunity for involvement, as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Directors' baseline satisfaction levels as measured by the 1998 OPM Customer Survey were as follows:

<u>Program Area</u>	<u>Policy Leadership</u>	<u>Agency Involvement</u>
<i>Position Classification and Position Management</i>	58%	63%

- An increase in the level of HR Specialists' satisfaction with OPM's information sharing about position classification and position management as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction level, as measured by the 1998 OPM Customer Survey were as follows:

<u>Program Area</u>	<u>Information Sharing</u>
<i>Position classification and position management</i>	77%

- Satisfaction levels at 80% or higher as measured by HR Specialists' ratings on specific guidance materials issued in FY 2000 as measured by the annual OPM Customer Satisfaction Survey.

The HR Specialists' baseline satisfaction levels with guidance materials issued in FY 1998 were as follows:

<u>Guidance Material</u>	<u>Satisfied/Very Satisfied</u>
<i>HRCD-ROM</i>	76%
<i>General Schedule Leader Grade Evaluation Guide</i>	81%

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COMPENSATION, CLASSIFICATION, AND BENEFITS

- By the year 1999, work with stakeholders to formulate a consensus regarding a credible annual pay adjustment process for the General Schedule and related pay systems.

WCPS Goal 9: Pending major reform of the Federal compensation system, a proposal for a credible annual pay adjustment process for the General Schedule and related pay systems is developed.
FY 1999/FY 2000

Means:

- Hold informal discussions between work group members, leading non-Federal compensation experts, and representatives of private sector data providers on the factors considered by major non-Federal employers in making pay adjustments and the sources of data (salary surveys, etc.) used in making such decisions.
- Reach consensus on short-term and/or long-term changes in the annual pay adjustment process and develop appropriate legislative proposals to accomplish these changes.

Indicators/Performance Results:

- Stakeholders indicate through the OPM customer satisfaction survey that their interests and views are reflected in proposals to implement the consensus reached on short-term and /or long-term changes. (No baseline data is available for FY 1998.)
- A proposal for a revised annual pay adjustment process is developed and disseminated to stakeholders.

Analyzed additional National Compensation Surveys conducted by the Bureau of Labor Statistics. This work will continue in FY 1999 for FY 2000 Federal pay raises.

In FY 1998 WCPS worked with the Federal Salary Council and the President's Pay Agent staff to reach agreement on the need to revise/improve the salary survey process. During FY 1999 work will focus on the development of a plan for improving the salary survey process for FY 2000.

In FY 1999, WCPS will work with stakeholders to develop options for changing the annual pay adjustment process pending major reform of the system and prepare a report to Congress on problems with the current annual pay adjustment process.

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- Promote performance improvements by maintaining a flexible, decentralized policy framework for appraisal, awards, and human resource development within which agencies can establish results-oriented and merit-based programs for planning, measuring, developing, and rewarding employee performance at the individual, group, and organizational level that by 2002 are tailored to agency mission, structure, culture, workforce, and work technology. (Continuing)
- Promote credible, effective programs that provide monetary and nonmonetary incentives and recognition for individual, group, and organizational achievements. (Continuing)

**WCPS Goal 10: The Governmentwide policy framework is up-to-date and
FY 1999/FY 2000 accommodates cutting-edge proposals so that agencies can enhance
 individual and organizational performance and ensure individual
 accountability.**

Means:

- Issue regulations, interpretations, and guidance on appraisal and awards issues that maintain agency authority to develop and administer appraisal and awards programs tailored to agency mission, workforce, and culture.
- Provide policy interpretation, guidance and assistance through distribution of newsletters and reports, timely responses to customer inquiries, and effective support of Administration initiatives.

Indicators/Performance Results:

- Performance management regulations include all the necessary adaptive changes required by: changes in the laws affecting performance management; changes in OPM's and the Administrations's performance management policy interpretation; and changes in regulations made by other human resources program areas.
- Performance management regulations have clearly defined, broad parameters and provide maximum flexibility, so that agencies understand they can do most of what they want to do

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under current performance management regulations without needing to request demonstration authority.

In FY 1998, WCPS issued guidance on new regulations dealing with use of performance ratings in calculating service credit in reductions-in-force, issued Questions and Answers on Performance Management and conducted a workshop on "Understanding Awards and Using Them Well." In addition, using an interagency work group representing diverse interests, WCPS developed recommendations for streamlining the collection of awards data.

In FY 1999, WCPS will issue the following handbooks:

Understanding Awards and Using Them Well, which emphasizes good, basic information about the various types of employee awards and how they can be used.

Measuring Employee Performance, which emphasizes development of employee performance plans that support accomplishment of organizational goals.

During FY 1999 an overview paper on group incentives will be prepared.

WCPS Goal 11: **Agencies are provided assistance and advice in developing
FY 1999/FY 2000 employee performance management systems that meet the
 requirements of the Government Results and Performance Act and
 are used to support and reward accomplishment of agency strategic
 goals.**

Means:

- Assist in conducting the FY 2000 Total Compensation Conference and distribute guidance materials to share best practice experience and discuss emerging issues and trends, with particular emphasis on using all processes of employee performance management to improve individual and organizational performance.
- Provide policy interpretation, guidance and assistance through distribution of newsletters and reports, timely responses to customer inquiries, and effective support of Administration initiatives.

Indicators/Performance Results:

- An increase in the level of HR Specialists' satisfaction with OPM's information sharing about performance appraisal and incentive awards policies as measured by informal

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customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey. *The HR Specialists' baseline satisfaction levels, as measured by the 1998 OPM Customer Satisfaction Survey were as follows:*

<u>Program Area</u>	<u>Information Sharing</u>
Performance Appraisal	73%
Incentive Awards	74%

- End-of-conference surveys indicate that there is a perception of appropriate balance of technical guidance and program innovations.

Successfully conducted the 1998 Performance Management Conference and distributed guidance materials to over 300 human resource managers. In FY 1999, develop performance management-related program segments for the Total Compensation Conference.

The 1998 Performance Management Conference received an overall evaluation of 4.4 on a five-point scale in the end-of-conference survey of 106 participants. Eighty percent said that the conference met their needs, and 92 percent said that the presentation materials were useful.

- Performance management products address features and explain the five fundamental processes of performance management (planning, monitoring, developing, rating, and rewarding performance).

In FY 1998, WCPS issued Questions and Answers about Performance Management and Performance Appraisal for Teams.

In FY 1999, issue overview papers on evaluating appraisal programs and "Performance Appraisals for Teams."

- Agencies are satisfied with the advice WCPS provides on employee and group performance issues, including aligning performance elements in employee performance plans with organizational goals, providing feedback to employees on individual and group performance against established goals, analyzing employee training and development needs and providing training and development opportunities that support the needs of the organization, rating employee performance against established elements and standards, and rewarding individuals and groups who achieve individual and organizational goals. This is demonstrated by the response to a question on the 2000 OPM Customer Satisfaction Survey.

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In FY 1998, conducted 8 successful one-day interactive workshops on developing employee performance plans to support accomplishment of organizational goals. Post-workshop customer surveys indicated that at each workshop at least 75 percent of participants rated the overall presentation at least a four on a five point scale.

In FY 1999, issue a handbook, "Measuring Employee Performance," which emphasizes the development of employee performance plans that support the accomplishment of organizational goals.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$505 Full-Time Equivalents: 6

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

WCPS Goal 12: Federal agencies receive timely, clear, accurate, and useful advice and assistance on classification, compensation, and performance management that keeps them better informed about appropriate system flexibilities and ways in which they can be used to support accomplishment of agency strategic goals.
FY 1999/FY 2000

Means:

- Establish standard procedures to enhance distribution of program materials using electronic media.

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- Disseminate the latest information on pay and leave, classification, and performance management through electronic communication, meetings of appropriate IAG Networks, and consultation with individual agency representatives.
- Conduct a feasibility study of using the Internet to collect and share appraisal and award program techniques and practices.
- Use customer feedback and needs analysis to identify areas where models and guidance are needed.
- Seek involvement of existing stakeholder groups, such as the President’s Management Council (as appropriate) and appropriate IAG Networks, in identifying needed material.

Indicators/Performance Results:

- Increase in the level of HR Specialists’ satisfaction with OPM’s technical assistance about compensation, position classification, and performance management issues as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The HR Specialists’ baseline satisfaction levels, as measured by the 1998 OPM Customer Survey were as follows:

<u>Program Area</u>	<u>Technical Assistance</u>
<i>Position classification and position management</i>	<i>70%</i>
<i>Annual pay adjustment</i>	<i>83%</i>

<u>Program Area</u>	<u>Technical Assistance</u>
<i>Pay administration</i>	<i>81%</i>
<i>Leave Administration</i>	<i>83%</i>
<i>Premium pay and hours of work</i>	<i>78%</i>
<i>COLA administration</i>	<i>74%</i>
<i>Federal wage system</i>	<i>77%</i>
<i>Performance appraisal</i>	<i>71%</i>
<i>Incentive awards</i>	<i>72%</i>

- Increased number of requests for consultation demonstrates overall satisfaction with the quality of services provided.

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In FY 1998, WCPS provided the following:

Written position classification advisory opinions to Department of Veterans Affairs and Department of Defense. Will provide written position classification advisory opinions to Department of Agriculture and the Government Printing Office in FY 1999.

Technical assistance to the Immigration and Naturalization Service to help them prepare their draft legislative proposals to replace AUO pay for immigration officers with a new form of annual premium pay for regularly scheduled overtime work and to reform the existing premium pay law for immigration inspectors.

Guidance to the Bureau of the Census regarding overtime pay obligations and calculations when Federal employees have dual employment in the same agency or in two different agencies.

- Post-workshop customer surveys indicate overall satisfaction with leave workshop presentations.

During FY 1998, conducted four workshops on "Federal Leave Programs -- Putting the Pieces Together." These workshops provided guidance and active discussions on the interaction of the Family and Medical Leave Act of 1993; sick leave for family care, bereavement, and adoption purposes; the Federal leave transfer and leave bank programs; leave for bone-marrow and organ donation; and taking actions against employees who use or abuse leave. Ninety-six percent of post-workshop customer survey forms rated the overall workshop at least a four on a five point scale.

- Help agencies design, implement, manage and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

WCPS Goal 13: Agency demonstration projects address compensation, classification, FY 1999/FY 2000 and performance management issues effectively.

Means:

- Based on subject matter expertise, work cooperatively with OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE) to review and identify compensation, classification, and performance management issues with regard to Demonstration Project proposals, and

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assess the soundness of proposed alternatives. When appropriate, provide options for improvement.

During FY 1998, provided considerable technical assistance to Department of Defense personnel demonstration projects, including Missiles Research, Development, and Engineering Command; Army Research Laboratory; Naval Research Laboratory; Acquisitions Workforce; Naval Warfare Center; Medical Research and Material Command; and Waterways Experimentation Station. These projects include broadbanding and other compensation innovations.

- Share with agencies the "lessons learned" from earlier demonstration projects and alternative personnel systems which included effective compensation, classification, and performance management approaches.

Indicators/Performance Results:

- Positive comments and feedback provided through the OPM customer satisfaction survey and other instruments indicate that customers are satisfied with the level of service provided.

VERIFICATION AND VALIDATION

- Client access to information will be measured by such accepted accounting means as Web site "counter" software and Government Printing Office data on the numbers of publications and CD-ROMs ordered in FY 2000, compared to data for FY 1999.
- Data will be collected, analyzed, and studied according to accepted collection, analysis, and evaluation practices from key stakeholders and survey participants to determine the level of customer satisfaction and acceptance of WCPS products and services, and the amount of progress toward achieving WCPS goals.
- Ongoing customer service assessment efforts through daily contacts and meetings with agency and other stakeholders that provide continuous feedback about program delivery and customer satisfaction.
- Accepted, automated scheduling software will be used to track turnaround time on responses to requests for information and assistance.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

INVESTIGATIONS SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$2,911	\$3,141	\$3,141	---
Full-Time Equivalents	29	29	29	---

DESCRIPTION OF ACTIVITY

OPM is responsible for ensuring the fitness and suitability of applicants for and appointees to positions in the Federal service. The Investigations Service (IS) provides policy guidance and oversight for agency security and suitability programs.

Through its security appraisal function, IS inspects and evaluates personnel security programs in other departments and agencies to fulfill our oversight responsibility and to ensure compliance with the provisions of E.O. 10450 and 12968.

In addition, IS oversees the conduct of investigations to determine the fitness and suitability of persons entering Federal positions. Investigations are conducted through a contract with an Employee Stock Ownership Plan (ESOP) corporation to resolve issues, enforce the civil service laws, rules and regulations, and to verify the qualifications of applicants for certain high level administrative and professional positions.

In order to meet expectations, IS develops in-house or recruits from other agencies, highly-experienced personnel security specialists who have hands-on experience in performing suitability adjudications and/or evaluating suitability and security programs. Our oversight program requires a high level of staff expertise in order to continue our credibility with the other agency security/suitability program managers whose programs we review and critique.

FY 2000 Priority

IS' priority for FY 2000 is to continue to ensure that only suitable individuals are hired for and remain in Federal positions. (IS Goal I)

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$2,854 Full-Time Equivalents: 27

PERSONNEL INVESTIGATIONS

- Ensure the suitability of applicants for and appointees to Federal positions.

IS Goal 1 Only suitable applicants, appointees and employees are hired for, and
FY 1999/2000: remain in, the Federal competitive service.

Means:

- Determine applicant suitability when an agency or OPM office refers applications for resolution of serious issues to include:
 - Screening cases for seriousness and relevance.
 - Acting on cases with potentially serious issues for further investigation.
 - Proceeding with cases which require more extensive investigation.
 - Rating applicants ineligible for Federal service after review of issues surfaced in agencies' recruiting.
 - Directing removals of appointees to Federal positions after case review, resolving them in favor of the subject, discontinuing cases for administrative reasons or, if appropriate, refer the case for agency adjudication.
 - In FY 1999/2000 we will refine timeliness standards set in FY 1998.
 - In FY 1999/FY 2000 we will continue on-going liaison with agencies, and host a Security Directors' conference each year to reinforce investigative policies and procedures.
- Continue to share information with agencies' security offices regarding suitability adjudication to ensure suitability of all Federal employees.

Indicators/Performance Results:

- Carry out suitability casework for agencies.

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Suitability Decisions	FY 1998	FY 1999	FY 2000
Agency referrals	1,212	1,200	1,200
Determinations Completed	1,475	1,000	1,000
Extensive Investigation Completed	150	150	150
Suitability Decisions	FY 1998	FY 1999	FY 2000
Ineligible Rulings	98	75	75
Ineligible/Non Response Rulings	237	150	150
Direct Removals	53	50	50

- Minimize the number of suitability decisions overturned by MSPB on appeal.

Nine percent were overturned in FY 1996 but none were overturned in FY 1998.

- Timeliness of suitability case processing is maintained at standards established and refined in FY 1998.

For fieldwork scheduled as part of a suitability investigation, ninety percent (90%) of the cases will be delivered by the contractor not later than 35 or 75 days as set when the cases were scheduled.

- Provide investigations policy guidance, disseminate information, and oversee agencies' security and suitability programs.

In FY 1998 we expanded our information sharing with agencies by sponsoring a Security Directors' conference to ensure that agency security personnel were informed of the changes brought about by Executive Order 12968.

- Assess results of the OPM survey of HR Directors and HR Specialists.

Percent satisfied with suitability determinations information.

<u>HR Directors</u>	<u>Percent Satisfied</u>
<i>Policy and Leadership</i>	70.0%
<i>Opportunity for Involvement</i>	64.5%

<u>HR Specialists</u>	<u>Percent Satisfied</u>
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<i>Information Sharing</i>	67.2%
<i>Technical Assistance</i>	66.4%

PERSONNEL INVESTIGATIONS

- Be an effective leader in the personnel security community by continuing to set Government wide investigative policy and serving as an active member of the U.S. Security Policy Forum.

IS Goal 2 **Ensure uniform application of investigative standards mandated by
FY 1999/2000: statute and executive order by developing and implementing
Governmentwide investigative policy.**

Means:

- Participate as an active member of the Security Policy Forum of the U.S. Security Policy Board, and help ensure governmentwide uniformity in the application of investigative standards by being a member of the deliberative bodies which set and enforce policy, and by ensuring that OPM regulations and individual agency delegations and agreements reinforce the national standards.
- Assess the results of the IS customer survey which asks about our effectiveness in communicating and implementing governmentwide changes in investigative policy, process, or direction.
- Develop and disseminate investigative policy to other federal agencies through Federal Investigative Notices and Security Directors' conferences hosted by OPM.
- In FY 1999/FY 2000, make security appraisal visits to determine whether agencies have implemented new polices and standards.

Indicators/Performance Results:

- Continue as an active member of the U.S. Security Policy Forum of the U.S. Security Policy Board.

In FY 1998 continued as an active member of the U.S. Security Policy Forum of the U.S. Security Policy Board.

- Ensure governmentwide uniformity in the application of investigative standards.

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- Feedback from Investigations' Customer Satisfaction Assessment Survey. This survey was administered in the second half of FY 1998 to help us determine how well we are providing services and guidance to our customer agencies. We expect to administer this survey instrument every eighteen to twenty-four months after having established our baseline data from the 1998 survey.

We received a 56% response rate from this first survey sent to 97 customer agency or program level security offices. Of those responding, 94% are satisfied with the content and quality of OPM's investigations.

In FY 1998 the Investigations Service provided extensive support to agencies' personnel security and suitability programs. We conducted a Customer Satisfaction Assessment which indicated that 87% of those responding were satisfied with the policy guidance and support provided by Investigations Service staff.

- Extent to which agencies have implemented new policies and standards.

Agencies have been requesting new case types made available to them as a result of these new policies and standards.

In FY 1998, provided written guidance to agencies on the use of credit information to assure compliance with the Fair Credit Reporting Act (15 U.S.C. s 1681, et sec.) amendments which became effective as a result of the Fair Credit Reporting Reform Act of 1996.

**OPM STRATEGIC PLAN GOAL II:
PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE
EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE
OVERSIGHT AND EVALUATION PROGRAM.**

FY 2000 RESOURCE SUMMARY: Obligations (000): \$287 Full-Time Equivalents: 2

- Ensure that agencies adhere to Executive orders and regulations by inspecting and evaluating agencies' personnel security programs.

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In FY 1999/2000 assess comments from agency participants in the annual Personnel Security Directors' Conferences.

- Measurable improvements found in follow-up audits of agencies' personnel security processes.

In FY 1998, a major agency instituted changes as a result of OPM's security appraisal recommendations including replacement of several high level personnel security staff. We will be working with the agency to ensure additional improvements in their personnel security and suitability program.

Carried out 26 investigations into alleged abuses of the merit system (including test fraud) at the request of agency examining offices in FY 1998.

FY 1999/FY 2000 conduct investigations into alleged abuses of the merit system at the request of OPM's or agencies' examining offices. Approximately 25 investigations are requested annually.

VERIFICATION AND VALIDATION

- Standard accounting methods and tracking software will be used to validate workload measures and validate the health of the business.
- An agency self-assessment tool will be implemented in FY 1999 to allow OPM to monitor security improvements made in agencies.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$3,876	\$3,812	\$3,812	---
Full-Time Equivalents	37	38	38	---

DESCRIPTION OF ACTIVITY

The Office of Workforce Relations (OWR) provides leadership and tools to develop a workplace environment that sustains high performance, enhances quality of work life, and supports learning. The Office combines several programs including the Center for Partnership and Labor-Management Relations, the Employee Relations and Health Services Center, the Work/Life Programs Center, and the Office of Human Resources Development. OWR's mission includes:

- supporting and promoting effective labor-management partnerships and programs in order to refocus Federal labor relations from its tradition of adversarial litigation to cooperative problem-solving;
- assisting Federal agencies in developing and maintaining employee relations programs that support performance and mission accomplishment;
- promoting programs and flexibilities that enable employees to successfully balance work and family needs; and
- transforming Federal training to support performance improvement and learning.

OWR also provides, on a reimbursable basis, training and management assistance to improve human resources management, and, on a limited basis, employee assistance services.

In order to meet these responsibilities, OWR recruits highly-experienced human resource specialists and managers from other Federal agencies, and the private sector, who have hands-on experience in supervising and operating employee and labor relations, employee assistance programs, human resource development, and work and family programs. As needed, it hires contractors who are applications experts to upgrade or replace automated systems. All existing automated systems are being upgraded to the new agency standards for Y2K-compliant applications, and employees are being trained in-house in the new standards and applications.

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Major projects are controlled and monitored with an automated project tracking system, and required core competencies for each employee have been identified.

FY 2000 Priorities

OWR has identified three priorities for FY 2000 in support of the overall OPM priorities described in the Executive Summary.

The first is a major initiative designed to ensure that Federal agencies maximize the use of training technologies and effective human resources development programs in order to train and develop a workforce that can meet the technological challenges of the 21st century. (See OWR Goal #4)

The second is that OWR will enhance its early efforts to develop effective labor-management partnerships that provide better public service and high performing organizations by using the results of an intensive research project conducted in FY 1999 to more widely promote those partnership activities that have been shown to be effective. (See OWR Goal #6)

The third priority is to administer a Family-Friendly Workplace Advocacy Office that will not only respond to the needs of Federal workers but will serve as the catalyst for legislative and regulatory changes to ensure that family responsibilities are understood and supported on the job in the Federal government. (See Goal #10)

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:
*PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.*

FY 2000 RESOURCE SUMMARY: Obligations (000): \$2,343 Full-Time Equivalents:26

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

OWR Goal 1: **By the end of FY 2000, needed changes in all significant OPM
FY 1999/2000** **program policies are identified and changes are introduced so that
Federal agencies are better equipped to respond to changing human
resources and agency needs in the 21st century.**

Means:

- Work with other OPM services, including the Office of Merit Systems Oversight and Effectiveness, to identify statutes, executive orders, regulations, and policies in need of review in the areas of employee relations, employee health services, work and family, labor-management relations, and human resources development, to support and facilitate high performance in Federal agencies.
- Review reports, studies, and results of demonstration projects and innovative public and private sector HR programs to identify areas for program and policy improvement.
- Work closely with stakeholder groups, including HR specialists and labor union representatives, to seek comments on specific policies and programs in order to identify needed legislative and regulatory changes.
- Formulate appropriate policy proposals, both legislative and regulatory, and issue timely regulations, interpretations and guidance on needed changes identified in reviews and through stakeholder input.
- Assist agencies, the public, and others in interpreting law and regulations, and provide policy workshops and orientations to agency personnel.
- Contribute to OPM's Initiative on Performance Measures for Agency Human Resources Programs in order to develop performance measures for assessing the effectiveness of agency HR programs.

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Indicators/Performance Results:

- Increase in the level of agency HR Directors' satisfaction with regard to 1) OPM's workforce relations policy leadership, and 2) their opportunity for involvement, as measured by informal customer feedback and an increase (the percentage of increase is listed parenthetically below) over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) in the annual OPM Customer Satisfaction Survey.

The baseline satisfaction levels as measured by the 1998 OPM customer survey were as follows:

<u>Program Area</u>	<u>Policy Leadership</u>	<u>Agency Involvement</u>
<i>employee relations</i>	82.5% (1%)	78.9% (2%)
<i>labor relations</i>	80.6% (1%)	88.9% (1%)
<i>employee assistance programs</i>	83.8% (1%)	83.3% (1%)
<i>workplace violence</i>	89.5% (1%)	74.2% (2%)
<i>physical fitness programs</i>	46.7% (3%)	54.8% (3%)
<i>work and family programs</i>	90.0% -----	86.5% (1%)
<i>human resources development</i>	67.6% (2%)	73.5% (2%)

- Improvement in employees' perception of equity and effectiveness of workforce relations as measured by a 1% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 5% increase in favorable ratings.

The percentage of favorable ratings was 46% in the 1998 survey (reported out in FY 1999)

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- Promote programs for dealing with poor performers and improve the capacity of managers to identify and resolve performance problems effectively. (Continuing)

OWR Goal 2: Managers and HR practitioners use OPM-provided resources and assistance to more successfully address employee performance problems.

Means:

- Highlight the importance of the administration's emphasis on senior level accountability for addressing poor performance through publications and presentations.

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- Implement new strategies for dissemination or improvement of those materials based on feedback from supervisory customers who utilized OPM's multi-media informational materials.
- Develop standard informational packages on addressing poor performance for supervisors and managers, and encourage the use of these packages at OPM management training facilities and single-agency training facilities.
- Develop and distribute instructional material designed to assist human resources specialists in the technical requirements of performance-based actions, and in current third party case law impacting on this process.

Indicators/Performance Results:

- Increase over FY 1999 levels in the number of agencies that have implemented performance standards for senior level managers that address the process for identifying and resolving poor performance, as captured by an ERHSC survey. (*Baseline data will be established in FY 1999.*)
- Improvement in the extent to which instructional materials about identification and resolution of performance problems are available to Federal managers and supervisors, as measured by the creation and use of needed materials and by an increase in the number of hits on the poor performance home page.

In order to address the need to provide information to supervisors and managers across the Government, in FY 1998, OWR developed a CD-ROM and Supervisor's Guide entitled, Addressing Poor Performance, as well as a related web site. OWR also successfully conducted an extensive campaign to notify Federal agencies of the availability of these tools through the use of electronic and print media and by conducting numerous demonstrations for agency managers and personnel specialists. More than 9,500 visitors accessed the web site in 1998, and GPO reports 33,276 booklets and 11,182 CD-ROMs have been ordered as of 10/1/98.

In FY 1999, OPM will lead an initiative to bring attention to the need for senior level accountability in addressing poor performance and will continue to assess the utility and effectiveness of these three new tools.

- Improvement in the level of satisfaction of HR Directors and Specialists with regard to instructional materials about identification and resolution of performance problems, as measured by a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the OPM customer survey.

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The level of satisfaction with regard to the timeliness and quality of information sharing on dealing with poor performance was 90% for HR Directors and 73.6% for HR Specialists in 1998.

The level of satisfaction with regard to the timeliness and quality of technical assistance in dealing with poor performance was 83.8% for HR Directors and 70.4% for HR Specialists in 1998.

Overall, the level of satisfaction of HR Specialists with the Guide for Supervisors was 78.4% in 1998.

Overall, the level of satisfaction of HR Specialists with the CD-ROM was 66% in 1998.

In FY 1999, OWR will review the results of the OMSOE special study on performance management (to be published in FY 1999) in order to determine future approaches to assisting supervisors and managers who are addressing performance problems in their organizations.

- Reduction in the perception that poor performance is tolerated in the Federal Government as measured by a 2% decrease in the percentage of unfavorable ratings in the annual *Merit System Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 10% decrease in unfavorable ratings.

The overall percentage of unfavorable ratings was 40% in the 1998 survey (reported out in FY 1999)

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- By the year 2002, successfully support and promote cross-cutting efforts to streamline the adjudicatory system and make it understandable, timely, and less costly.

**OWR In cooperation with Federal adjudicatory agencies, initiatives are
Goal 3: undertaken to streamline the Federal adjudicatory processes.
FY 1999/2000**

After careful analysis, a decision was reached to redesign this annual goal. In 1995, John Koskinen, then Deputy Director for Management at the Office of Management and Budget convened a working group comprised of staff from OPM and all of the adjudicatory

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agencies. The group's purpose was to consider ways to streamline the Federal employment adjudicatory processes and present a report to Congress in Spring, 1996. The findings of that report indicated that neither a curtailment of employee rights nor a merger of adjudicatory agencies was recommended. The report did recommend that the law be amended to eliminate the right to review by EEOC of mixed cases. Further, the report gave strong support to the use of alternative dispute resolution techniques in the resolution of employment grievances.

Based on these recommendations, we have focused our efforts on streamlining the mixed case process and promoting alternative dispute resolution programs. OWR will continue its efforts to increase the use of alternative dispute resolution techniques, which provide employees with a quicker, easier, and less litigious process for resolving workplace disputes, by publicizing these techniques and educating the human resources community on their usefulness. This effort is outlined more completely under OWR Goal #7.

Means:

- In FY 2000, OPM will actively pursue the feasibility of implementing the recommendation in the Koskinen report to streamline the current process for adjudicating mixed case appeals.

Indicators/Performance Results:

- Feedback is obtained from adjudicatory agencies on the feasibility of streamlining the mixed case appeal process.

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- Support the transformation of Federal training from a set of process-focused, event-based activities into an outcome-oriented, measurable performance improvement function that supports managers and employees in sustaining a consultative, learning environment.

**OWR
Goal 4:
FY 1999/2000**

OWR leads the transformation of Federal training so that it is an outcome-oriented, measurable performance improvement function designed to assist managers and employees in better preparing the Federal workforce for the needs of the future.

Means:

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- Support and facilitate workplace learning and the development and operation of high performing organizations by various activities, including:
 - developing partnerships with public and private educational and training organizations in order to identify new workplace learning strategies and tools, including effective learning technologies.
 - participating in Governmentwide initiatives to share development and use of new learning technologies and to develop workforce capacity to meet critical needs.
 - providing educational and other activities that help agencies more effectively use performance measures for assessing the results and/or impact of HRD programs.
- Improve the capacity of agency information systems to provide data about results and/or impact of learning, education, and training efforts agency-wide by various mechanisms, including:
 - working with the interagency HR Technology Council, the HRD Council, and other stakeholders to establish core requirements and a model for agency HRD information systems, including requirements for technology-based training; and
 - identifying models, best practices and strategies for determining results and/or impact of HRD and providing them to agencies, to interagency groups, and to forums for "tutoring" agencies in developing internal systems.
- Promote widespread access to effective workplace learning strategies and tools through a variety of means, including:
 - participating in or convening interagency groups dedicated to workplace learning and performance improvement.
 - providing workplace learning strategies and tools in a variety of formats, accessible to all employees and managers.

Indicators/Performance Results:

- Agency HRD programs are effectively developing the workforce as a result of the partnerships, agency sharing of learning technology development, and agency access to and sharing of HRD tools, as measured by a survey to be administered in FY 2000.

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A major OWR initiative in FY 1999 will be to reestablish OPM's leadership role in supporting Federal workforce development by providing state-of-the-art HRD strategies and tools through a national Learning Symposium and other educational forums. OWR will also become more proactive in the HRD policy arena and provide more support to agency personnel. In FY 1999, OWR will also expand the existing network of agency HRD officials with whom OPM shares information on HRD law, trends, and practices in training and developing Federal employees, and will also utilize the OPM web site to support increased access to HRD information. OWR will work to support Administration learning technology initiatives, promote agency sharing of the development and use of learning technology, and partner with the private sector to share best practices and technology standards.

- HRD strategies and/or programs of at least five Federal departments or independent agencies are recognized as best in class by nationally recognized evaluative bodies (such as the American Society of Training and Development, Society for Performance Improvement, etc.).
- A significant number of high performing Federal agencies respond that OPM's HRD policy supports their performance, as measured by an FY 2000 OPM survey of agencies recognized for high performance by external evaluative groups.

In FY 1998, OWR leveraged OPM's influence in the Federal HRD community by working with the HRD Council and other strategic partners to showcase best practices in learning technology; conducting the first Federal track in a private sector multi-media conference; disseminating information on HRD roles and competencies and high performing organizations; developing a contract vehicle for agencies to access assistance in establishing practices that support high performing organizations; disseminating and implementing strategies in the Hammer Award winning handbook, "Getting Results Through Learning;" and promoting an agency participation benchmarking forum for gathering and sharing Federal training data.

- Improvement in the extent to which HRD policy information is available to OPM customers, as measured by a 10% increase in the number of hits on the human resources development home page over FY 1999 levels.

The HRD home page was established in October 1998 and baseline data will be collected in FY 1999.

- Improvement in the level of satisfaction of HR Specialists with regard to HRD information sharing and technical assistance, as measured by a 5% increase in the percentage of favorable ratings for each in the OPM customer survey over FY 1999 levels.

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The level of satisfaction with regard to the timeliness and quality of HRD information sharing was 69.5% for HR Specialists in 1998.

The level of satisfaction with regard to the timeliness and quality of HRD technical assistance was 68.4% for HR Specialists in 1998.

Overall, the level of satisfaction of HR Specialists with the Training Policy Handbook was 69.7% in 1998.

- Improvement in HR Directors' satisfaction with HRD policy leadership and their opportunity for involvement in the HRD policy-making process, as measured by a 5% increase in the percentage of favorable ratings in the OPM customer survey over FY 1999 levels.

In FY 1998 the overall percentage of satisfaction with policy leadership was 67.7%.

In FY 1998 the overall percentage of satisfaction with opportunity for involvement was 73.5%.

In FY 1998, OWR strengthened OPM's Federal Human Resources Development (HRD) leadership role by involving a diverse group of strategic partners in planning the FY 1999 Learning Symposium; serving major roles in local and national HRD organizations; participating in planning implementation strategies for the President's directive on learning technology; and giving presentations and workshops on Federal HRD policy.

- Improved perception Governmentwide that employees are well-educated and well-trained, as measured by a 2% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 10% increase in favorable ratings.

The overall percentage of favorable ratings was 50% in the 1998 survey (reported out in FY 1999).

EMPLOYEE AND LABOR RELATIONS

- Advise and consult with Federal agencies on labor-management relations by providing timely, accurate and useful information so that agencies may effectively work with their labor organizations that represent 1.1 million Federal employees. (Continuing)

OWR **Liaison activities are conducted with administration and agency**
Goal 5: **officials and Federal labor organizations in order to maintain and**
FY 1999/2000 **enhance agency ability to deal effectively with labor relations matters in**
 a manner consistent with OPM policy and objectives.

Means:

- Coordinate the Interagency Group Network on Partnership and Labor-Management Relations and share information on Governmentwide policies and practices in labor-management relations.
- Regularly consult at the national level with agency officials and labor organizations in the development of human resources policy and on Governmentwide rules, regulations, and binding directives that affect conditions of employment.

Indicators/Performance Results:

- Improvement in the extent to which information on developing labor relations case law, trends, and best practices in working with labor organizations is disseminated, as evidenced by:
 - continued high levels of attendance at meetings of the Interagency Group Network on Partnership and Labor-Management Relations and positive feedback from members; and
 - an increase in the number of hits on the labor-management relations and National Partnership Council home pages. Baseline data to be established in FY 1999.
 - continued positive evaluations of OPM issuances such as the *Significant Cases* publication. *Data from a 1998 survey of subscribers indicated that:*

72% of survey respondents rated the timeliness of Significant Cases in the Very Good to Excellent range. 93% of respondents rated the accuracy of the publication in the Very Good to Excellent range and 96% of the respondents rated the usefulness of the publication in the Very Good to Excellent range.

In FY 1998, OWR focused its efforts on the development of a fully automated information system on the Federal collective bargaining program with capacity to collect, analyze, and disseminate useful information and analysis on union recognition, collective bargaining agreements, and arbitration decisions. OWR took the first steps toward making this collective bargaining information system available to Federal agencies, unions and the public through

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the world wide web. This effort and others to assist Federal agencies and unions will be completed in FY 1999, and OWR will publish a report on Union Recognition in the Federal Government.

- Improvement in agency HR Directors' satisfaction with LR policy leadership and their opportunity for involvement in the LR policy-making process, as measured by a 1% increase in the percentage of favorable ratings over FY 1999 levels (or maintenance at 90% or higher) on the OPM customer survey.

In FY 1998 the overall percentage of satisfaction with policy leadership was 80.6%.

In FY 1998 the overall percentage of satisfaction with opportunity for involvement was 88.9%.

- Improvement in the level of satisfaction of agency HR Directors and Specialists with regard to LR information sharing and technical assistance, as measured by a 2% increase over FY 1999 levels in the percentage of favorable ratings for each in the OPM customer survey.

The level of satisfaction with regard to the timeliness and quality of LR information sharing was 71.5% for HR Specialists in 1998.

The level of satisfaction with regard to the timeliness and quality of LR technical assistance was 65.6% for HR Specialists in 1998.

- Labor organizations and agency officials are regularly informed of proposed Governmentwide human resources policies and regulations and their recommendations are considered in their development. All statutory consultation requirements are met.
- Improvement in employees' perception that employees are treated fairly and equitably, as measured by a 2% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 10% increase in favorable ratings.

The overall percentage of favorable ratings was 46% in the 1998 survey (reported out in FY 1999).

EMPLOYEE AND LABOR RELATIONS

- In cooperation with the National Partnership Council, continue to champion strong and effective labor-management partnerships that support Federal employees, managers, and their representatives and promote improved performance, results, and service to the public.

**OWR Effective agency labor-management relations and partnerships result in
Goal 6: improved performance and service to the public.
FY 1999/2000**

Means:

- Work in cooperation with the National Partnership Council to develop and implement annual strategic plans designed to support and promote collaborative labor relations programs that get results.

Indicators/Performance Results:

- Improvement in the results and value of collaborative labor-management relationships, as evidenced by:
 - the National Partnership Council's 1999 research project, which will focus on linkages between partnership and improved organizational performance at selected sites;

In FY 1999, OWR will undertake a broad-based research project designed to provide the NPC and, ultimately, the President, with information about the extent to which effective partnerships produce quantifiable improvements in Federal agency operations. The research will focus on linkages between partnership and improved organizational performance at selected sites, identification of key elements of partnerships that contribute to such improvements, and inferences about how similarly situated partnerships may seek and measure performance.

- consistency in the number of Federal employees covered by partnership councils and agreements. (67% of bargaining unit employees were covered by councils in FY 1998. 68% of bargaining unit employees were covered by agreements in FY 1998.);

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- continued positive union and management perceptions regarding the Federal labor-management relations climate. *(Sixty-seven percent of survey respondents believed that the climate was positive in FY 1997);*
 - a reduction in the number of unfair labor practices (ULPs) received by the Federal Labor Relations Authority. *(The number of ULPs received in FY 1998 was 5,702 which is a reduction in the 6,263 total in FY 1996); and*
 - consistency in the numbers of and an increase in the quality of nominations for the National Partnership Award. *(Sixty-eight nominations were received in FY 1998, and 67 were received in FY 1997.)*
- Satisfaction of senior officials and Presidential appointees on the National Partnership Council (NPC), as measured by continued positive Member feedback regarding the development and satisfactory implementation of the NPC's strategic plan.

In FY 1998, OWR supported and promoted effective labor-management partnerships in its ongoing effort to refocus Federal labor relations from its tradition of adversarial litigation to cooperative problem-solving. The most successful of these partnerships were granted the John N. Sturdivant National Partnership Award. A highly successful facilitation project was undertaken by the National Partnership Council (NPC) to focus on challenges at various stages of the partnership relationship. This featured a series of skills-building workshops, held throughout the country, designed to bring significant improvement to partnerships at the working level.

- Improvement in employees' perception that employees are treated fairly and equitably, and that the workforce is used efficiently and effectively, as measured by a 2% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 10% increase in favorable ratings.

Concerning the perception that employees are treated fairly and equitably, the overall percentage of favorable ratings was 46% in the 1998 survey (reported out in FY 1999). In response to the question of whether the workforce is used efficiently and effectively, the overall percentage of favorable ratings was 56% in the 1998 survey (reported out in FY 1999).

EMPLOYEE AND LABOR RELATIONS

- By the year 2002, develop, promote, and increase the use and accessibility of alternative dispute resolution programs among employees Governmentwide.

OWR Goal 7: FY 1999/2000 **Agencies make increased use of alternative dispute resolution programs in order to make dispute resolution a more timely, cost-effective and less divisive process.**

Means:

- Identify and showcase examples of agency ADR programs.
- Report results of ongoing ADR program evaluations by agencies.
- Establish an OPM Director's Award for outstanding ADR programs.

Indicators/Performance Results:

- Improvement in the extent to which instructional materials about ADR are available to OPM customers, as measured by an increases in the number of hits on the ADR home page.

The home page will become operational in FY 1999.

In FY 1998, OWR completed work on an updated version of OWR's previously issued, Guide to Alternative Dispute Resolution. During FY 1999, OWR staff will showcase examples of effective agency alternative dispute resolution (ADR) programs, will market and make tools such as the Guide available in a variety of versions, including printed and electronic via OPM's website, and will develop indicators to determine the extent to which the Guide is of assistance in helping agencies develop ADR programs.

- Improvement in the level of satisfaction of HR Specialists with regard to instructional materials about ADR, as measured by a 3% increase over FY 1999 levels in the percentage of favorable ratings on the OPM customer survey.

The level of satisfaction with regard to the timeliness and quality of information sharing on ADR was 68.1 for HR Specialists in 1998.

The level of satisfaction with regard to the timeliness and quality of technical assistance on ADR was 64.9% for HR Specialists in 1998.

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- Improvement in employees' perception that employees are treated fairly and equitably, as measured by a 2% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 10% increase in favorable ratings.

The overall percentage of favorable ratings was 46% in 1998.

EMPLOYEE AND LABOR RELATIONS

- By the year 2002, increase the awareness and use by employees Governmentwide of Employee Assistance Programs, as well as other health promotion and disease prevention programs and practices.

**OWR
Goal 8:
FY 1999/2000** **Employees make increased use of Employee Assistance Programs and other health promotion and disease prevention programs and practices so that the Federal workforce operates in a more safe and healthy environment.**

Means:

- Conduct an annual survey of Employee Assistance Programs (EAPs) to monitor implementation, usage and quality of programs in Federal agencies.
- Provide Governmentwide guidance on EAPs, as well as other health promotion and disease prevention programs through:
 - access on the world wide web; and
 - presentations to program managers at interagency meetings.

Indicators/Performance Results:

- A 1% increase in the use of agency EAPs, based on annual report data. FY 1997 annual report data is listed below.
- Improvement in the extent to which instructional materials about EAPs are available to OPM customers, as measured by an increases in the number of hits on the employee health services home page.

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The home page has been designed and will become operational in FY 1999.

- Improvement in the level of satisfaction of HR Specialists with regard to instructional materials about EAPs, as measured by a 2% increase over FY 1999 levels in the percentage of favorable ratings on the OPM customer survey.

The level of satisfaction with regard to the timeliness and quality of information sharing on EAPs was 75.1% for HR Specialists in 1998.

The level of satisfaction with regard to the timeliness and quality of technical assistance on EAPs was 74.4% for HR Specialists in 1998.

- Satisfaction with the quality of OPM information on EAPs as measured by annual EAP survey.
- Improvement in employees' perception that employees with personal or work-related problems are offered help, as measured by a 1% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*.

The overall percentage of favorable ratings was 61% in the 1998 survey (reported out in FY 1999).

*In FY 1998, OWR completed a draft of the *Employee Health Services Handbook*, which is designed to provide agencies and employees with extensive guidance on (1) establishing and maintaining effective Employee Assistance Programs (EAP) and (2) conducting innovative health promotion and disease prevention activities in the workplace. In addition, OWR conducted the 1998 National Conference on Federal Employee Assistance and Health Enhancement Programs, which attracted more than 270 EAP and health promotion professionals from throughout the Government.*

OWR also completed the FY 1997 Annual Report to Congress on Federal Employee Substance Abuse, which reflected a small (7 percent) decrease in employee utilization of EAPs but also demonstrated a greater agency commitment in terms of financial support for these programs. The report also reflected a slight increase in employees seeking help for drug problems, a decrease in those seeking assistance for alcohol problems, and a decrease in those counseled for problems such as emotional, mental, financial, legal, family, and HIV/AIDS-related problems. The report will also show that there was a significant increase in the number of supervisors and managers receiving training in EAPs. OWR also developed drafts of web pages for OPM health promotion and disease prevention activities, published and sent to Congress the "Report to Congress on Disease Prevention and Health Promotion," which reported on OPM's activity in the health demonstration project with the University of

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Hawaii, and announced the winners of the 1998 Director's Award for Outstanding Employee Health Services Programs. In FY 1999, OWR will issue the Employee Health Services Handbook, with access provided on the Internet, and increase agency access to health promotion and disease prevention guidance through the posting of new web sites.

OWR **An increasing number of agencies have workplace violence programs**
Goal 9: **and policies in place so that agencies are better equipped to prevent or**
FY 1999/2000 **resolve violent situations.**

Means:

- Gather information from Federal agencies to determine the extent and quality of Federal workplace violence programs/policies, and solicit samples from Federal agencies.
- Provide managers with Governmentwide guidance on strategies to deal with workplace violence through:
 - presentations to agency planners on the guidance;
 - workshops to provide necessary expertise to deal with workplace violence; and
 - education of key professionals through dissemination of information and augmentation of the workplace violence home page.

Indicators/Performance Results:

- Increase in the number of agencies with a workplace violence prevention program or policy in effect. (*Baseline data will be established in FY 1999*).
- Improvement in the availability of policy information and program guidance as measured by increases in the number of hits on the violence in the workplace home page. *The number of hits for FY 1998 was 11,276.*

In FY 1998, OWR developed and announced, in a White House ceremony, new guidance on designing programs and strategies for dealing with workplace violence. OWR also effectively notified Federal agencies of the availability of the guidance. This involved numerous presentations on the importance of establishing agency programs for the prevention and handling of violent incidents in the workplace.

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Since the web counter over 11,000 visitors to that site and GPO reports 9,365 booklets entitled, Dealing with Workplace Violence: A Guide for Agency Planners, have been ordered as of 10/1/98. In FY 1999, OWR will improve the resources available to agencies through the violence in the workplace website and will initiate efforts to provide additional educational materials to agency planners.

- In FY 1999, in response to the Vice President's directive to address the growing problem of domestic violence, OWR will undertake several steps to help the human resources community deal with this issue. OWR staff has created a guidebook on domestic violence which provides agencies with information on resources available for employees who are victims of domestic violence as well as information on how to deal with issues that arise in the workplace due to incidents of domestic violence.

In February 1999, OWR will host a Seminar on Domestic Violence, open to all Federal agencies, during which it will unveil its new guidebook. The information from the guidebook will also be available on OPM's website by the third quarter of the fiscal year.

- Improvement in the level of satisfaction of HR Specialists with regard to instructional materials about violence in the workplace, as measured by a 2% increase over FY 1999 levels in the percentage of favorable ratings on the OPM customer survey.

The level of satisfaction with regard to the timeliness and quality of information sharing on violence in the workplace was 75.4% for HR Specialists in 1998.

The level of satisfaction with regard to the timeliness and quality of technical assistance on violence in the workplace was 69.9% for HR Specialists in 1998.

EMPLOYEE AND LABOR RELATIONS

- Develop and promote family-friendly programs and personnel flexibilities (e.g., alternative work schedules, leave flexibilities, telecommuting, dependent care services) so that they are available and used appropriately by employees Governmentwide to balance work and family needs successfully. (Continuing) .

OWR **Federal agencies have increased understanding of and commitment to**
Goal 10: **addressing work and family needs so that family-friendly programs are**
FY 1999/2000 **available to their employees in increasing numbers.**

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In its report on OPM's FY 1999 appropriations bill, Congress instructed OPM to establish a Family-Friendly Workplace Advocacy Office to receive concerns and suggestions regarding agency implementation of family-friendly programs. The Office will incorporate the responsibilities of the current Work and Family Program Center. It will provide information to employees regarding the laws and regulations which govern family-friendly policies as well as avenues of redress available for complaints. It will also assist Federal employees and agencies in resolving problems with family-friendly workplace policies; identify administrative or regulatory obstacles to implementing family-friendly policies and practices; and propose regulatory or legislative changes where needed. In FY 1999, the Office will conduct a nationwide child care summit designed to promote increased quality, affordability, and accessibility of child care facilities throughout the Federal government. At the end of FY 1999, OPM will report to the congressional committee regarding the work of the Office, including recommendations for improvements which may be needed in the family-friendly programs.

Means:

- Build and increase the capabilities of the Family-Friendly Workplace Advocacy Office to receive concerns and suggestions regarding agency implementation of family-friendly programs; recommend appropriate legislative changes; and issue the first progress report by the end of FY 2000.
- Provide Governmentwide leadership and guidance on work and family programs through presentations to stakeholders--unions, managers, employees, and program representatives.

Indicators/Performance Results:

- Increased awareness by agencies of the work and family issues which confront their employees and greater understanding of the personnel practices, programs, and policies which are available to help, as evidenced by:

- an increase in the number of agencies offering their employees flexible work schedules, part-time employment, telecommuting opportunities, and the number of agencies sponsoring child care and elder care activities, as determined by an FY 2000 OPM survey of Federal agencies. *Baseline data from the FY 1998 report, A Review of Federal Family-Friendly Workplace Arrangements (cited below) reflects the following:*

92% of responding agencies report the use of part-time employment and flexible work schedules.

Less than 1% of agencies are participating in telecommuting programs or referral services for child and elder care.

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- the type and number of complaints received by the new Family Friendly Workplace Advocacy Office concerning the availability of family friendly workplace initiatives;
- consistency in the quality of agency programs nominated for the annual OPM *Director's Award for Outstanding Work and Family Programs*, as determined by increased scope of employee eligibility and participation (*the average number of receipts over the past four years is 36 nominations*).

*In FY 1998, in response to a Congressional request, the Work and Family Program Center surveyed Federal agency personnel directors and conducted focus groups in both the Washington, DC metropolitan area and in the field of employees, managers, and union representatives to assess the impact of family-friendly workplace arrangements. This resulted in OPM's report to Congress, **A Review of Federal Family-Friendly Workplace Arrangements** in July 1998. The Center also issued the training handbook **Work and Family Issues: A Training Module for Supervisors and Managers**, and the **Elder Care Connection (ECC)**, a resource and data bank of local elder care agencies, resources, and services located in Washington, DC, Maryland, and Northern Virginia. The Center sponsored the fifth annual Governmentwide OPM Director's Awards Program for Outstanding Federal Agency Work and Family Programs, as well as an Older Americans Month conference. It also hosted a number of seminars on topics such as child support enforcement, exploring Federal child care strategies, adoption, and a fatherhood seminar to promote the involvement of working fathers in the family-friendly workplace arrangements.*

- Improvement in employees' perception that employees' family responsibilities are understood and supported, as measured by a 1% increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*.

The overall percentage of favorable ratings was 62% in the 1998 survey (reported out in FY 1999).

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 2000 RESOURCE SUMMARY:

Obligations (000): \$70

Full-Time Equivalents: 1

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- Evaluate and, when necessary, seek judicial review of the decisions of adjudicatory agencies to ensure they are consistent with civil service laws, regulations, and policies.
(Continuing)

OWR **Third party decisions that warrant OPM intervention are identified in**
Goal 11: **order to obtain decisions that are consistent with civil service laws,**
FY 1999/2000 **rules, and policies.**

Means:

- Review all decisions of the Merit Systems Protection Board, and appropriate decisions of arbitrators, the courts and the Federal Labor Relations Authority, to identify, analyze and act upon those decisions warranting formal OPM intervention, reconsideration, or judicial review.

Indicators/Performance Results:

- All decisions of the Merit Systems Protection Board and appropriate Federal Labor Relations Authority, court, and arbitration decisions are reviewed and intervention or judicial review is recommended in appropriate cases.

In FY 1998, approximately 10,000 decisions were reviewed and OPM exercised its intervention and reconsideration authority in three cases. One case involved seeking reconsideration of an arbitration award in which the arbitrator applied an erroneous standard of proof. In the second case, OPM intervened in an MSPB case in which an administrative judge erroneously applied the law regarding attorney fees. In the third case, OPM sought reconsideration of a final MSPB order in which the Board erroneously interpreted the law regarding violations of the Hatch Act. At the time of this submission, there are three other cases in which OPM intervened in earlier years which are pending at the MSPB.

In FY 1998, OPM intervened and/or sought reconsideration in a number of Merit Systems Protection Board decisions involving misinterpretation of OPM law, rule or regulations which, if left unchallenged, would have had substantial Governmentwide impact. FY 1998 was also the year we reached a final decision in the case of Lachance v. MSPB, in which the U.S. Supreme Court ruled that agencies may bring disciplinary charges against an employee for providing false statements about alleged misconduct. OWR will continue its efforts in intervening or seeking reconsideration of appropriate cases in FY 1999.

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- Improvement in the level of satisfaction of HR Specialists with regard to OPM's intervention in employee disputes before arbitrators and MSPB, as measured by a 2% increase over FY 1999 levels in the percentage of favorable ratings on the OPM customer survey.

The level of HR Specialists' satisfaction with regard to OPM's intervention was 67% in 1998. We are somewhat concerned by these results, and will explore them in focus groups and through other follow-up, to determine underlying causes and improvement actions. Also, when we design the FY 1999 survey, we will use the pilot test to determine if the the questions in this area are appropriately phrased and addressed to the correct audience.

- Of those cases in which OPM intervenes or seeks reconsideration, an increasing number of decisions are reversed or are appealed to higher levels by Department of Justice.

Of the three cases described above, OPM received a response from the arbitrator who agreed with OPM's analysis and corrected his previous arbitration award to reflect the correct standard of proof. The two other cases are still pending at the MSPB. In FY 1998, OPM also received decisions in four other intervention or reconsideration cases that began in earlier years. One decision issued by the Supreme Court supported OPM's arguments. Of the two cases which reached the Court of Appeals for the Federal Circuit, one decision concurred in OPM's argument wholly and the other concurred partially. The fourth case was resolved by the MSPB in support of OPM's position.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$1,399 Full-Time Equivalents: 11

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

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OWR **Federal agencies receive timely, accurate, clear, and useful advice and**
Goal 12: **technical assistance to ensure that employee relations, employee health**
FY 1999/2000 **services, work and family, labor-management relations and human**
 resources development are a positive part of agencies' fully integrated
 human resources systems.

Means:

- Support effective Federal workforce development and increase dissemination of knowledge about, and accessibility to, state-of-the-art educational strategies and tools designed to prepare the workforce for a high technology environment and for different skill demands in specific occupations by a variety of means, including:
 - developing new partnerships with private sector educational and training organizations in order to identify new educational strategies and tools;
 - linking these organizations with appropriate Federal partners (such as National Guard Bureau distance learning center, Department of Labor's Career Kit, etc.) in order to make new educational strategies and tools available to agencies;
 - providing enhanced and expanded Training and Management Assistance Programs to agencies in order to support effective HRM systems (see OWR Goal 16);
 - identifying state-of-the-art HRD strategies and tools and providing information about them to agencies, including information on effective learning technologies;
 - providing enhanced and expanded technical assistance to agency HRD programs in order to support effective HRM systems and workforce development, including promotion of agency sharing of learning technology development and use; and
 - serving as the single source for data and trends and for tracking innovations and best practices in Federal HRD.
- Answer inquiries and provide in-depth, case-oriented assistance to agencies and employees regarding technical issues.
- Act as information broker, facilitating information-sharing among agencies and providing Governmentwide leadership, guidance and information on effective workforce relations through a variety of means, including:

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- publishing and distributing information in a variety of formats, including handbooks, pamphlets, fact sheets, training materials, and briefing packages;
- convening interagency and stakeholder groups to identify workforce relations trends and resolve workforce relations issues;
- serving as the single source for data and trends on Federal union recognition and collective bargaining agreements, and tracking innovations and best practices in labor-management relations;
- providing to agency officials useful and accurate analysis of case law decisions by courts, administrative tribunals, and arbitrators; and
- promoting widespread access to information through both hard copy and electronic means, and disseminating information through the program-specific home pages and other forums.

Indicators/Performance Results:

- Increase in the level of HR Specialists' satisfaction with OPM's information sharing and technical assistance concerning workforce relations policies, rules, and regulations as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The baseline satisfaction levels as measured by the 1998 OPM customer survey were as follows:

<i><u>Information Sharing</u></i>	
<i>Labor-Management Relations & Partnership</i>	<i>71.5%</i>
<i>Poor Performance</i>	<i>73.6%</i>
<i>Discipline and Adverse Actions</i>	<i>76.1%</i>
<i>Federal Adjudicatory Processes</i>	<i>67.0%</i>
<i>Alternative Dispute Resolution</i>	<i>68.1%</i>
<i>Employee Assistance Programs</i>	<i>75.1%</i>
<i>Workplace Violence Prevention</i>	<i>75.4%</i>
<i>Physical Fitness Programs</i>	<i>59.2%</i>
<i>Work and Family Programs</i>	<i>75.8%</i>

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Human Resources Development 69.5%

Technical Assistance

Labor-Management Relations & Partnership 65.6%

Poor Performance 70.4%

Discipline and Adverse Actions 73.0%

Federal Adjudicatory Processes 64.9%

Alternative Dispute Resolution 64.9%

Employee Assistance Programs 74.4%

Workplace Violence Prevention 69.9%

Physical Fitness Programs 59.8%

Work and Family Programs 72.4%

Human Resources Development 68.4%

- Results from evaluations and surveys conducted by OMSOE, GAO, MSPB, and other sources demonstrate an increase in employee satisfaction with regard to human resources functions relevant to workforce relations policy areas.
- Surveys indicate that agency HRD programs are effectively developing the workforce as a result of the partnerships, agency sharing of learning technology development, and agency access to and sharing of HRD tools. (Baseline data will be established in FY 2000.)
- HRD strategies and/or programs of at least five Federal departments or independent agencies are recognized as best in class by nationally recognized evaluative bodies (such as the American Society of Training and Development, Society for Performance Improvement, etc.)
- Reduction in the number of unfair labor practices (ULP) and negotiability appeals received by the Federal Labor Relations Authority

In FY 1996, there were 6,263 ULPs filed. In FY 1998, there were 5,702.

In FY 1996, there were 79 negotiability appeals filed. In FY 1998, there were 62 appeals filed.

- Improvement in the availability of information on Federal workforce relations indicated by a 5% increase in the number of hits on the OWR home pages over FY 1999 measures.

Home pages for all OWR organizations were designed in FY 1998. Baseline data will be established in FY 1999.

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- Improvement in employees' perception of equity and effectiveness of workforce relations as measured by a 1% increase in the percentage of favorable ratings in the annual *Merit Systems Principles Questionnaire*. This increase is an annual increment to reach the 5-year strategic target of a 5% increase in favorable ratings.

The overall percentage of favorable ratings was 53% in the 1998 survey (reported out in FY 1999).

- Help agencies design, implement, manage and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

**OWR Agency demonstration projects address employee relations, labor
Goal 13: relations, and human resources development issues effectively.
FY 1999/2000**

Means:

- Based on subject matter expertise, work cooperatively with OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE) to review and identify workforce relations issues with regard to Demonstration Project proposals, and assess the soundness of proposed alternatives. When appropriate, provide options for improvement.
- Share with agencies the "lessons learned" from earlier demonstration projects and alternative personnel systems which included effective workforce relations.

Indicators/Performance Results:

- Positive comments and feedback provided informally and/or through customer satisfaction surveys conducted by OMSOE.
- Increased number of successful demonstration projects result in legislative and regulatory changes allowing greater flexibility in agency HR practices.

VERIFICATION AND VALIDATION OF PERFORMANCE MEASURES

- OWR will continually assess various mechanisms for collecting baseline data and measuring customer/stakeholder satisfaction. Such valid and reliable assessment tools as OPM's *Merit*

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System Principles Questionnaire, the OPM customer satisfaction survey and participant evaluation forms will be utilized.

- FY 2000 data will be collected, analyzed, and studied according to accepted collection, analysis, and evaluation practices to determine customer satisfaction and acceptance of OWR products and services, and the level of progress toward achieving OWR goals.
- Client access to information has been measured by such accepted accounting means as web page “counter” software and GPO data on the numbers of publications ordered. Using baselines from FY 1998, OWR will measure the progress of client access during FY 1999 and FY 2000.
- To the extent that OWR relies on other organizations such as the Federal Labor Relations Authority or the Government Printing Office for data and information, standard tracking systems have been developed and implemented by those organizations.
- The quality of nominations for OWR-sponsored Governmentwide awards is determined by neutral, expert panels that rely upon predetermined selection criteria.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EXECUTIVE RESOURCES

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$2,418	\$2,494	\$2,494	---
Full-Time Equivalents	21	23	23	---

DESCRIPTION OF ACTIVITY

The Executive Resources (ER) program provides Governmentwide leadership, policy direction, and guidance and technical assistance for the Senior Executive Service (SES) and other executive personnel systems to maximize agencies' needs for flexibility while safeguarding the larger corporate interests of the Government.

In order to meet these challenges, the Office of Executive Resources Management has recently supplemented its base of professionals having long-term OPM executive resources program experience by adding human resources specialists who have managed executive resources programs in support of top leadership in other agencies. This gives us fresh insight and perspectives on agency issues and problems. We are also implementing an updated Executive Information System developed under contract which transfers data formerly maintained in a mainframe to a client server environment. The new system is Y2K compliant and provides for agencies to input data on senior executive actions directly over the internet. This eliminates submission and keying of paper input documents so that we will be able to provide more current data with less time and effort by agencies and OPM staff.

FY 2000 Priorities

Executive Resources has identified two priorities for FY 2000 in support of the overall OPM priorities described in the Executive Summary.

The first priority is to give agencies the tools they need to develop and select the best executives and to manage these executives in ways that advance mission accomplishment. (ER FY 1999/2000 Goals 1 and 2)

The second priority is to stimulate cultural change in which continual executive learning, including SES mobility, is highly valued. (ER FY 1999/2000 Goal 4)

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$1,746 Full-Time Equivalents:16

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

ER Goal 1: By the end of FY 2000, needed changes in all significant OPM
FY 1999/ FY 2000 program policies are identified and changes are introduced so that
Federal agencies are better equipped to respond to changing
human resources and agency needs in the 21st century.

Means:

- In FY 1999 and 2000, in partnership with its stakeholders, ER will proceed with legislative and administrative initiatives identified during the 1998 review. The Senior Executive Service and other senior personnel systems (e.g., Senior Level and Scientific and Professional) will be modified to improve how the Federal government develops, selects, assigns and manages its senior employees. Changes will strike a balance among management flexibility, employee protections, and larger corporate interests of Government. Key initiatives include:

Staffing: 1) propose regulations for delegation of Qualifications Review Board while focusing on the importance of leadership skills and ensuring that merit system protections are in place; and 2) propose statutory and regulatory revisions which give agencies more flexibility in making short-term appointments while ensuring that merit system protections are in place.

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Performance Management: 1) propose statutory revision to abolish the 3-year recertification process; and 2) simplify regulations to increase flexibility, focus on results over process, promote alignment with GPRA and allow consideration of customer and employee satisfaction measures.

- Complete a survey to gather information on SES members' perceptions and attitudes about their Federal leadership experience, including the extent to which they function in ways consistent with the executive core qualifications, focus on outcomes rather than process, and believe the SES system supports program results. The study will be used to evaluate whether SES system modifications achieve the intended results in the view of those who both use and operate within the SES systems. Significant findings may confirm that modifications are effective or be used to fine tune strategies.
- Continuing study of trends and advances in management practice in all sectors, e.g., public, private, non-profit, international, as reflected in periodicals, books, studies, conferences and other means of disseminating information and continuing examination of trends and issues emerging in day to day SES Operations and Services work. Findings are used in developing or refining proposals for change or fine tuning implementation of changes in SES and other executive personnel systems.
- Work with other OPM services, including the Office of Merit Systems Oversight and Effectiveness, to identify statutes, executive orders, regulations and policies in need of review in the area of executive resources management to support and facilitate high performance in federal agencies.

Indicators/Performance Results:

- Baseline established for determining senior executives' satisfaction with OPM's leadership of SES program and their sense of "ownership" in the system.

1998 marked the 20th anniversary of enactment of the Senior Executive Service, and ER initiated a review of what had and had not worked over the years, and whether changes in the way we develop, select, and manage senior executives are necessary as we approach the 21st century. A Framework for Improving the Senior Executive Service was issued in April. This framework served as the focal point for stimulating debate and building consensus about needed system improvements, and developing a strategy for pursuing widely-supported legislative and administrative reforms.

- Increased levels of satisfaction among HR Directors and those HR Specialists having executive resources functions with ER's executive resources policy leadership and with their

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opportunities for involvement in the policy process, as measured by informal customer feedback and by a 2% increase in favorable ratings on OPM's FY 1999 customer satisfaction survey for those survey items responsive to this goal.

Baseline satisfaction levels reported on the FY 1998 survey were as follows:

<u>HR Directors:</u>	<u>Policy Leadership</u>	<u>Involvement</u>
<i>SES/Executive Resources (Overall)</i>	70%	82%
<i>Draft SES Framework</i>	62%	69%

<u>HR Specialists</u>	<u>Policy Leadership</u>	<u>Involvement</u>
<u>(Executive Resources):</u>		
<i>Draft SES Framework</i>	65%	72%

- In FY 1999, ER will use its new survey of SES members to develop a baseline of information on their perceptions and attitudes about their Federal leadership experience, including the extent to which they function in ways consistent with the executive core qualifications, focus on outcomes rather than process and find that the SES system supports their efforts to achieve program results.

EXECUTIVE RESOURCES

- Achieve a Governmentwide senior executive corps of strong leaders and change agents with a national, corporate vision for the continuing transformation of Government and for effective management of the Government's human resources, who are the critical factor in this transformation. The overall outcome is a better, results-oriented Government.

ER Goal 2: **The selection of executives with solid leadership and management skills, public service values, and a Governmentwide perspective, who are prepared to lead the continuing transformation of Government is promoted.**

FY 1999/FY 2000

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Means:

- Monitor developments in executive competency requirements to ensure that the tools used to develop and select Government executives continue to reflect cutting-edge research. Update SES briefings on ECQ's as appropriate based upon significant developments. By refining advice to prospective executives on how to develop and present their skills and helping agencies improve their ability to identify and develop good candidates, ER will enhance the talent pool and facilitate agency selection of solid executives.
- Work with Federal Executive Institute and Management Development Centers to monitor, facilitate and learn from their integration of the ECQs into instructional programs for current and future executives. Integrate ECQ's into ER briefings for new SES members and Schedule C's. Partner with agencies operating various learning programs for continuing development of SES members. This will help prospective and current executives learn and apply effective leadership skills to the benefit of their agencies.
- Modify regulations and/or guidance as appropriate to emphasize use of the ECQ's in SES selection, SES candidate development, performance appraisal and other processes. This will reinforce the importance of leadership competencies and enhance executives' preparedness to lead.
- Pilot forums that encourage SES members to develop and display leadership behaviors consistent with the ECQs.

Indicators/Performance Results:

- Favorable ratings and comments on participant evaluations collected at the end of ECQ Briefings, SES and Schedule C Orientations and SES Symposiums which indicate that attendees understand and value information provided about the importance of developing and demonstrating the ECQ's.

In FY 1998, having refined the Executive Core Qualifications (ECQ) to emphasize executive leadership for use in recruiting for SES positions and SES candidate development programs, ER conducted more than 50 workshops to get the word out to prospective SES applicants and human resources professionals. The workshops were phenomenally successful and blossomed into an opportunity to communicate the importance of leadership and results to Federal employees all over the country. In FY 1999 and FY 2000 we will continue workshops to keep focus on these qualities and encourage agencies to integrate the ECQ's into key SES personnel decision processes, e.g., recruitment, executive development, performance appraisal, and awards.

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- Increased levels of satisfaction among HR Directors and those HR Specialists having executive resources functions with ER’s executive resources policy leadership and with their opportunities for involvement in policy development related to this goal, as measured by informal customer feedback and by a 2% increase in favorable ratings on OPM’s FY 1999 customer satisfaction survey.

Baseline satisfaction levels reported on the FY 1998 survey with OPM’s policy leadership and involvement opportunities with respect to Revision of the Executive Core Qualifications were as follows:

	<u>Policy Leadership</u>	<u>Involvement</u>
<i>HR Directors</i>	76%	70%
<i>HR Specialists (Executive Resources):</i>	80%	73%

- Increase in evidence that Qualification Review Board (QRB) cases are well developed and reflect selection of well qualified leaders, e.g., percentage of cases approved upon initial submission; decrease in cases returned for substantial rewrite before QRB review; increase in favorable reports by QRB members on the caliber of agency selections.

EXECUTIVE RESOURCES

- In allocating personnel resources, maintain the corporate goals of a smaller executive corps that is consistent with an overall smaller, more streamlined and delayed Federal workforce.

ER Goal 3: **The levels of executive resources assigned Governmentwide and by
FY 1999/FY 2000** **agency through the 2000-2001 biennial allocation and subsequent
interim adjustments meet the Administration’s corporate goal of
maintaining an executive workforce consistent with overall
government downsizing while efficiently supporting agency
missions.**

Means:

- In FY 1998, ER held the number of allocated SES and other senior positions to reduced levels achieved in 1996. In FY 1999, ER will review agency requests for the FY 2000 -2001 biennium and limit increases to the minimum necessary to support critical agency missions. Ad

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hoc adjustments after the initial biennial allocation will be limited to those necessary to meet unanticipated needs initiated by Congress or the Administration.

- Focus agencies' attention on the importance of executive resources planning and analysis, including succession planning, to meet current and future mission requirements and integrate those activities with their strategic plans. Such planning will result in more efficient use of existing resources and reduce their need to request new resources.
- Clarify differences among types of executive resources, i.e., Senior Executive Service, Senior Level and Scientific and Professional to facilitate allocation adjustments addressing the kinds of positions needed for agency missions. This will help agencies make better use of existing executive resources and more accurately determine future position requirements.

Indicators/Performance Results:

- Agencies operate successfully within initial biennial allocations. Cumulative ad hoc adjustments during the FY 2000-2001 biennial cycle result in no more than a 2.5% increase in executive resources allocated by OPM, i.e., Senior Executive Service, Senior Level and Scientific and Professional positions, as compared to the initial Governmentwide biennial FY 2000-2001 allocation, exclusive of any new agencies being created. This figure represents one-half of the 5% increase in SES spaces which statute (5 U.S.C. 3133) otherwise allows between biennial cycles. It reflects ER's plan to focus agencies on conducting a comprehensive, quality analysis for the biennial review so that the need for interim ad hoc adjustments will be reduced.
- Qualitative analysis of Reports submitted in conjunction with the biennial review show that agencies are effectively managing their executive resources and integrating a succession planning emphasis.

EXECUTIVE RESOURCES

- By the year 2002, foster movement by senior executives as a means of broadening the executive's perspective and bringing fresh insight to agency programs.

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ER Goal 4: **Continual learning is highly valued as a strategy for maximizing executive effectiveness with the result that agencies and executives increasingly use training, sabbaticals, details, temporary assignments and movement within and between agencies to broaden perspectives and gain fresh insights on leadership.**
FY 1999/FY 2000

Means:

- In FY 1999 and 2000, ER will work to bring about change in the value placed upon continual learning and mobility as strategies for executive growth and change, with a resulting change in the extent to which agencies and executives use them to refine the skills of executives. The desired end state is an increase in the effectiveness of executives.
- Initiate a project to assess the Governmentwide norms and expectations regarding executive mobility and develop a strategy for change. We will use a survey to gather information on SES members' perceptions and attitudes about their federal management experience, including their perspectives on mobility in the SES. We will seek ways for ER to break down attitudinal barriers to and serve as a broker for mobility, so that agencies come to view it as an important tool for mission accomplishment and executives use it to gain valuable experience and develop themselves for still more responsible and rewarding federal service.
- Implement an internet forum (supplemental to USAJOBS) to facilitate connections between executives seeking new challenges and agencies which have SES vacancies.
- Create a mechanism to allow temporary exchanges of executives between federal agencies and the private sector. This will significantly expand opportunities for broadening experience skills of federal executives.
- Work with GSA to examine logistical barriers to mobility (e.g., travel, moving expenses, etc.).
- Use communications vehicles such as the SES home page, publications, presentations and seminars to promote the benefits of continual learning and mobility to agencies and executives.

Indicators/Performance Results:

- In FY 1999, ER will determine and implement methods to quantify how much continuing learning, e.g., executive training and mobility, are taking place and assess the qualitative impact on federal programs to initiate tracking and determine a baseline for future years. No baseline data is currently available.

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- ER will continue day-to-day and project assistance to agency officials to clarify and help them effectively apply SES personnel system practices to address individual and systemic issues. Results of these interactions will inform deliberation on revision of SES regulations and guidance under ER Goal 1.
- Update SES Desk Guide based upon feedback from agencies during the testing phase, policy and program initiatives emerging from the SES Framework discussions with a variety of stakeholders, and issues arising from day-to-day interaction with our clients. This guide provides immediate advice on application of SES laws and regulations and explains OPM policies to enable agencies to respond to a broad range of circumstances without needing to consult ER.
- Respond to requests for information and assistance on the full range of executive resources management activities. This responds to agency needs for interpretation of how to apply SES laws and regulations in novel circumstances not anticipated in or not suited for treatment in our SES Desk guide.
- Maintain ongoing communications with stakeholders through meetings, briefings, presentations, publications and the SES home page. Knowledge of their views may inform treatment of issues which are within OPM's administrative control and lead to exploration of initiatives to improve the SES. Face to face interaction can also help resolve issues about which stakeholders have concerns.
- Strategic short-term detail or project assignment of ER staff to agencies for work in developing, implementing or operating SES personnel systems to gain first hand experience of agency issues and concerns and opportunities for improvement.
- Develop a model performance management plan that incorporates leadership requirements and linkages with strategic planning. This will involve working with offices in the Workforce Compensation and Performance Service engaged in similar efforts.

Indicators/Performance Results:

- Ongoing feedback from senior executives, agency executive personnel managers, agency personnelists and other stakeholders about services provided.

In FY 1998, ER distributed a working draft of a comprehensive SES Desk Guide which received favorable reviews in its testing phase. In FY 1999, ER will finalize revisions based upon agency comments and publish the guide.

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- Increases averaging 2% overall in levels of satisfaction with ER information sharing and technical assistance which are reported in OPM's FY 1999 customer satisfaction survey by those HR Specialists having executive resources program functions.

These HR Specialists' baseline satisfaction levels with ER's assistance in specific program areas as measured in the FY 1998 survey were as follows:

<u>Program Area</u>	<u>Information Sharing</u>	<u>Technical Assistance</u>
<i>SES/SL/ST Allocations</i>	72%	71%
<i>SES Qualifications Review Boards</i>	77%	77%
<i>Noncareer and Limited SES Appointments</i>	77%	74%
<i>SES Compensation and Performance Mgmt</i>	84%	82%
<i>Presidential Rank Awards</i>	73%	69%

VERIFICATION AND VALIDATION

Ongoing customer service assessment efforts through daily contacts and regularly scheduled meetings with agency and other stakeholders that provide continuous feedback about program delivery and customer service.

Under the new Executive Information System (EIS), ER will rely upon agencies for on-line input of most information about executives. Presently, certain kinds of data needed to quantify actual mobility, as distinct from various kinds of position or assignment changes which do not involve a significance change in duties, is not provided for in the system. The same is true of data on executive training. ER must determine whether the EIS offers the best solution for obtaining this data and if usefulness of the data justifies changes to the EIS system. Otherwise, it will be necessary to develop other methods.

ER plans to develop and deliver an executive survey in FY 1998 to determine baseline information on executive attitudes, experiences, and issues and ultimately gauge progress in developing executives with solid leadership skills, a broad perspective of government, and public service values as well as improving Governmentwide executive resources management.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

ADMINISTRATIVE SERVICES

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations				
Salaries and Expenses	\$17,140	\$11,752	\$14,186	\$2,434
Trust Fund	962	2,909	2,909	---
Advances and Reimbursements	<u>4,514</u>	<u>3,561</u>	<u>3,561</u>	<u>---</u>
Total	\$22,616	\$18,222	\$20,656	\$2,434
Full-Time Equivalents				
Salaries and Expenses	61	54	57	3
Trust Fund	25	31	31	---
Advances and Reimbursements	<u>39</u>	<u>48</u>	<u>48</u>	<u>---</u>
Total	125	133	136	3

DESCRIPTION OF ACTIVITY

OPM's Administrative Services provide administrative support to all OPM programs and are financed by all OPM fund sources (Salaries and Expenses/General Fund Appropriation, Transfers from the Trust Funds, Revolving Fund, and the Office of the Inspector General's Salaries and Expenses/General Fund Appropriation and Transfers from the Trust Funds). Covered offices include the Office of Contracting and Administration, the Office of the Chief Information Officer and the Office of Human Resources and Equal Employment Opportunity.

OFFICE OF CONTRACTING AND ADMINISTRATIVE SERVICES
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The Office of Contracting and Administrative Services' (OCAS) mission is to support the Office of Personnel Management's (OPM) core program managers in keeping their operating costs low and acquiring the quality products they need at the best value to help them achieve their policy goals. OCAS provides delegated authority, information, expert advice, and service delivery to ensure efficient and cost effective administrative management throughout OPM. Specific services provided include local telecommunications, printing, publishing and mail. OCAS ensures that OPM employees enjoy a quality working environment, safe, secure and conducive to high productivity. In addition, OCAS is working to assist in achieving Governmentwide administrative

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and procurement policy goals. OPM has cost data in each of the OCAS goal categories and will use these benchmarks to track progress against the goals.

ANNUAL PERFORMANCE GOALS FOR FY 2000

**OCASGoal 1: Agency Space costs are reduced.
FY 1999/2000**

Means:

- Redesign selected Theodore Roosevelt Building (Washington, DC) and Service Center (field locations) space to improve utilization.
- Release excess space.
- Negotiate lower rent costs with GSA for our Boyers, PA facility.
- Correct GSA rent billing errors.

Indicators/Performance Results:

- Reduction in GSA rental charges and square footage assignments.

FY 1998: Achieved an annualized savings of more than \$750,000 from releasing and consolidating office and other space by redesigning space for the Detroit Service Center; redesigning the sixth floor of the Theodore Roosevelt Building (TRB); eliminating unneeded storage space in the TRB; and reducing the square footage for our Alexandria warehouse.

FY 1998: Implemented a new accounting system to better manage and track space utilization and space costs.

**OCASGoal 2: Procurement costs are reduced.
FY 1999/2000**

Means:

- Expand electronic commerce by posting solicitation documents on OPM's Internet Home Page; soliciting competition via the Federal Acquisition Computer Network; ordering

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products via electronic catalogs; issuing electronic purchase orders; receiving and paying electronic invoices; and increasing the use of purchase cards.

- Maximize the use of streamlined procurement methods by buying commercially available products and services using simplified acquisition procedures and by using Governmentwide Acquisition Contracts (GWAC).
- Expand the use of performance based service contract principles.
- Expand delegated purchasing authority.

Indicators/Performance Results:

- Improved training of procurement personnel.

During FY 1998, developed and implemented a policy which requires training for all OPM acquisition personnel; and developed and conducted training in advanced simplified acquisition procedures for over 100 OPM personnel to allow them to assume delegated procurement responsibilities.

- Reduced cost of purchases as a result of increased purchase card use.

FY1998: Reduced administrative costs by \$640,000 through a 75 percent increase in the dollar volume and a 25 percent increase in the number of purchases made using the VISA I.M.P.A.C. Purchase Card.

FY 1999: Implement process improvements associated with the use and payment of bills for purchase card transactions.

- Increased purchase orders issued to mandatory sources.
- Increased use of recycled content paper.

FY 1998: Increased purchase of recycled content paper from 21 percent to 68 percent.

- Reduced printing, handling, and postage costs for solicitation documents.
- Increased competition resulting in lower prices.

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**OCAS Goal 3: Mail management costs are reduced.
FY 1999/2000**

Means:

- Expand the use of pre-sort mail contract services.
- Expand the use of alternatives to physical mail such as Internet electronic mail and voice mail.
- Expand the use of zip plus four.
- Improve mail preparation by expanding the use of correct address protocols.
- Increase physical compatibility of mail pieces with automated processes.

Indicators/Performance Results:

- Increased number of pieces of mail eligible for pre-sort discounts.

FY 1998: Contracted with a commercial source to provide pre-sort outgoing mail services for the Theodore Roosevelt Building (TRB). This contract resulted in a seven percent savings in domestic mail costs and a 48 percent reduction in international mail costs.

FY 1999: Expand the use of pre-sort mail contract services.

- Improved mail processing

FY 1998: Implemented management improvements for incoming mail at the TRB including zip plus four and a more flexible and efficient system for controlling incoming mail.

- Fewer rented postal boxes.

**OCAS Goal 4: Telecommunications costs are reduced.
FY 1999/2000**

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Means:

- Conduct inventories to reduce the number of local telecommunications lines used by OPM.
- Coordinate the review of monthly telephone bills to assure accuracy.
- Encourage the elimination of data lines for Internet access.

Indicators/Performance Results:

- Lower monthly charges, due to correction of billing errors.
- Number of lines discontinued as a result of inventories and direct Internet access.

FY 1998: Discontinued 158 lines.

**OCAS Goal 5: Systems and environments are improved to increase agency
FY 1999/2000 productivity.**

Means:

- Reduce energy usage by improving TRB heating, ventilation and air conditioning and lighting systems through a utility services contract.
- Implement other TRB systems modernization.
- Increase the use of systems and modular furniture.
- Improve physical security systems.
- Redesign selected office space to increase productivity.
- Survey customers and compare their satisfaction against FY 1998 baseline data.

Indicators/Performance Results:

- Improved customer satisfaction with building systems and internal environment.

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FY 1998: Improved the TRB by sealing and cleaning the building exterior, completing the fifth phase of the elevator modernization, and implementing an energy conservation study.

FY 1999: Install a more efficient and user friendly facility management system which includes asset tracking and building service scheduling functions.

FY 1999: Complete Year 2000 compliance planning and testing.

- Reduced energy costs associated with heating, cooling and lighting.
- Reduced time required to resolve building-related complaints.
- Increased satisfaction with workplace environment and physical security.
- Improved customer satisfaction data.

In the FY 1998 survey 90 percent of responding customers rated their service experience with OCAS as positive.

**OCAS Goal 6: Administration and OPM policy objectives are fulfilled.
FY 1999/2000**

Means:

- Meet or exceed target for using alternative fuel vehicles and procurement of recycled paper content products.
- Provide contracting support to the Investigations Service in awarding a new investigations services contract.
- Provide increased business opportunities for small and small disadvantaged business concerns.
- Continue transferring excess computers to schools.
- Encourage contractors to hire welfare recipients.

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- Share information with customers to raise their awareness of overhead costs and our strategies to reduce these costs.

Indicators/Performance Results:

- Support program areas in awarding contracts and hiring of welfare recipients.

FY 1998: Provided support for program areas including awarding contracts for : Business process re-engineering services for the Retirement Insurance Services (RIS) modernization of the retirement systems; the RIS Pittsburgh Telecommunications Center: the construction of the Shepherdstown Eastern Management Development Center; and provided support to close down the Lancaster Management Development Center.

FY 1998: Incorporated performance based service contracting concepts into contracts for a leadership program simulation software instrument for the Federal Executive Institute's Leadership in a Democratic Society seminar, the Pittsburgh Telecommunications Center and the Shepherdstown Eastern Management Training Center.

FY 1998: Supported Administration policy objectives such as obtaining OMB approval for a Governmentwide system for recording contractor successes in hiring welfare recipients; developing plans for assuring that building systems are year 2000 complaint; and providing for enhanced security for the TRB by installing cameras in the garage and lobby areas that provide for 100 percent viewing capability, the installation of a new guard booth, and improved "badging" procedures.

- Meet milestones for award of the new investigation services contract.
- Meet or exceed small business contracting goals.

VERIFICATION AND VALIDATION

Compile data from existing tracking systems and refine tracking system as necessary.

OFFICE OF THE CHIEF INFORMATION OFFICER
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The information technology (IT) program supports OPM's Chief Information Officer (CIO) in providing OPM's senior managers with IT advice and oversight in accordance with the Clinger-Cohen Act. The IT program provides a broad spectrum of technical consultation that supports

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OPM's core programs in the prudent use of technology to enhance service delivery and simplify and improve business processes. Services include: coordinating agencywide IT policy, plans, and capital investments; promoting improvements in OPM work processes; and implementing a sound and integrated agencywide IT architecture and a performance-based IT management system. In addition, this office responds to agencywide information resources management requirements and reports imposed by law and central management agencies and provides agencywide policy, advice, and services on data communications, computer security, Freedom of Information Act, Privacy Act, and reports, forms, and records management.

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

IT will play a major role in OPM's accomplishment of the strategic business goals described in OPM's FY 1997-2002 Strategic Plan. The IT program helps OPM to achieve Strategic Plan Goals I, II, III, and IV, particularly where performance goals and strategies involve the application of technology, by ensuring that IT resources are used most effectively. In order to ensure that OPM's IT processes and infrastructure are able to support the agency's strategic plan, OPM's CIO will take a number of actions to oversee OPM IT initiatives, to implement the Clinger-Cohen Act of 1996, and to address the Year 2000 and information security challenges.

FY 2000 Priorities

The Office of the CIO's top program priorities for FY 2000 are: to ensure that OPM's IT systems are Year 2000 compliant (OCIO Goal 5); to facilitate the development of the Virtual Federal Human Resources Data Repository through the Human Resources Technology Council (OCIO Goal 2a); and to continue to meet the mandates of the Clinger-Cohen Act, in particular by maintaining a sound and integrated IT architecture (OCIO Goal 4).

OPM STRATEGIC PLAN GOAL I:
***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$1,500 Full-Time Equivalents:3

[Includes \$1,500 and 3 FTE for the delivery of the initial capabilities to implement the Governmentwide vision of a Virtual Federal Human Resources Data Repository (VHRDR).]

HUMAN RESOURCES SYSTEMS AUTOMATION

- Provide Governmentwide leadership via the Human Resources Technology Council for cooperative business process redesign and system modernization efforts, in support of the Clinger-Cohen Act of 1996. (Continuing)
- Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and record keeping. (Continuing)
 - By the year 1998, establish core requirements for human resources systems; set benchmarks; and evaluate existing and developing systems against requirements and benchmarks.
 - By the year 1999, establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records.

**OCIO Goal 1:
FY 1999/2000**

With the Associate Director for Employment, leadership and support are provided to the Human Resources Technology Council (HRTC) so that Governmentwide human resources business process redesign, systems modernization efforts, and planning initiatives to fully exploit the use of modern automated technologies are pursued.
[See also ES Goal 2]

The HRTC supports OPM's interest in ensuring that agencies are able to make the best and most cost-effective use of automation to achieve human resource management objectives. The HRTC is responsible for crafting a long-term strategic vision and goals for human resource management Governmentwide, particularly as it relies on automation to accomplish these goals.

Means:

- OPM's CIO co-chairs the HRTC with the Associate Director for Employment, convenes regular meetings, and provides administrative support.
- Ensure that a high level of participation continues through FY 2000 by addressing topics that are relevant and important to the HRTC members and their respective agency missions.
- Through the HRTC, conduct and coordinate Governmentwide HR automation studies and widely share the results of these studies to foster improvements in HR management.

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- Develop Governmentwide policy for cooperative HR business process redesign and systems modernization based on HRTC studies and analyses.
- Use feedback from the HRTC and other agencies as a tool for assessing policy effectiveness.
- With HRTC support, encourage small agencies to establish consortia or other mechanisms to enable these agencies to benefit from automation advances.

Indicators/Performance Results:

- Satisfaction of HRTC members with the results of HRTC studies and services, and their opportunity for involvement in the Council policy making will increase over FY 1999 or maintain at 90 percent, as measured by the annual OPM Customer Satisfaction Survey.

The HRTC member's baseline satisfaction levels as measured by the FY 1998 survey were as follows:

<u>Program Area</u>	<u>Policy Leadership</u>	<u>Opportunity for Involvement</u>
<i>HR Systems Automation</i>	<i>64%</i>	<i>82%</i>
<i>Governmentwide HR Infor. Systems Study (1998)</i>	<i>100%</i>	<i>92%</i>

- Actions are initiated as a result of HRTC policy discussions.

During FY 1998, the HRTC delivered to the President's Management Council a Governmentwide study on HR systems requirements and a review of current legacy and new developing systems in all major departments and agencies. This critically acclaimed study has been widely disseminated and is the basis for follow-on work during FY 1999 and 2000. These actions include development of a strategy with OPM on electronic data record-keeping and reporting; an occupational analysis of IT positions; working with the Joint Financial Management Improvement Program (JFMIP) on finalization of payroll requirements; and research on best practices in the public and private sectors in human resource automation. [See also OCIO Goal 2 below and ES Goal 6]

**OCIO Goal 2a:
FY 1999/2000** **Through the HRTC, OPM will begin the delivery of the initial capabilities that implement the Governmentwide vision of a Virtual Federal Human Resources Data Repository (VHRDR). The VHRDR will result in prompt access to current and accurate HR data in a less labor-intensive and costly environment for HR processing, recordkeeping, and reporting.**

In OPM's initial strategic plan, OPM established an objective for FY 1999 to "establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records." In FY 1998, OPM and the HRTC decided to pursue a broader Governmentwide objective to develop a Virtual Federal Human Resources Data Repository, which encompasses the more limited approach of developing an electronic personnel folder. The initial effort, developing a vision, requirements, and concept of operation for the HR Data Repository, is currently underway.

Means:

- Develop an initial VHRDR design based on the Vision/requirements and concept of operation approved by the HRTC in FY 1999.
- Conduct VHRDR prototype/proof of concept testing.
- Begin pilot implementation of selected VHRDR modules.
- Define VHRDR operational modules for future implementation.

Indicators/Performance Results:

- HRTC approval of the HR Information Vision, concept of operation, and implementation plan.
- HRTC approval of the initial VHRDR design and prototypes.
- Prototypes demonstrate a positive cost benefit return for the Government.
- HRTC support for pilot tests of selected VHRDR modules.
- HRTC agreement for EHRF operational modules for future implementation.

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With the HRTC, OPM has begun a process to design and develop a strategy for storing, distributing, and accessing HR data electronically -- Governmentwide. During FY 1998, OPM issued a contract to define a vision for Governmentwide electronic HR recordkeeping, construct concepts of operation, and develop an implementation strategy and plan. During FY 1999, this initial work will be reviewed by the HRTC and work will begin on the HRTC selected concept of operation to include further requirements identification.

OCIO Goal 2b: Under direction of the HRTC, human resources information flow
FY 1999/2000 between agencies, OPM, and other relevant parties is improved through an expanded centralized delivery mechanism (“data hub”).
[See ES Goal 2b for Means and Indicators]

OCIO Goal 2c: Through the encouragement of the HRTC, an increased number of
FY 1999/2000 agencies are using self-service benefits selection systems (such as OPM’s Employee Express). [See ES Goal 2c for Means and Indicators].

OPM STRATEGIC PLAN :

INFORMATION TECHNOLOGY STRATEGY

NOTE: OPM’s Strategic Plan includes a special *Information Technology Strategy* section outlining specific goals and strategies for OPM’s successfully implementing the Clinger-Cohen Act’s IT Management reforms, addressing the Year 2000 challenge, and ensuring appropriate information security programs are in place.

FY 2000 Resource Summary: Obligations (000) \$8,804 Full-Time Equivalent:12

[Includes \$2,100 for information technology infrastructure maintenance and \$3,384 for reimbursement of the National Archives and Records Administration fees for Governmentwide recordkeeping services.]

OCIO Goal 3: The IT management mandates of the Clinger-Cohen Act are met
FY 1999/2000 through the prudent application of technology in support of OPM’s core mission accomplishment.

Means:

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- Continue to provide independent oversight of major OPM IT initiatives and investments to ensure that OPM's core functions can meet their business goals and objectives through the application of technology. Significant IT initiatives include the Retirement Systems Modernization and the Central Personnel Data File Modernization projects. (See also RIS Goal 14 and OMSOE Goal 2.)
- Begin to implement an enterprisewide document management system that enhances mission accomplishment and meets electronic records management requirements.
- Develop and implement an agencywide Intranet capability that facilitates the sharing of information among OPM staff and enhances support to our customers.
- Begin to implement an agencywide Systems Development Life Cycle (SDLC) methodology and standards-based development tools that move OPM toward achieving the goal of being a Software Engineering Institute's Capability Maturity Model (CMM) level 3 applications development organization.
- Develop plans for the transition of OPM's long distance voice and data communications from GSA's Governmentwide FTS2000 contract to the new FTS2001 contract.
- Manage OPM's IT capital planning and investment control process and implement a performance-based IT management system to ensure that OPM capital investments in IT produce the desired business outcomes.

Indicators/Performance Results:

- OPM's IT initiatives conform with OPM's IT architecture standards prior to committing funds for IT projects.

During FY 1998, OCIO sponsored an agencywide analysis of OPM's document management requirements. This effort will continue in FY 1999 with a technical alternatives analysis and cost-benefit analysis to include integration of new electronic records management requirements into OPM's overall document management solution.

Access to the Internet is becoming increasingly important for OPM staff to accomplish their mission. During FY 1998, OCIO developed a conceptual design for expanding Internet access and during FY 1999 will coordinate with OPM's Employment Service IT support staff to implement this capability agencywide. The infrastructure necessary for Internet will facilitate establishing Intranets in FY 2000.

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- System development projects follow OPM's SDLC methodology and remain on schedule and within budget.

The Office of the Chief Information Officer (OCIO) continued to provide independent oversight of the Retirement Systems Modernization (RSM) project, and in FY 1998 initiated an independent verification and validation (IV&V) contract to provide additional assurance that the RSM project was proceeding on plan. During FY 1999, OCIO will continue to use the IV&V contract to review RSM progress.

- OPM's IT initiatives attain planned performance measures and meet customer expectations.
- OPM makes progress toward achievement of CMM level 3 based on bench marking of OPM system development practices against the CMM standards.

OCIO has taken a leadership role in moving OPM toward a consistent process for developing IT systems in preparation for achieving Software Engineering Institute Capability Maturity Model Level 3 certification. During FY 1998, OCIO initiated a task to refine and develop a system development life cycle (SDLC) methodology. In FY 1999, OCIO will further develop and customize the SDLC into an online tool that integrates project estimating. The SDLC will be prototyped on several OPM projects during FY 1999.

**OCIO Goal 4:
FY 1999/2000** **OPM has a sound and integrated agencywide IT architecture that provides a standards based, interoperable, and secure technology environment to facilitate and support the cost-effective accomplishment of OPM's core mission and goals.**

Means:

- Periodically update OPM's IT Architecture Vision and Technical Reference Model to maintain the technical currency of the architecture standards.
- Refresh deployed technology on a 4-5 year life cycle to sustain OPM's IT architecture investment.
- Complete implementation of enterprise resource management (ERM) capabilities to provide end-to-end management of OPM's IT infrastructure.
- Conduct a total cost of ownership/seat management study to identify cost-effective IT management options for OPM's IT infrastructure

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- Establish and enhance a comprehensive help desk operation to provide a single source to OPM staff for prompt IT-related problem resolution and define appropriate service level standards

Indicators/Performance Results:

- OPM's IT infrastructure, including PC hardware/software and LAN/WAN components meet the needs of OPM staff and are Year 2000 compliant.

OCIO developed a comprehensive agencywide IT architecture, and in FY 1998, began a multi-year project to migrate OPM to this architecture. OCIO prepared an agency level migration plan and is monitoring the execution of the detailed implementation plans. These detailed plans include replacing OPM's 10-year old communications cabling plant, deploying standard personal computer hardware and software, and upgrading and standardizing OPM's local area network operating systems.

- OPM's IT infrastructure and hardware and software inventory complies with the IT architecture.

During FY 1999, OPM will continue the initial Architecture migration process begun in FY 1998, to include the acquisition and implementation of additional standard hardware and software. With the initial migration effort complete by the end of FY 1999, OPM will be positioned to begin an architecture sustainment effort in FY 2000 and beyond.

- Central management of workstations and servers is provided through the ERM system to achieve operational and cost efficiencies.
- OPM's help desk provides prompt and effective customer support to OPM staff and meets defined service level agreements.

OCIO Goal 5: OPM's IT systems operate properly on and after January 1, 2000, FY 1999/FY 2000 and an effective Year 2000 Business Continuity and Contingency Plan is in place.

Means:

- Continue to manage OPM's Year 2000 (Y2K) remediation effort through the agencywide steering committee, ensuring that adequate resources and priorities are applied to the remediation tasks to meet established Governmentwide target dates.

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- Complete final Y2K compliance verification of OPM IT systems.
- Complete appropriate Y2K end-to-end testing.
- Complete Y2K related IT disaster recovery and business continuity and contingency planning and testing.
- Use software configuration management and PC/LAN based hardware and software inventory management and controls to assure continued Y2K compliance.

Indicators/Performance Results:

- OPM is able to perform its mission on and after January 1, 2000, supported by appropriate information technology resources.

OCIO has continued to oversee OPM's program to achieve Y2K compliance. During FY 1998, OPM made significant progress and met its Y2K remediation plan targets by achieving more than 55 percent compliance of its mission-critical systems compliant by the end of the fiscal year. OPM expects to continue to meet Governmentwide target dates during FY 1999, including having all mission-critical system compliant by March 1999.

During FY 1998, OPM upgraded its mainframe data center to a Y2K compliant hardware and operating system software environment. This Y2K compliant environment provides OPM with an in-house capability to test repaired application systems. To provide added assurance, OCIO is using contractor assistance to verify the Y2K compliance of OPM's mission-critical systems.

- Y2K related IT failures, if any, are promptly resolved, and IT related business continuity and contingency plans mitigate any problems.

During FY 1999, will complete the development and testing of Y2K Business Continuity and Contingency plans. OPM will also implement a Test Model Office to provide the ability to test OPM's personal computer and local area network based systems in a certified Year 2000 compliant environment. Additionally, OPM will conduct end-to-end testing of systems to assure compliance, validate the compliance of its telecommunications systems, and verify compliance of building systems and facilities. OCIO will continue to oversee all of these preparations for Y2K compliance, provide contractor assisted Y2K compliance verification, and prepare progress reports to OMB and the Congress.

**OCIO GOAL 6: OPM's information security program provides adequate computer security commensurate with the risk and magnitude of harm that could result from loss or compromise of mission-critical IT systems.
FY 1999/2000**

Means:

- Conduct internal and external evaluations of OPM's information security program to include engaging assistance from experts, e.g., National Security Agency, to review OPM's security capabilities and implement appropriate recommendations to improve information security.
- Ensure that OPM staff receive appropriate computer security training.
- Oversee the implementation and testing of OPM disaster recovery/continuity of operation plans for OPM's general support system and major financial, benefits, and workforce information application systems.

Indicators/Performance Results:

- Few security problems are identified during internal and external evaluations and those that are identified are not material weaknesses and are rectified promptly.

During FY 1998, no computer security incidents were reported to OCIO.

- Staff are trained, as necessary, based on assessment of needs.

During FY 1998, OCIO began revising its Computer Security and IT Resource Use policies and reviewing its computer security training. During FY 1999, OCIO will reissue computer security and IT Resource Use policies and implement new computer security training.

- A tested disaster recovery capability is in place for OPM's general support and major financial, benefits, and workforce information application systems.

During FY 1998, OPM successfully tested a disaster recovery plan for its mainframe data center and renegotiated disaster recovery hot site support for FY 1999. During FY 1999, OPM will continue to test disaster recovery procedures for its mainframe systems and will develop and test disaster recovery procedures for its nationwide local area network and wide area network systems.

VERIFICATION AND VALIDATION

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Verification and validation mechanisms that are or will be in place for OCIO's FY 2000 performance measures include:

- OCIO will use accepted qualitative analysis techniques to assess customer feedback and satisfaction for HRTC related projects and OPM system development activities.
- OCIO will use accepted accounting methods and procedures to evaluate net present value, return on investment, and cost/benefit analyses for IT systems.
- OCIO will use accepted project management and tracking software to monitor project schedules, earned value milestones, budgets, and accomplishments for IT systems.
- OCIO will use the Software Engineering Institute's Capability Maturity Model standard to assess OPM's system development practices.
- OCIO will use OIG/GAO and other independent organization's reviews of OPM's IT initiatives to assess performance.
- OCIO will use the services of independent verification and validation contractors to assess significant IT initiatives.

OFFICE OF HUMAN RESOURCES AND EEO

The program covers the operation of internal personnel management and equal employment opportunity programs agencywide. The Office of Human Resources and EEO (OHREEO) is responsible for position management, policy development, employee and labor relations, pay administration, staffing services, classification, training, EEO complaint processing, automated personnel information systems, and employee benefits.

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

**OPM STRATEGIC PLAN GOAL V:
*ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND,
DIVERSE, AND COOPERATIVE WORK ENVIRONMENT.***

FY 2000 Resource Summary: Obligations (000) \$2,826 Full-Time Equivalent: 22

- Develop and maintain a well-trained and versatile OPM workforce to support our mission.

**HREEO Diverse applicant pools are recruited to meet our future workforce
Goal 1: needs and training and developmental opportunities are provided to
FY 1999/2000 meet our workforce and succession plans.**

Means:

- Having forecast strategic workforce needs for the future, will recruit from all sources individuals with the competencies that will be needed for the future. Manage intern, career development and mentoring programs to ensure a pipeline of future leaders.
- Ensure that employees have the technical skills to succeed within our IT architecture.
- Deploy a cost-effective training delivery strategy that maximizes the benefits of the agency's intranet. Field employees will have electronic access to training offered via CD ROMs.
- Implement a training management information system that allows analysis of training costs and patterns and also creates a transcript of individuals' work-related training and education.

Indicators/Performance Results:

- Improve the recruitment of Hispanics in the OPM workforce.

In FY 1998, developed and implemented a 10 Point-Plan to Improve the Recruitment and Development of Hispanics in the OPM Workforce. As a direct result, 35 percent of all vacancy announcements were open to all sources, up from 15 percent in FY 97. The hiring rate for Hispanics increased from 3.0 percent in September 1997 to 8.8 percent in September 1998. The overall representation of Hispanics in OPM rose from 2.9 percent to 3.1 percent in FY 1998.

Surpassed Welfare-to-Work hiring goals for the second straight year in FY 1998. OPM committed to hire 15, and actually hired 22. Four of these hires were the Hispanics, the first Hispanics hired by OPM under the welfare reform initiative.

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Surpassed goals to hire students from the District of Columbia for summer jobs in FY 1998. OPM committed to hire 27, and actually hired 40. Two of these hires were Hispanic students, the first Hispanic students hired by OPM under this initiative.

In FY 1998, established and started recruitment for a new OPM Intern Program.

Will hire and orient two classes of OPM Interns in FY 1999 and FY 2000, with approximately 40 interns per class.

- Increase the diversity of the executive and management cadre within OPM.

In FY 1998, developed a plan to improve the diversity of OPM's executive and managerial cadre.

In FY 1998, developed a protocol for conducting exit interviews to determine causes of turnover.

In FY 1999 and FY 2000, will develop baseline data on turnover, by occupation and group.

In FY 1999 and FY 2000, will implement a plan to develop and sustain a diverse executive and management cadre within OPM and refresh the charter of the Executive Resources Board to oversee strategic workforce planning and succession planning, based on forecasts of turnover and staffing needs.

In FY 1999 and FY 2000, will implement a formal mentoring program for interested OPM employees, beginning with individuals who recently completed leadership development programs. Open the nomination process for leadership development programs to employee self-nomination.

- Ensure that the OPM workforce is well-trained for current and future needs.

During FY 1998 provided training in core competencies to OPM employees. OHREEO directly sponsored 39 workshops or training programs, benefiting 420 employees at the cost of \$250,000. This does not include training paid for by OPM program offices.

During FY 1999 and FY 2000 implement a system for capturing training records in the Personnel Data System. Introduce the training module of the DOD Modern Civilian Personnel Data System to enable managers to approve training electronically and to directly generate training reports. Submit annual training data to the benchmarking Forum sponsored by the American Society for Training and Development.

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- Improve the cost effectiveness of staffing operations.

In FY 1999/ FY 2000 establish a delegated examining unit for all competitive staffing services to improve quality and timeliness. Reduce the time it takes to issue a certificate from 60 days to 45 days.

In FY 1999/ FY 2000, design a more cost-effective merit promotion plan.

- Manage the OPM workforce as an effective team and communicate clearly and knowledgeably with our internal and external customers.

HREEO Goal 2: The administrative costs of HR systems are reduced and customer service satisfaction increases.
FY 1999/2000

Means:

- Begin the selection process for an integrated personnel/payroll system provider for FY 2002 and beyond.
- Provide managers with the ability to initiate personnel transactions electronically from their desk-top computers. Managers will be able to track the status of personnel actions and generate HR reports directly in a self-service manner.
- Encourage the expansion of employees' options for self-service and will increase the numbers of personnel transactions processed directly through Employee Express.

Indicators/Performance Results:

- Improve the overall quality of personnel services and adherence to merit principles.

The July 1998 OHREEO Customer Service Survey results showed that customer service improved. Management's satisfaction with the overall quality of personnel service increased from 72 percent in 1997 to 81 percent in 1998. Employee satisfaction increased from 68 percent to 76 percent.

Developed baseline data for the accuracy of personnel transaction processing. The percentage of personnel transactions that were processed without error was 85 percent.

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Improved the accuracy of data transmissions to the Central Personnel Data File to 97 percent, thereby exceeding the Governmentwide standard of 96 percent for the first time.

In FY 1999/FY 2000 increase the accuracy of personnel transaction processing from 85 percent to 90 percent.

During FY 1999 implement recommendations from the on-site, oversight review conducted by the Office of Merit Systems Oversight and Effectiveness.

- The costs per employee associated with administration of HR processes will decrease.

Developed 1998 baseline data for the costs associated with 22 specific human resources processes. The data compares to other Federal agencies and to private sector organizations.

Human Resources Costs Per Employee

	<i>OPM</i>	<i>Government Average</i>
<i>HR processes</i>	<i>\$1,245</i>	<i>\$1,749</i>
<i>Labor costs</i>	<i>\$845</i>	<i>\$1,011</i>

In FY 1998, established a streamlined process for employees to request waivers from internal rules.

Decreased charges for Workers' Compensation and Unemployment Compensation by \$192,824 from the period July 1, 1996 - June 30, 1997, to the period July 1, 1997 - June 30, 1998. We returned one employee to light duty, and have offers pending with three additional employees, with the potential of lowering future costs by \$98,109 per year.

During the period May 1997 to May 1998, OPM employees processed 210 personnel transactions through Employee Express, a self-service alternative to submitting paper forms for data entry by OHREEO.

In FY 1999, streamline staffing operations and convert to the new DOD Modern Civilian Personnel Data System.

In FY 1999 and FY 2000 continue to lower Workers' Compensation and Unemployment Compensation costs.

In FY 1999 and FY 2000, increase employee use of Employee Express for updating certain payroll and personnel records.

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During FY 2000 administer the benchmarking process again.

- Serve as the Governmentwide benchmark for partnership and create a work culture where all employees are valued.

**HREEO Goal 3: OPM employees are helped to achieve top performance, productivity and job satisfaction.
FY 1999/2000**

Means:

- Initiate contacts with supervisors to encourage and support efforts to address poor performers and the root causes of their performance problems.
- Consolidate all of the direct services offered to headquarters employees.
- Establish a council of partnership councils within OPM to spread the application of best practices.
- Through the agency intranet, increase access to information and training for field employees and telecommuters.
- Maintain high participation rates in the Thrift Savings Plan (TSP) for employees in the Federal Employees Retirement System.

Indicators/Performance Results:

- More performance problems and conflict situations are being addressed and successfully resolved.

In FY 1998, implemented programs to address/prevent workplace and domestic violence.

In FY 1998, launched neutral mediation as an alternative dispute resolution method for informal EEO discrimination complaints for non-bargaining unit employees in Headquarters, Boyers, PA and Macon, GA.

During FY 1999 and FY 2000 work more closely with OPM managers to confront and resolve performance problems.

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During FY 1999 and FY 2000 expand ADR to bargaining unit employees and others in all OPM locations.

- Improved labor management relations.

During FY 1999/FY 2000, complete contract negotiations with AFGE Local 32, reduce the amount of official time used by OPM unions, and improve the effectiveness of partnership with OPM unions.

- Improved service to OPM employees regarding benefits.

In FY 1998 the following benefit services were improved:

- *Raised participation in the Thrift Savings Plan among non-participating FERS employees by 23 percent.*
- *Timeliness of retirement/benefit-related submissions from 69 percent to 95 percent.*
- *Conducted the FERS Open Season, provided all eligible employees with information packages and counseled all interested employees.*
- *Supported increased levels of volunteerism through flexible work schedules.*

During FY 1999 and FY 2000, work toward a goal of 100% of our full-time and part-time FERS employees participating in TSP.

- Improved customer service to employees and managers who work in locations that do not have onsite HR staff by increasing access to information and training for employees.

In FY 1999, examine any disparities between OPM employees who are co-located with HR staffs versus those who are not co-located, about the quality of service and access to information and training.

During FY 1999 and FY 2000, raise awareness of and interest in telecommuting, especially in the Washington, DC metropolitan area.

During FY 1999 and FY 2000, make full use of technology to improve services to employees who are not co-located with HR staff.

- Improved customer service for employees in the Central Office.

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In FY 1999/FY 2000, fully implement a one-stop shop for employee services in the Central Office. Expand services to include health screening, wellness, and other issues of interest to OPM employees.

- By the year 2000, following a multi-year plan, link all of OPM's individual employee performance plans to our agency strategic and performance goals.

**HREEO Goal 4: All individual performance plans are linked to agency strategic goals
FY 1999/2000 and to the FY 2000 Performance Plan.**

Means:

- Assist OPM organizations as they align individual performance plans to the OPM Strategic Plan.
- Introduce ways that supervisors can align other HR plans and practices to the strategic and performance goals.

Indicators/Performance Results:

- All (100 percent) performance plans are linked to the OPM Strategic Plan and the FY 2000 OPM Performance Plan.

Sixty percent of Senior Executive Performance Plans and roughly forty percent of managerial plans were aligned to the OPM Strategic Plan in FY 1998.

- Most OPM organizations have also aligned their incentive awards programs and their training programs to the strategic goals.

In FY 1998, aligned the Director's Awards for Excellence with the OPM Strategic Plan

During FY 1999, restructure OHREEO to align with Strategic Goal V subgoals.

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In FY 1999 and FY 2000, conduct briefings of all OPM managers regarding issues related to aligning awards and training to OPM's Strategic Plan.

VERIFICATION AND VALIDATION

- Data on hiring and representation from the Personnel Data System and from the Centralized Personnel Data File is validated in reports sent to the Employment Service and to the Equal Employment Opportunity Commission.
- Beginning in FY 1999, training data will be captured in the Personnel Data System. Staff in OHREEO will enter data from training forms forwarded by program offices. Later in FY 1999, managers will process their training approvals through the new DOD Modern Civilian Personnel Data System and the data will be directly available for reports and analyses. Training data will be submitted annually to the Benchmarking Forum of the American Society for Training and Development for comparative analysis with other Federal agencies and outside organizations.
- Data on cycle times is retrieved from various documents; e.g., the date the Request for Personnel Action is received in OHREEO, the date the vacancy announcement opens, and the date the selection list is sent to the selecting official..
- OHREEO's Customer Service Surveys are administered by another office in OPM with professional expertise in that methodology.
- The *Merit System Principles Questionnaire* is administered annually by OMSOE and results can be compared to similar surveys administered from time to time by the Merit Systems Protection Board and the National Partnership for Reinventing Government
- Data on the cost effectiveness of HR processes is compiled every other year by The Hackett Group, a private sector firm that specializes in Bench marking HR practices.
- Data on employees' use of Employee Express is monitored and reported independently by another organization within OPM.
- The Thrift Savings Plan participation rates are compiled independently by the Thrift Savings Board.
- The Retirement and Insurance Service issues to each Executive Branch agency semi-annual reports on the aging of separations.

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- Data on the costs of Workers' Compensation claims is compiled independently by the Department of Labor.
- The OHREEO Customer Service Survey data can be compiled by location.
- Reports on the union's use of official time are collected quarterly and compared to other reports for a quality review.
- Data on the linkage of performance plans to the OPM strategic plan is verifiable when offices send completed performance appraisal documentation to OHREEO for data entry into the Personnel Data System and for filing in official records.

FY 2000 BUDGET CHANGES:

A net increase of \$2,434,000 is composed of the following:

An increase of \$3,384,000 is requested to reimburse NARA for the cost of storing and servicing official personnel files for all agencies Governmentwide.

An increase of \$250,000 is requested for information technology investments. OPM will redirect 3 FTE to support this effort.

A transfer of \$1,200,000 to Merit Systems Oversight and Effectiveness is necessary to finance CPDF Modernization efforts.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EXECUTIVE AND OTHER SERVICES

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations				
Salaries and Expenses	\$9,427	\$8,155	\$8,155	---
Trust Fund	3,004	3,825	3,825	---
Advances and Reimbursements	<u>2,542</u>	<u>3,908</u>	<u>3,908</u>	<u>---</u>
Total	\$14,973	\$15,888	\$15,888	---
Full-Time Equivalents				
Salaries and Expenses	90	81	81	---
Trust Fund	33	46	46	---
Advances and Reimbursements	<u>28</u>	<u>39</u>	<u>39</u>	<u>---</u>
Total	151	166	166	---

The Director and Deputy, Combined Federal Campaign, and the President's Commission on White House Fellowships are funded exclusively by OPM's Salaries and Expenses/General Fund Appropriation.

The Offices of the Director, the Chief Financial Officer, the General Counsel, Communications, and Congressional Relations are financed by all OPM fund sources (Salaries and Expenses, Transfers from the Trust Funds, Revolving Fund, Office of Inspector General's Salaries and Expenses and Transfers from the Trust Funds).

OFFICE OF THE DIRECTOR

The Office of the Director (OD) provides leadership for all initiatives and activities of the Office of Personnel Management. It serves as the focus for promoting the President's agenda on matters relating to the Federal workforce.

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OD carried out its leadership role during FY 1998 to support the continued reinvention of Government agencies and operations. In FY 1999, particular focus is being given to developing and carrying out a framework of initiatives for regulatory action and legislative proposals to improve human resource management systems and programs in the executive branch.

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**OD Goal: Shape the Administration's direction on Federal human resources
FY 1999/2000 policy issues.**

Means:

- Provide leadership within the executive branch as the central management agency responsible for effective human resources management by serving as the focal point for the development of innovative human resource programs and initiatives.
- Continue to serve as the Chair of the National Partnership Council established by Executive Order 12871 in order to enhance labor management relations throughout the executive branch, and to promote the principles and recommendations adopted as a result of the National Performance Review.
- Continue to serve on the President's Management Council to advise and assist the President and Vice President in ensuring that the reforms adopted as a result of the National Performance Review are implemented throughout the executive branch.
- Serve on the President's Interagency Council on Administrative Management which functions to improve agency administrative and management practices.
- Direct the activities of the 28 Federal Executive Boards which are responsible for personnel policy coordination among Federal activities outside Washington, D.C. Coordinate various activities with approximately 80 Federal Executive Associations nationwide.

Indicators/Performance Results:

- An increase in the level of agency HR Directors' satisfaction with 1) OPM's employment policy leadership and 2) their opportunity for involvement, as measured by informal feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

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The HR Directors' baseline satisfaction levels are listed in the sections of this plan covering the individual OPM programs.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer is responsible for all financial management activities relating to OPM's programs and operations in compliance with the Chief Financial Officers Act, Public Law 101-576 and must ensure OPM's financial operations, systems, reports and statements comply with the Government Management Reform Act, Government Performance and Results Act, Federal Managers Financial Integrity Act, Debt Collection Improvement Act, and the Federal Financial Management Improvement Act. The Office of the Chief Financial Officer (OCFO) develops and maintains an integrated accounting and financial management system; ensures that program information systems provide reliable, consistent and timely financial and program data; manages the budgeting and expenditure of OPM resources including the preparation of external budget and performance information for OMB and Congress; performs debt management; and prepares agency financial statements, reports and plans for the administrative and earned-benefits programs.

ANNUAL PERFORMANCE GOALS FOR FY 2000

OPM STRATEGIC PLAN :

FINANCIAL MANGEMENT STRATEGY

NOTE: OPM's Strategic Plan includes a special *Financial Management Systems Strategy* section outlining the goal and objectives for the Financial Management System (FMS) and Employee Benefits System (EBS). Both the Office of the Chief Financial Officer and the Retirement and Insurance Service have set FY 1999 and FY 2000 annual performance goals that are designed to bring about the achievement of the goal and objectives set out in the Strategic Plan. (See Retirement and Insurance Service Goal 5)

**OCFO Goal 1:
FY 1999/2000** **Material weaknesses are resolved and the Financial Management System, the Employee Benefits System, and internal controls are improved in order to maintain the integrity of the earned employee benefits trust funds (totaling more than \$60 billion in annual benefit payments) and OPM's appropriated and reimbursable funds.**

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Means:

- Generate auditable financial statements and receive unqualified audit opinions.
- Ensure substantial compliance of the financial systems with the Federal Financial Management Improvement Act of 1996.
- Implement and maintain current documentation of our policies, processes and procedures.
- Maintain close, detailed administration of the Revolving Fund to ensure full cost recovery and solvency.
- Improve the debt collection process and be in full compliance with the Debt Collection Improvement Act.
- Improve the timeliness of all payments, those subject to the Prompt Pay Act as well as those to government agencies.
- Decrease administrative accounts receivable delinquency by improving the billing, charge-back and collection processes by working in partnership with program managers, and by encouraging the use of credit cards and electronic payments.
- Ensure effective cash management and control.
- Continue to improve OPM's Financial Management System by expanding the electronic interchange of data with OPM program systems and external parties.
- Allow electronic document approval for travel-related documents.
- Implement timely and cost-effective improvements to our financial systems/sub-systems such as the FACTS II capability.
- Enhance the property management module in the Financial Management System.
- Encourage the increased use of the Employee Express System that allows employees to update payroll information electronically.
- Issue guidance and monitor the administration of OPM's Federal Managers Financial Integrity Act (FMFIA) program requirements. Prepare the Director's Annual Assurance Letter to the President and Congress on time and in accordance with FMFIA requirements.

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- Provide oversight to ensure the adequacy of management controls which safeguard assets and ensure accurate financial reporting. Coordinate with OPM programs, Inspector General, and OMB to execute corrective action plans that eliminate risk areas.
- Prepare the Financial Management Status Report and Five-Year Plan for the agency Director and OMB in compliance with the CFO Act.

Indicators/Performance Results:

- Improved accounting:

<i>PERFORMANCE INDICATORS</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999 GOAL</i>	<i>FY 2000 GOAL</i>
<i>System Accounting Errors</i>	<i>10.0%</i>	<i>8.0%</i>	<i>3.0%</i>	<i>2.0%</i>
<i>Timeliness of payments for Prompt Pay Act and payments to government agencies</i>	<i>83.9%</i>	<i>90.0%</i>	<i>97.0%</i>	<i>98.0%</i>
<i>Accounts Receivable Delinquency</i>	<i>49.0%</i>	<i>37.8%</i>	<i>5.0%</i>	<i>2.0%</i>
<i>Reconcile Cash Accounts Differences with Treasury</i>	<i>> 180 days</i>	<i>90 days</i>	<i>30 days</i>	<i>30 days</i>
<i>Unidentified Hours in the Work Reporting System</i>	<i>12.0%</i>	<i>3.6%</i>	<i>2.0%</i>	<i>.5%</i>

- Material weaknesses are eliminated.

FY 1998: Improved on the implementation of the Debt Collection Improvement Act both by improving the process of referring delinquent accounts to the Department of the Treasury and by increasing the amount referred.

FY 1998: Selected a new credit card company for travel and purchase cards and streamlined the procedures for using the cards.

FY 1998: Completed, in a joint effort with the Office of Contracting and Administrative Services, the comprehensive inventory and re-valuation of all property assets capitalized at a unit cost of \$10,000 and above. Also implemented the electronic interface between the Property Management Information System (PMIS) and the Financial Management System.

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FY 1998: Completed documentation of the policies and procedures for accounts receivable and accounts payable.

FY 1999: Continue teamwork with the Department of Treasury's Financial Management Service to review, re-engineer and document financial policies, processes and procedures.

- Financial condition (health) of our programs, gauged through frequent analysis.
- Improved Inspector General, Independent Public Accountant (IPA) and GAO audit results.

FY 1998: Prepared the FY 1997 financial statements for all OPM accounts by the statutory due date of March 1, 1998.

FY 1999: Prepare the agency's first accountability report including financial statements for all OPM accounts.

FY 1998: Completed the implementation of an upgrade to OPM's accounting system.

**OCFO Goal 2: Integrated financial management support and reporting is provided
FY 1999/2000 to ensure OPM's core functions can meet their goals and objectives.**

Means:

- Ensure all financial systems are Year 2000 compliant.
- Provide responsive, high quality and cost-effective service to all our customers.
- Ensure our personnel are trained in the core competencies and assigned effectively.
- Ensure accurate, timely and effective formulation and execution of OPM's budget and annual performance plan.
- Improve the analytical and forecasting capabilities.
- Ensure compliance with the Government Management Reform Act (Title IV).
- Provide ongoing training to OPM managers on the use of information from OPM's financial management systems.
- Ensure accurate and timely financial reporting to OMB and Department of Treasury.

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- Expand the use of electronic payments to improve the timeliness of payments to vendors and comply with the Debt Collection Improvement Act.
- Convert Department of Defense (DOD) billings to the Electronic Data Interchange/On-line Payment and Collection system that will interface with OPM's Financial Management System.
- Support the efforts of the Joint Financial Management Improvement Program's (JFMIP) Program Management Office to improve financial systems.

Indicators/Performance Results:

- Achieved full Year 2000 compliance in all financial systems.

FY 1998: All financial systems determined to be Year 2000 compliant and comprehensive testing on-going.

FY 1999: Ensure Year 2000 compliance of all the financial systems via comprehensive testing and independent verification and validation by the Office of the Chief Information Officer.

- Comply with the Government Performance and Results Act.

FY 1998: Completed the agency's FY 1999 Congressional Budget Justification/Annual Performance Plan which integrated performance information with the budget request to meet the requirements of the Government Performance and Results Act. The plan links OPM's annual performance goals with the goals in our strategic plan, Federal Human Resources Management for the 21st Century.

FY 1999: Develop the Congressional Budget Justification/Annual Performance Plan for FY 2000 that effectively presents OPM's priorities, fully justifies our budget request and includes outcome-oriented performance goals.

- Actions taken in response to expressed customer needs.

FY 1998: Enhanced our procurement system and trained users on the new features.

FY 1998: Refined the wide range of customized financial reports available electronically to OPM's program managers.

FY 1998: Implemented, jointly with the Office of Contracting and Administrative Services, a revised fare subsidy system.

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FY 1998: Implemented Phase I of an electronic interface between the financial management system and Employment Service's Financial Tracking and Management Information System.

- Achieved timeliness of at least 98 percent for payments and at least 99 percent for collections.

<i>PAYMENTS AND COLLECTIONS</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>Payments</i>	<i>89.3%</i>	<i>90.0%</i>	<i>97.0%</i>	<i>98.0%</i>
<i>Collections</i>	<i>51.0%</i>	<i>62.2%</i>	<i>95.0%</i>	<i>99.0%</i>

FY 1998: Expanded the electronic data interchange capability for vendor invoices and payments and continued testing it with additional vendors.

FY 1999: Implement an electronic accounting system interface for purchase/travel credit cards and document the new procedures.

FY 1999: Decrease accounts receivable delinquency by improving the billing and collection processes, working in partnership with program managers and customers to resolve billing issues, and encouraging the use of credit cards and electronic payments.

FY 1999: Continue to improve OPM's Financial Management System by expanding the electronic interchange of data with OPM program systems and external parties (e.g., contractors, customers, and other Federal agencies).

- Improved responsiveness and on-time compliance for financial reporting to OMB and the Department of the Treasury.

FY 1998: Tested and implemented the FEDTAX II system for electronic reporting of Federal tax withholdings and payments to the Internal Revenue Service.

FY 1999: Complete the reconciliation of the cash accounts and clear all Statements of Difference in 30 days.

FY 1999: Provide oversight to ensure the adequacy of management controls which safeguard assets and ensure accurate financial reporting. Coordinate with OPM programs, Inspector General, and OMB to execute corrective action plans that eliminate high risk areas.

- Documented and implemented policies, processes and procedures.

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FY 1998: Completed documentation of accounts receivable. Accounts payable and cash management are in the final revision stage.

- Received positive feedback from the Quality Improvement Teams' ongoing reviews of the financial processing functions and results.

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- Gauge, through frequent analysis, the financial condition (health) of our programs.
- Use the Inspector General, Independent Public Accountant (IPA) and GAO audit results.
- Use self-assessment guides/checklists.
- Use Quality Improvement Teams for cross-organizational problem-solving, to improve practices and to validate our performance measures.
- Use FMFIA analysis to verify and validate financial internal controls.
- Use automated system edit/error detection and documentation.
- Perform reconciliations of accounts to the general ledger and Department of Treasury cash balances.
- Use *point-of-service* and an annual customer satisfaction survey to receive feedback from customers.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel (OGC) provides legal services, both representational and advisory, to the Director, Deputy Director, and programs within the Office of Personnel Management (OPM). The OGC is also a source of expertise for other Government agencies, Federal employees, and the public.

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OGC Goal: **Timely and high-quality legal expertise on Federal civil service law and
FY 1999/2000 related matters is provided to the Director, Deputy Director and OPM
 programs.**

Means:

- Represent OPM before the Merit Systems Protection Board (MSPB), the Equal Employment Opportunity Commission (EEOC), the Armed Services Board of Contract Appeals, and Federal courts in EEO cases, appeals of OPM's suitability and adverse action decisions, Government contract cases, retirement cases, and other litigation involving agency actions.
- Provide advice and counsel on internal and Governmentwide labor-management issues, and when necessary, represent OPM in litigation involving these issues before the Federal Labor Relations Authority (FLRA) and Federal courts.
- Continue to respond to Governmentwide inquiries involving reductions-in-force (RIF), agency reorganizations, employee buyouts, career transition services, and early out authority.
- Advocate legal review of cases which have Governmentwide significance at the MSPB and before arbitrators, and seek authorization to appeal those erroneous decisions which will have a substantial impact on the civil service to the Federal court of appeals.
- Review and approve procurement matters to strengthen OPM's procurement process, minimize the risk of contract related litigation, and successfully defend procurement actions, including actions under the Federal Employees Health Benefits Act (FEHB).
- Provide legal guidance and assistance to OPM managers related to OPM's contract for investigative services with US Investigation Services, Inc., an Employee Stock Ownership Plan company created by OPM during privatization. Share that privatization experience concerning legal issues with other Federal agencies considering privatization options.
- Communicate advice and information to OPM programs and offices so that they will be better equipped to recognize issues which have legal implications and carry out their program responsibilities in a manner that will reduce the agency's litigation risks.
- Resolve appeals of full or partial denials of information or refusals to amend documented information under FOIA/Privacy Act, and provide legal assistance to OPM and officials from other agencies on FOIA/Privacy Act matters.

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- Process support garnishment and commercial garnishment actions affecting payments to OPM employees.
- Develop and issue internal regulations, policies, and instructions, and provide guidance to OPM employees on ethics. Review and provide guidance on the preparation and filing of public and confidential financial disclosure reports of OPM officials and employees.
- Execute the civilian pay and leave claims adjudication and advance decision functions.
- Adjudicate and settle claims involving employees' personal property, deceased employees' accounts, veterans benefits, and personal injury.
- Collect information relative to legal issues affecting the civil service.
- Continue to provide specialty training for attorneys and ensure that they have available to them the necessary technological resources needed to represent and advise the OPM Director and program officials.

Indicators/Performance Results:

- Defense of OPM in litigation before the MSPB and EEOC. See chart below.
- Support to the Justice Department in defending MSPB decisions sustaining OPM retirement decisions. See chart below.
- Support to the Justice Department in representing OPM in Federal court litigation. See chart below.

In FY 1998 participated on a panel at the Assistant United States Attorneys' conference. Discussed settlement of EEO cases and OPM's settlement principles, including concerns about using the Retirement Fund as a settlement fund.

In FY 1998 successfully defended OPM, or assisted the Justice Department in defending, in hundreds of cases filed in administrative and judicial tribunals.

In FY 1998 participated in public COLA (Cost-of-Living Allowance) meetings in non-foreign allowance areas (Alaska, Puerto Rico, Virgin Islands, Hawaii and Guam) to inform attendees of the history of the COLA program, summarize pending litigation, recent legislation, and a recent memorandum of understanding, explain proposed research, provide a question and answer period, and solicit input from employees into proposed research. At

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the conclusion of the process OPM will prepare a report to Congress with recommendations for improvements in the program.

- Advocacy for appeal cases involving significant civil service issues to the Federal court of appeals. See chart below.

In FY 1998 pursued a legislative solution, working with the Office of Congressional Relations, to expedite the legal review of cases which have Governmentwide significance.

In FY 1998 testified before the Subcommittee on International Security, Proliferation and Federal Services of the Governmental Affairs Committee. The testimony concerned OPM's legislative proposal, S. 1495, to modify the Federal Circuit's discretion to hear OPM's appeals and extend the time period by which OPM must file an appeal with the Federal Circuit.

- Support of ethics and Hatch Act efforts.

In FY 1998 managed the agency's ethics program which includes the public financial disclosure system, confidential financial disclosure system, ethics education and training, counseling and advice, and a system of monitoring the outside employment activities and the acceptance of travel expenses from non-federal sources.

In FY 1998 issued final regulations governing the political activities of Federal employees who live in localities that are designated as partially exempt under provision of the Hatch Act Reform Amendments of 1993.

In FY 1998 issued final regulations dealing with agency relationships with organizations representing Federal employees and other organizations. The regulations reflect a provision in the Federal Employee Representation Improvement Act of 1996 which permits greater employee representation of employee organizations under certain circumstances.

- With regard to specific categories of administrative actions and litigation, the results and targets are as follows:

<i>Appeals, Claims, etc.</i>	<i>Number of Cases</i>		<i>Number Resolved</i>		<i>Favorable to OPM</i>		<i>Unfavorable to OPM</i>		<i>Target Number of Cases</i>	
	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>RIF Appeals</i>	5	0	2	3	2	3	0	0	0	0
<i>Suitability Appeals</i>	32	28	30	28	30	28	0	0	40	25
<i>Adverse Action Appeals</i>	8	3	5	3	5	3	0	0	8	5

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<i>Appeals, Claims, etc.</i>	<i>Number of Cases</i>		<i>Number Resolved</i>		<i>Favorable to OPM</i>		<i>Unfavorable to OPM</i>		<i>Target Number of Cases</i>	
	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>EEO Actions</i>	80	55	16	13	16	12	0	1	90	60
<i>Federal Circuit Retirement Decisions</i>	251	126	158	116	152	106	6	10	270	150
<i>FEHB Claims</i>	36	14	13	18	13	15	0	4	40	20
<i>ALJ Part 300 Cases</i>	19	11	10	4	10	3	0	1	25	10
<i>Torts</i>	28	25	18	19	18	19	0	0	30	25

<i>Reconsiderations</i>	<i>Number of Cases</i>		<i>Number Resolved</i>		<i>Favorable to OPM</i>		<i>Unfavorable to OPM</i>		<i>Target Number of Cases</i>	
	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>MSPB Reconsideration of OPM Petitions</i>	9	3	9	3	6	1	3	2	3	3
<i>Arbitrator Reconsideration of OPM Petitions</i>	0	1	0	1	0	1	0	0	0	0

<i>FOIA/Privacy Act</i>	<i>Number of Cases</i>		<i>Number Resolved</i>		<i>Favorable to OPM</i>		<i>Unfavorable to OPM</i>		<i>Target Number of Cases</i>	
	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1997</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>FOIA/Privacy Act Initial Requests</i>	37	68	37	68	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	40	70
<i>FOIA Appeals</i>	16	36	16	36	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	20	40
<i>Privacy Act Appeals</i>	7	12	7	12	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	10	15
<i>FOIA/Privacy Act Litigation</i>	0	0	0	0	0	0	0	0	1	0

n/a = not applicable

VERIFICATION AND VALIDATION

- Report to management when statistics show a pattern of significant increase in areas such as EEO cases filed, FOIA/PA actions appealed, and other litigation involving agency actions. Report to management on impacts of litigation.

OFFICE OF COMMUNICATIONS

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The Office of Communications (OC) presents the messages, initiatives and achievements of OPM, develops new channels and techniques to promote awareness of the challenges and rewards of public service, and serves as frontline liaison in meeting both internal and external communications needs. OC conducts a responsive customer service program to handle OPM's public, media, and internal inquiries. Each year, thousands of inquiries are answered for statistics and facts about the Federal workforce and the civil service system.

In addition, the OC focuses outreach efforts to the media accredited to cover the White House, Senate and House of Representatives, and editorial boards across the nation, especially in areas with high numbers of Federal employees and retirees.

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**OC Goal: Human resources management assistance and information is provided
FY 1999/2000 to Federal agencies, the media, and the general public.**

Means:

- Provide responsive customer service in handling OPM's public, media and internal inquiries.
- Establish an active outreach program to weekly newspapers, ethnic/community publications and broadcast outlets, and women's and veterans' media.
- Provide human resources management information to the public through OPM's Web site, which logs in more than 80,000 user sessions per week.
- Further the promotion of the agency's reimbursable services and products by serving as the OPM marketing coordinator. OPM's marketing exhibit and materials will continue to be disseminated to educate Federal agency activities, employees and the general public on human resources management programs and issues.
- Assist OPM's programs in developing, preparing and clearing print and electronic publications on human resources management programs and issues to ensure that they are accurate and consistent with OPM and Administration policies.
- Serve as the Secretariat to the Interagency Advisory Group (IAG) of Federal Personnel Directors. The Office of Communications anticipates coordinating approximately 35 IAG meetings in FY 1999.

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- Communicate human resources management information to the IAG. In FY 1999, the Office of Communications will disseminate approximately 200 mission-critical notices to the IAG.
- Produce educational satellite broadcasts for the human resource management community in the Federal government, together with the IAG. There will be four Federal HR Forum satellite broadcasts in FY 1999.

Indicators/Performance Results:

- Customer satisfaction with OPM manuals, brochures, and reports.

OPM's FY 1998 Customer Satisfaction Survey reported satisfaction ratings of 93% (from HR Directors) and 87% (from HR Specialists) with the appearance of OPM manuals, brochures, and reports.

- Media coverage, outreach efforts and marketing consultation are expanded.

In FY 1998, expanded coverage of OPM in the media, including op-ed pieces, radio and TV talk shows.

In FY 1998, increased participation in coordinating OPM events, including town meetings, award ceremonies, and official visits.

In FY 1998, expanded outreach program efforts to weekly newspapers, ethnic/community publications and broadcast outlets, women's and veterans' media.

In FY 1999, increase marketing consultation efforts and promotion of OPM-sponsored conferences. Produce an OPM brochure.

- Satisfaction of IAG committee members, officials and employees from other Federal agencies, and OPM employees with the satellite broadcasts. The feedback is reviewed and suggestions are considered when working with the IAG and when planning satellite broadcasts.

In FY 1998, produced four educational satellite broadcasts for the Federal human resource management community together with the Interagency Advisory Group of Federal Personnel Directors. The schedule of quarterly broadcasts will continue in FY 1999.

In FY 1998, advanced customer relations and external communications by way of modern electronic technology. It is estimated that OPM's Internet Web site will have approximately four million file openings in the upcoming year.

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OPM's FY 1998 Customer Satisfaction Survey reported satisfaction ratings of 39% (from HR Directors) and 47.8% (from HR Specialists) for the usefulness of OPM briefings, forums, workshops, and satellite broadcasts as a means of sharing information. In FY 1999, OC is committed to a 5% increase in satisfaction ratings.

OPM's FY 1998 Customer Satisfaction Survey reported satisfaction ratings of 92.9% (from HR Directors) for the appearance of OPM Web page and 61.5% (from HR Specialists) on the usefulness of OPM's websites. In FY 1999, OC is committed to a 5% increase in the satisfaction rating from HR Specialists.

OPM's FY 1998 Customer Satisfaction Survey reported a satisfaction rating of 54.2% (from HR Directors) on the usefulness of IAG Executive Committee meetings as a means of sharing information. In FY 1999, OC is committed to a 5% increase in satisfaction ratings.

VERIFICATION AND VALIDATION

- The number of positive mentions of the agency in print and electronic media validates OC efforts. OC expects that coverage on television will continue to increase and will collect records of all such coverage. OC subscribes to a news clipping service for a record of nationwide coverage and contracts with video monitoring services to acquire tapes of television coverage.
- Client access to information will be measured by comments and electronic mail transmitted to the News and Complaints mailboxes on the OPM Web site. OC monitors, responds and/or forwards such correspondence. Continuous customer feedback suggests that OPM's customers increasingly look to the Web site for downloadable files and other information.
- Viewer and moderator surveys provide feedback on the effectiveness of information provided on the satellite broadcasts. The IAG Executive Committee and Satellite Broadcast Advisory Board provide feedback on the broadcasts.
- Marketing efforts primarily consist of guidance and assistance to the program offices which have products/services/information to market. OC encourages more marketing feedback activities; e.g., follow-up to warm leads; survey of exhibit visitors; collection of registration/business cards at marketing venues, etc.

OFFICE OF CONGRESSIONAL RELATIONS

The Office of Congressional Relations (OCR) provides liaison between OPM and Congress, Congressional staff, interest groups, the White House and other Federal agencies on legislative matters affecting Federal human resource policies and practices. OCR develops strategies for the design and implementation of OPM's legislative program and analyzes and responds to congressional initiatives which impact Federal human resource management issues.

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OCR Goal: **Guidance and assistance is provided to agency management and to
FY 1999/2000 Congress in the development of human resource management policies
and programs to promote a merit-based and cost-effective Federal
service and the optimum balance of Governmentwide consistency and
agency-specific flexibilities.**

Means:

- Maintain effective representation of OPM and the Administration to Members of Congress and their staff so as to enable the OPM Director to exercise leadership in Congressional consideration of Federal human resource related legislation and other Congressional matters.
- Develop and coordinate OPM's strategy for the implementation of legislative recommendations. Analyze legislation and prepare legislative materials such as bill reports, testimony. Provide technical assistance to the Congress on human resource matters.
- Manage OPM's legislative planning process to ensure full consideration of OPM initiatives by both the Administration and the Congress.
- Respond quickly and thoroughly to requests for assistance from Congressional committees and Members' offices. OCR responds to hundreds of referrals, requests for comment on legislative proposals from the Office of Management and Budget (OMB) and thousands of inquiries made by phone, letter or in person by Congressional staff.

Indicators/Performance Results:

- Enactment of the legislative proposals put forth by OPM and the Administration with regard to Federal human resource management issues.

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In addition to three proposals submitted to Congress in 1998 that are likely to be reintroduced, ten or more new proposals are expected to be submitted, in FY 1999.

In FY 1998, Administration clearance to forward 9 legislative proposals was granted. Of those proposals all or part of six proposals were enacted into law. It is anticipated that more than 10 proposals will be forwarded in FY 1999.

In FY 1999 and FY 2000, OCR plans a proactive legislative agenda in support of the OPM Strategic Plan and Human Resources Initiatives.

- Positive feedback from Congressional staff, employee organizations, OPM policy offices, interest groups, other executive agencies and OMB as indicated in meetings, routine discussions and written letters of commendation to ensure OCR meets the needs of those served.
- Maintain ability to handle testimony, referrals and inquiries.

During FY 1998, the OCR provided legislative analysis, drafting assistance and policy review in response to Office of Management and Budget referrals. OCR reported orally or in writing on:

- 182 OMB referrals on House and Senate bills*
- 121 OMB referrals on agency drafts of legislation*
- 13 OMB referrals on miscellaneous budget and conference provisions*
- 18 OMB referrals on draft executive orders*
- 15 OMB referrals on presidential memorandum*
- 60 OMB referrals on hearings*
- 32 OMB referrals on OPM legislative proposals*

In FY 1998, there were over 47,000 phone calls, 21,000 letters, and 7,000 visits from Congressional staff.

<i>Workload</i>	<i>FY 1998 Actual</i>	<i>FY 1999 Estimate</i>	<i>FY2000 Estimate</i>
<i>Congressional hearings</i>	<i>19</i>	<i>19</i>	<i>15</i>
<i>OMB Referrals</i>	<i>441</i>	<i>400</i>	<i>375</i>

*S&E/General Fund Appropriation
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<i>Congressional policy inquiries</i>	<i>1,481</i>	<i>1,500</i>	<i>1,500</i>
<i>Technical Assistance</i>	<i>18</i>	<i>18</i>	<i>18</i>

In FY 1999, continue work on upgrading technology to expand the range of annuitant inquiries that can be handled electronically.

VERIFICATION AND VALIDATION

- Receive feedback through daily contacts with congressional staff, regular meetings with agency stakeholders and frequent meetings with OPM program offices.
- Provide feedback regarding legislative agenda to OPM policy offices based on communications with employee organizations and congressional staff.
- Submit OPM legislative initiatives to OMB for clearance and feedback from agencies with a coordinating or crosscutting interest.
- Closely monitor OPM correspondence tracking system and facilitate more expeditious response to congressional correspondence.
- Update system for tracking legislative, policy and casework issues.

PRESIDENT’S COMMISSION ON WHITE HOUSE FELLOWSHIPS
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Executive Order 11181, as amended, established the President’s Commission on White House Fellowships (WHF) to provide gifted and highly motivated Americans with firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of society. The Order also requires OPM to provide administrative assistance to the Commission.

ANNUAL PERFORMANCE GOALS FOR FY 2000

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WHF Goal 1: A broad range of qualified applicants are attracted to the fellowship program in order to spread the benefits of this leadership development and public service opportunity to remarkable men and women of all backgrounds and professions throughout the U.S.
FY 1999/2000

Means:

- Intensify use of successful outreach tactics, such as: increased alumni participation, updated application brochure, reconstructed Internet Web site and media information.
- Expand work to raise the public profile of the program through existing networks and contacts.
- Continue to involve more people in recruitment through various means such as regional panel service, exposure to the Fellows during travel, and further develop constituency connections.

Indicators/Performance Results:

- Statistical profiles of applicants and fellows.

<i>Performance Indicators</i>	<i>Class of 1993-1994</i>	<i>Class of 1994-1995</i>	<i>Class of 1995-1996</i>	<i>Class of 1996-1997</i>	<i>Class of 1997-1998</i>	<i>Class of 1998-1999</i>
<i>No. of Applicants</i>	---	---	---	---	425	541
<i>Male</i>	---	---	---	---	271	360
<i>Female</i>	---	---	---	---	154	181
<i>No. of Fellows</i>	17	17	14	18	15	17
<i>Male</i>	11	11	9	8	11	10
<i>Female</i>	6	6	5	10	4	7
<i>Percent Minority</i>	47%	35%	29%	30%	33%	47%
<i>African-American</i>	5	2	2	4	2	2
<i>Latino</i>	1	3	1	1	1	2
<i>Native American</i>	1	0	0	0	0	0

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Performance Indicators	<i>Class of 1993-1994</i>	<i>Class of 1994-1995</i>	<i>Class of 1995-1996</i>	<i>Class of 1996-1997</i>	<i>Class of 1997-1998</i>	<i>Class of 1998-1999</i>
<i>Asian</i>	0	1	1	1	1	3
<i>Other</i>	1	0	0	0	1	1

In FY 1998, doubled the number of placement opportunities available to incoming Fellows as a result of improved relations with staff and principals of both the Executive Office of the President and Cabinet level agencies. Showcasing the Fellows to a broader range of agencies helps build a stronger case for placement while giving the Fellows unique exposure to the variety of work accomplished in the various departments and agencies they visit.

In FY 1999-2000, work with the Office of Presidential Personnel, make changes in the composition of the President’s Commission on White House Fellowships to increase diversity (and thus fairness in the selection process) and to encourage more participation of Commission members in the program.

- Quality of applicant pool.

In FY 1998, implemented strategic plan for outreach that included increased involvement by alumni of the program, new partnerships with White House agencies dedicated to constituency outreach, an upgraded website with a downloadable application form, and the development of new outreach tools such as a video message from President Clinton, a power point presentation, talking points and a new application brochure.

**WHF Goal 2: The selection process is efficient and fair.
FY 1999/2000**

Means:

- Continue to involve more alumni in the initial stages of selection.
- Expand use of prominent citizens from various regions of the country in the initial interviews of candidates.
- Organize the selection process in a manner that provides opportunities to expand outreach and to raise the public’s awareness of the fellowship program.

Indicators/Performance Results:

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- Meet schedule for each phase of selection, as follows:
 - Select 84-120 regional finalists by mid-March
 - Interview regional finalists and select finalists by May 3
 - Conduct final selection June 3-6
 - Submit Commission's recommendations to President June 7

In FY 1998, significantly enhanced the program's quarterly newsletter to improve communication between the program and its alumni, Commissioners and friends.

In FY 1998, successfully carried out the new selection timetable that decreased the amount of time between application and final decision from seven months to four months. One goal of the new timetable was to increase the number of applicants from business fields by keeping the deadline and decision within a single calendar year. Nearly 18% of all applicants were from business fields, an increase of nearly 13%.

In FY 1998, implemented a new system for alumni reading of applications that allowed 25% of all alumni to participate thus achieving the goal of increasing alumni involvement in the program and relieving workload pressure on program staff.

In FY 1998, successfully streamlined administrative systems, upgraded computer systems and electronic communication both internally and externally, and put into place a calendar-based checklist of tasks to improve efficiency in the implementation of the selection, placement and education of the Fellows.

WHF Goal 3: The management of the fellowship program can be replicated by new staff in anticipation of a change in administration.

Means:

- Finish the project to describe and date all tasks involved with the recruitment, selection, placement, and education of the Fellows, as well as the administration of the program and management of the Commission.
- Continue to upgrade and streamline office processes and systems to improve efficiency and effectiveness.

Indicators/Performance Results:

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- Program runs smoothly and meets deadlines.

In FY 1998, upgraded the involvement of the President's Commission in the program by involving Commissioners in substantive discussions of Administration policy with Administration officials as part of their mid-year meeting. This resulted in increased and improved relations between individual Commissioners and the fellowship program.

In FY 1999-2000, create a presentation kit using power point software to allow alumni and friends to market the fellowship program independently and professionally. This initiative should reduce travel costs by reducing the need for program staff to attend out-of-town outreach events.

In FY 1999-2000, streamline and reorganize the job descriptions of program staff to eliminate the need for a consultant and to prepare for potential staff changes.

- Fellows are selected and placed in FY 1999 and FY 2000 as efficiently and effectively as in FY 1998.

In FY 1998, created and disseminated a White House Fellows Program Manual for use by departments and agencies who are assigned a White House Fellow. In FY 1999-2000, update and improve the Program Manual to keep Human Resources officers in agencies and departments that have White House Fellows informed about processes involved in managing the fellowships.

In FY 1999-2000, implement a plan to bring the office into full Year 2000 compliance including the replacement of two personal computers and the upgrading of network software.

VERIFICATION AND VALIDATION:

- Survey professionals, alumni and regional panelists for assessment of program quality, during October and November of each year.
- Report from the President's Commission on assessment of quality and diversity at the final stage of selection.
- Executive Office of the President and departments are well served by the Fellows and the program.
- Fellows report to the President's Commission which provides oversight.

TRANSFERS FROM THE TRUST FUNDS

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

<u>Obligations:</u>	<u>FY 1998 Actual</u>	<u>FY 1999 Estimate</u>	<u>FY 2000 Request</u>	<u>FY 2000 Change</u>
Retirement and Insurance Service *	\$105,270	\$113,275	\$108,307	(\$4,968)
Administrative Services	962	2,909	2,909	0
Executive and Other Services	3,004	3,825	3,825	0
Total	\$109,236	\$120,009	\$115,041	(\$4,968)
 <u>Offsetting Collections:</u>				
Annual	\$91,114	\$91,236	\$91,486	\$250
Carryover	250	---	---	0
Permanent Indefinite Authority, Title V	16,461	19,555	19,555	0
New No-Year	---	---	4,000	4,000
Prior No-Year	1,411	9,218	---	(9,218)
Total	\$109,236	\$120,009	\$115,041	(\$4,968)
 <u>Trust Funds Budget Authority:</u>				
Annual	\$91,236	\$91,236	\$91,486	\$250
No-Year	---	---	4,000	4,000
Total	\$91,236	\$91,236	\$95,486	\$4,250
Carryover	\$250	---	---	0
Grand Total	\$91,486	\$91,236	\$95,486	\$4,250
 <u>Outlays</u>	 \$109,236	 \$120,009	 \$115,041	 (\$4,968)
 <u>Full-Time Equivalent:</u>				
Retirement and Insurance Service	1,238	1,280	1,280	0
Administrative Services	25	31	31	0
Executive and Other Services	33	46	46	0
Total	1,296	1,357	1,357	0

* Note: Obligations for Retirement and Insurance include no-year funds and Title V, which provides permanent indefinite authority.

TRANSFERS FROM THE TRUST FUNDS

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1999 Estimate</u>	<u>FY 2000 Request</u>	<u>Change</u>
Personnel Compensation	\$60,484	\$62,495	\$2,011
Personnel Benefits	13,476	14,044	568
Benefits for Former Personnel	50	50	0
Travel and Transportation of Persons	371	371	0
Transportation of Things	87	87	0
Rental Payments to GSA	8,750	8,750	0
Communications and Utilities	8,243	8,243	0
Printing and Reproduction	1,632	1,632	0
Advisory and Assistance Services	2,166	397	(1,769)
Other Services	21,801	16,021	(5,780)
Supplies and Materials	1,188	1,189	1
Equipment	1,761	1,762	1
Total Obligations	\$120,009	\$115,041	(\$4,968)

TRANSFERS FROM THE TRUST FUNDS

RETIREMENT AND INSURANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	<u>\$105,270</u>	<u>\$113,275</u>	<u>\$108,307</u>	<u>(\$4,968)</u>
Annual	\$87,148	\$84,502	\$84,752	250
Carryover	250	---	---	---
Permanent Indefinite Authority, Title V	16,461	19,555	19,555	---
No Year	<u>1,411</u>	<u>9,218</u>	<u>---</u>	<u>(\$9,218)</u>
Total Obligations	\$105,270	\$113,275	\$104,307	(\$8,968)
No-Year New Obligational Authority	---	---	\$4,000	\$4,000
Full-Time Equivalents	1,238	1,280	1,280	---

DESCRIPTION OF ACTIVITY

The Retirement and Insurance Service (RIS) administers the Civil Service and Federal Employees Retirement programs; the Federal Employees' Group Life Insurance Program; the Federal Employees Health Benefits Program; and the Retired Federal Employees Health Benefits Program. Its mission is to provide fast, friendly, accurate, and cost-efficient benefit services to Federal agencies, employees, annuitants, and their families. This mission is a vital part of the Government's effort to recruit and retain a Federal workforce equipped to meet the challenges of the 21st century.

Key components of the Retirement and Insurance Service are described below:

The Retirement Program acts as the personnel and payroll office for 2.4 million retired Federal workers and their survivors covered under the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). It makes benefit determinations in accordance with sound benefit policy and applicable laws and regulations, processes over 4 million workload items per year, ranging from the initial decision on eligibility and the amount of an annuity to

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recording changes in beneficiaries' addresses. Finally, it develops policies, regulations, and proposals to improve the competitiveness and administration of the Retirement Programs.

The Insurance Program negotiates and administers contracts with approximately 285 health insurance carriers and the Metropolitan Life Insurance Company to provide insurance benefits at a reasonable cost to eligible employees and annuitants enrolled in the Federal Employees Health Benefits (FEHB) and Federal Employees' Group Life Insurance (FEGLI) programs. Also, it conducts annual FEHB Open Seasons and FEGLI Open Seasons as required, monitors use and benefit trends within the health and life insurance industries, and implements program changes directed by the Administration and Congress. Finally, the Insurance Program decides disputed claims between FEHBP enrollees and carriers.

Through its **Financial Management** program, RIS maintains financial oversight and control over the OPM Retirement and Insurance Trust Funds and prepares accounting and program performance reports for the Department of the Treasury, the Office of Management and Budget, and Congress according to guidelines issued by the Chief Financial Officer. Also, it ensures that benefit program and administrative resources are used effectively, and continuously evaluates retirement and insurance products to determine if they meet established standards.

To fulfill these responsibilities, RIS recruitment efforts are targeted toward job competencies that support both the OPM and RIS missions, such as customer service and interpersonal skills, accounting and financial analysis, information technology, and benefits policy. As needed, RIS hires contractors to supplement its information technology staff. All of RIS' mission critical and non-mission critical automated systems have been, or are being, renovated to meet Y2K-compliance standards, and RIS staff are being trained in-house in new standards and applications.

FY 2000 Priorities

The Retirement and Insurance has identified six priorities for FY 2000 in support of the OPM priorities described in the Executive Summary.

Long-Term Care and New Life Insurance Products (RIS Goal 3) - The President has made long term care (LTC) one of his priorities for the FY 2000 Budget and is looking to OPM to serve as a model employer by making sound LTC products available to Federal employees and retirees. RIS has already responded and worked closely with staff from the Department of Health and Human Services to develop a legislative proposal to enable OPM to contract for these products. RIS expects to support the enactment of this important legislation in FY 1999 and to competitively select one or more LTC vendors sometime in FY 2000. RIS will then begin an extensive and intensive educational initiative and make the products available for purchase. RIS

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also anticipates implementing complementary enhancements to the Federal Employees' Group Life Insurance Program during FY 2000.

Quality-Driven Health Care (RIS Goal 9) - The Federal Employees Health Benefits (FEHB) Program continues to be widely cited as a model by other programs such as those for military retirees and Medicare. In FY 2000, RIS will continue to strengthen its leadership role in the health insurance industry by building and maintaining strong relationships with the National Commission for Quality Assurance (NCQA), the Health Care Financing Administration (HCFA), the Department of Health and Human Services, the Foundation for Accountability (FACCT), and the Quality Inter-Agency Coordinating Task Force (QuIC). In addition, RIS will communicate additional qualitative information to consumers of FEHB Program products enabling them to make increasingly informed decisions in their selection of health plans. RIS communication strategy will become more tailored to individuals' personal needs and situations with interactive products such as Web sites, compact discs and interactive voice response systems. Finally, RIS will continue to strengthen the Government's health benefits program beyond the year 2000, including new ways of offering mental health benefits. These efforts will ensure that the FEHB Program continues to serve as a model for the Nation.

Retirement Systems Modernization (RIS Goal 15) - Retirement Systems Modernization is central to the Retirement and Insurance Service's efforts to meet its long term customer service, business process, and financial management goals. As the portion of the employee and annuitant populations covered by the Federal Employees Retirement System (FERS) grows, the Service's ability to make substantial and sustained progress in customer service will be diminished without fundamentally redesigned systems. Current business methods and automated systems do not effectively support FERS record-keeping and claims processing requirements and are built on an inflexible and outdated technological platform. During FYs 1998 and 1999, RIS and its business partners selected a new model for future operations and completed a comprehensive, detailed business reengineering effort, and will develop early, small scale system improvements. In FY2000 and over the next 5 to 7 years, RIS will begin developing and implementing the systems that will make its plans a reality.

Customer Service Improvements (RIS Goals 6, 12, and 13) - During FY 1999, RIS will provide all new retirees under the Civil Service Retirement System with personalized and detailed information regarding their retirement, health and life insurance benefits when they begin receiving their regular annuity checks. In FY 2000, RIS will expand this detailed and personalized information to survivor annuitants as well.

RIS also will make further enhancements to the benefit program Web pages by providing information directly affecting the benefits programs, including profiles of the myriad health benefits plans and a calculator for determining the cost of Federal Employees' Group Life Insurance coverage options. The Web site will be equipped with an interactive function that will

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allow retirees and survivors to execute a broad range of allotment and other transactions on their benefit payment accounts including starting, changing, and stopping their federal and state income tax withholdings, buying or canceling US savings bonds, requesting duplicate tax information or verification of income statements, and changing both payment and mailing addresses.

Finally, the Web site will provide agencies with new automated tools to improve retirement counseling for active employees. These tools will enable agency benefits officers and counselors to provide accurate, prospective annuity and survivor annuity estimates that will provide employees and their families with information for financial planning.

Financial Systems Improvements (RIS Goal 5) - Over the past several years, RIS has made significant investments in its financial management infrastructure to ensure the integrity of the employee earned benefit program Trust Funds. These initiatives have included increased oversight programs, installation of a new financial management system, and addressing material weaknesses in policy and procedures. RIS' efforts have resulted in unqualified opinions on the Retirement and Life Insurance Program Trust Funds financial statements, directly supporting the Administration's initiative to produce Governmentwide audited financial statements. During FY2000, RIS will continue to focus on eliminating identified material weaknesses including the integration of its financial subsystems with its new general ledger, and improved financial operations and procedures.

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$14,950 Full-Time Equivalents: 244

[This includes \$250,000 to establish a *Center for Benefits Design and Delivery* discussed in RIS Goal 3 that will contract with actuarial and benefits consulting organizations to identify, analyze, and react quickly to market trends in benefits design.]

COMPENSATION, CLASSIFICATION, AND BENEFITS

- Become an acknowledged leader in the design and provision of cost-effective employee earned benefit programs.

RIS Goal 1 **A Long-Term Care program is implemented for Federal employees and annuitants, providing that authorizing legislation is passed.**
FY 1999/2000:

Means:

- During FY 1999, OPM introduced a Long-Term Care program for Federal employees, annuitants, and family members. Agency representatives have been working closely with staff from the Department of Health and Human Services to develop a benefit package that will reflect current and anticipated market conditions and give the Federal population the opportunity to purchase a quality product at a group discount rate.
- OPM will work closely with Congressional oversight committees, the Administration, and representatives from the agencies and industry during FY 1999 to define the goals, benefits, structure and financing of a long-term care program.
- If authorizing legislation is passed during FY 1999, RIS will develop in FY 2000 implementing regulations and guidance for the agencies, active employees, and retirees, and conduct open enrollment period, etc. as required by the legislation. The specifics for implementing a Long-Term Care program will remain uncertain until authorizing legislation is passed.

Indicators/Performance Results:

- Long-term Care program is implemented within timeframes described in authorizing legislation.
- Agency HR Directors and Specialists are satisfied with OPM's policy, technical assistance, and guidance materials for implementing a Long-Term Care program. To obtain an indication that OPM is meeting the agencies' needs regarding policy, technical assistance, and guidance materials for implementing a Long-Term Care program, OPM will develop new questions for the FY 2000 OPM Customer Satisfaction Survey that specifically measure agency HR Directors' and Specialists' satisfaction with these support vehicles.

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RIS Goal 2 **New life insurance products are offered to Federal employees and annuitants.**
FY 1999/2000:

Means:

- During FY 1999, RIS will use results of FY 1998 life insurance program survey as basis for developing proposals for new life insurance products.
- Working closely with Congressional oversight committees, the Administration, and representatives from the agencies and industry during FY 1999 RIS will define the goals, benefits, structure and financing of the new insurance products.
- If authorizing legislation is passed during FY 1999, RIS will develop in FY 2000 implementing regulations and guidance for the agencies, active employees, and retirees, and conduct open enrollment period, etc. as required by the legislation. Similar to the Long-Term Care program, the specifics for implementing new life insurance products will remain uncertain until authorizing legislation is passed.

Indicators/Performance Results:

- New life insurance products are implemented within timeframes described in authorizing legislation.
- Agency HR Directors and Specialists are satisfied with OPM's policy, technical assistance, and guidance materials for implementing new life insurance products. To obtain an indication that OPM is meeting the agencies' needs regarding policy, technical assistance, and guidance materials for implementing new life insurance products, OPM will develop new questions for the FY 2000 OPM Customer Satisfaction Survey that specifically measure agency HR Directors' and Specialists' satisfaction with these support vehicles.

RIS Goal 3 **Flexible, responsive, and cost-effective employee benefit policies and packages are developed by a *Center for Benefits Design and Delivery*.**
FY 1999/2000:

Means:

- RIS will combine the additional resources requested with existing staff in its policy, actuarial, and budget and financial analysis functions to build on the information developed under the FY1998 Benefits Vision Study to review new employee benefit options and

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develop a model to serve as the Government's new *benefits platform* and will draft the legislation needed to implement the new model.

- RIS will expand partnerships with other organizations in the benefits industry to assess the family friendliness of insurance carriers, benefits offerings and informational materials; understand trends in customer needs regarding health care and other benefits; and develop industry-wide standards for consumer information and health care quality and outcome measures.

Indicators/Performance Results:

RIS has expanded on the performance measure described in the OPM Strategic Plan pertinent to the benefits vision study so that it specifies the sources of evaluations regarding the competitiveness of Federal benefits.

- Respond to emerging benefits design and policy needs.

The Retirement and Insurance Service began a Benefits Vision project in 1997 to examine how the Government should design its non-salary compensation to be a competitive employer over the next 5 to 10 years. RIS completed the first step of the project, a contract study on non-salary compensation practices and future trends among non-Federal employers, in August, 1997. In 1998, RIS worked on the second step of the project, a seminar for high-level Federal human resources officials to report the results of our study, and to determine if there is consensus on adjusting the Government's non-salary compensation programs and delivery systems.

RIS addressed growing concerns about the quality of managed health care in FY 1998 by implementing the Patients Bill of Rights across the entire FEHB Program. This included publishing final regulations that prohibit health plans from imposing a "gag rule" limiting the disclosures physicians may make to patients regarding treatment options.

- Organizations outside of OPM recognize RIS' leadership in the benefits industry

OPM's leadership in the health insurance marketplace has been recognized in a number of forums. The Agency is especially proud of the special award received from the Small Business Administration for efforts to promote the interests of small and disadvantaged businesses in the FEHB Program.

- External studies indicate federal employee benefits are competitive with those offered in the private sector.

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Studies published after FY 2000 by outside observers, consultants and other organizations (i.e., the Hay Group) indicate that Federal benefits are competitive with those available from other large employers.

- Results from OPM Customer Satisfaction Survey indicate that OPM is meeting the agencies' policy needs in the area of earned employee benefits.

**RIS Goal 4 Retirement coverage errors are corrected for all people affected, in a
FY 1999/2000: way that is easy to understand and can be effectively administered.**

Means:

- RIS will work with congressional oversight committees to develop a consensus on final legislation to correct retirement coverage errors.
- When the legislation is passed, RIS will develop and implement with agencies and affected persons an operational plan to effect the legislation quickly.
- RIS will continue working with the Interagency Network on Retirement and Insurance issues to keep agencies and their benefit counselors informed of this legislative and policy issue.

Indicators/Performance Results:

- Increase the level of satisfaction among agency Human Resource Directors and Specialists regarding OPM's policy leadership regarding the correction of retirement coverage errors (the percentage of increase is shown parenthetically). Since this legislation has not been passed into law, the FY 1999 OPM Customer Satisfaction Survey established a baseline only for agency satisfaction with OPM's policy leadership and agency involvement with developing the legislative proposal. If enacted during FY 1999, OPM expects to use the FY 2000 Survey to establish baseline performance levels regarding agency satisfaction with the technical assistance and guidance it will develop to assist agencies in correcting these errors.

<u>Audience</u>	<u>Policy Leadership</u>	<u>Agency Involvement</u>
HR Directors	90% (1%)	80% (1%)
HR specialists	60% (5%)	57% (5%)

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$11,563 Full-Time Equivalents:130

- By the year 1999, resolve material weaknesses and improve financial systems and internal controls to maintain the integrity of the benefit trust funds totaling more than \$60 billion in annual benefit payments and OPM's appropriated and reimbursable funds.
- Ensure Federal Employees' Health Benefits and Federal Employees' Group Life Insurance contract compliance through financial and performance audits and quality assurance standards.

RIS Goal 5 **The financial oversight of the employee benefit trust funds is strengthened in that (a) the FY 2000 Trust Fund annual financial statements receive unqualified opinions from an independent auditor, (b) the earned benefit financial sub-systems are integrated with the new general ledger installed in early FY 1999, and (c) financial policies and procedures supporting the earned benefit financial systems are properly documented and comply with applicable requirements and standards.**

FY 1999/2000:

Means:

- In FY 1998, RIS made its most significant stride toward resolving weaknesses in its earned benefit program financial management systems by installing a new General Ledger that meets the requirements of the Federal Financial Management Improvement Act. In FY 1999, the RIS' financial management staff will complement this effort by installing new Investment Management and Accounts Receivable modules, and focus on integrating these new systems with the remaining legacy financial management and benefits record keeping and processing systems.
- RIS will expand overall system capabilities to include functions currently performed by stand-alone systems, including modernizing the Accounting Control File System (reclamation of post-death retirement payments), check cancellation, and recertification systems.

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- RIS will build on carrier financial reporting requirements implemented in FYs 1998 and 1999 so that all FEHBP Experienced-rated Carriers submit audited annual financial statements in accordance with contract requirements.
- OPM's Federal payroll office oversight and monitoring program will be expanded by RIS through on-site visits to payroll offices, including reviews of payroll records and audit findings that pertain to the administration of the employee benefit programs.
- RIS financial policy and management staff will establish adequate cost accounting standards and continue working with carriers participating in the health benefits and life insurance programs and require that their annual financial statements are audited.
- RIS financial policy staff will continue to document accounting policies and procedures and produce needed procedural manuals for financial management staff to ensure that these policies and procedures are followed.

Indicators/Performance Results:

- The FY 1997 annual financial statements, audited in FY 1998, for the Retirement and Life Insurance programs receive "unqualified opinions" from the independent auditing firm.

RIS made excellent progress in its oversight of the employee benefit trust funds by receiving "unqualified" opinions on two of the three the Trust Fund annual financial statements. This year, an Independent Public Accounting firm certified that the FY 1997 statements for the Civil Service Retirement and Disability and Federal Employees Group Life Insurance Funds met this standard. A critical part in securing these opinions was the extensive review of the entire annuity roll conducted by RIS staff, in conjunction with staff from the independent auditor, KPMG Peat Marwick, OPM's IG, and the General Accounting Office. This review validated the internal controls we have in place for retirement trust fund disbursements and demonstrated that these disbursements are 94% accurate.

- The FY 2000 annual financial statements for all of the three benefit programs, published in FY 2001, receive "unqualified opinions" from the independent auditor firm.
- Financial policies and procedures are documented as planned.

In pursuit of resolving other weaknesses in its financial management systems, RIS began the task to develop an internal Financial Management Manual that documents the many policies and desk procedures used by our accounting staff in processing and recording financial transactions. Consequently, OPM contracted with the Department of the Treasury's Center for Applied Financial Management to develop an Accounting manual. This project and its

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associated contract will extend at least through Fiscal Year 1999. To date, the Center has delivered documentation for ten systems and/or processes.

- Financial Management Manual is completed and distributed to RIS accounting staff by mid-FY 2000.
- The OPM FMFIA assurance letter for FY 2000, published in FY 2001, shows that identified material weaknesses in benefit program's internal and management controls are resolved. This will be measured in FY 2001.
- The audit reports of the benefit programs' FY 2000 annual financial statements, published in FY 2001, describe no new material weaknesses in internal controls.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$1,583 Full-Time Equivalents: 23

- By the year 2000, improve agency administration of the earned benefit programs so that (a) 80% of all retirement submissions are received within 30 days of employee retirement dates, (b) most retirement application packages are ready for processing upon receipt at OPM, and (c) employees receive from their agency complete and timely retirement counseling and services pertinent to the earned benefit programs.

RIS will continue as a leader in providing high quality information about Federal benefits and the interrelationships of Federal earned benefits programs, and improve the administration of these programs through the agencies and other business partners. To accomplish this, RIS will expand its initiatives to use technology to improve the quality of information that is available to its customers--agency benefits officers, benefits contractors, and Federal employees -- and to develop tools that allow agency benefits officers to focus on the value added components of their jobs, such as employee counseling and making determinations affecting benefits administration, rather than serving only as a conduit for information dissemination and a processor of paperwork.

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RIS Goal 6 **Benefits information is more easily available to both agency benefits
FY 1999/2000: officers and employees, and is written in *Plain Language*.**

Means:

- RIS will continue the development of tools like the Benefits Center CD-ROM that allow employees to have direct access to information that helps them become informed about their benefits and make sound decisions.
- RIS will update and enhance the Benefits Center to make it interactive and allow users to obtain more personally tailored information.
- Decision support systems that provide benefits officers with the information they need when they need it will be developed by RIS and deployed through the OPM Web site.
- RIS will acquire the services of a communications specialist to recast in *Plain Language* the CSRS and FERS Handbook, RIS pamphlets, and other informational materials and make them available in a variety of formats such as web access, CD-ROM, and hard copy, depending on customer needs.

Indicators/Performance Results:

- Responsiveness to sudden changes in policy direction is demonstrated.

During FY 1998, RIS showed its ability to adapt to sudden change by meeting the tight deadline set by Congress to conduct a CSRS to FERS Open Season. Within 4 months, it provided comprehensive guidance to agency personnel officers and benefit counselors, revised and published a new FERS Transfer Handbook, and constructed a FERS Opportunities Web site that as of May 15 had been accessed by over one quarter of a million users.

- Technical assistance needs of agency benefit counselors and employees are met.

RIS produced three 90-minute interactive satellite broadcasts to provide agency benefit counselors and employees with up-to-the-minute information about Open Season issues.

- Increase agency HR Specialists' satisfaction with information sharing, technical assistance, and guidance materials regarding the employee benefits programs.

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To establish an indication of the increased availability of such information, RIS used the results of the FY 1999 OPM Customer Satisfaction Survey to determine HR specialist satisfaction with certain program areas where improvements in information sharing and technical assistance were made. Also, satisfaction with several specific products that were re-published during FY 1998 was determined, as shown below.

<u>Program Area</u>	<u>Information Sharing</u>	<u>Technical Assistance</u>
<i>FEHB Open Season</i>	93%	90%
<i>FEGLI Coverage</i>	93%	89%
 <u>Guidance Materials</u>		
<i>Benefits Center CD-ROM</i>	72%	
<i>FEGLI Handbook</i>		91%
<i>CSRS/FERS Handbook</i>	94%	

- For FY 2000, RIS will use the Survey for other similar initiatives and products, and to determine the extent to which HR Specialists find benefits information is (a) easily accessed via the Web, CD-ROM, and other electronic media, and (b) that this information is easy to read and understand.

**RIS Goal 7 Agency and Health Benefit plan personnel are more knowledgeable
FY 1999/2000: about the administration of the earned benefit programs and are better
 able to provide benefits counseling and related assistance to Federal
 employees and retirees.**

Means:

- RIS will conduct conferences with the carriers participating in the FEHB Program to surface and resolve program issues, improve communications between OPM and these strategic partners, and broaden the knowledge of carrier staff regarding the Program.
- Interactive training modules, using Internet and CD-ROM technology, will be developed by RIS to provide just-in-time-training on benefits administration.
- RIS will develop a benefits administration certification program to insure a high quality level of training and knowledge for benefits administration.
- Web pages related to the employee benefit programs (Federal Benefits, Retirement Programs, FEHB, FEGLI) on OPM's Web site will be enhanced by focusing these pages on the customer's needs, linking them to the forms, pamphlets, handbooks and reference materials

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needed, and ensuring that all of these are in *Plain Language*. Appropriate links to other web sites will be provided to give customers a single starting place on the web for information of the full range of Federal employee benefits.

- Web pages will provide interactive services that can be downloaded, such as benefit calculators, and the ability to make changes to their annuity payment account online.
- RIS will expand the use of satellite technology to provide information to employees and benefits officers. Continue to work in consultation with the Interagency Network of Benefits Officers to disseminate information and receive feedback on the initiatives undertaken.

Indicators/Performance Results:

- Increase agency HR Specialists' satisfaction with the availability of benefits information via the OPM Web-site so that they are better able to provide benefits counseling and related assistance to Federal employees and retirees.

To establish an indication of performance toward improving the knowledge of agency benefits staff regarding the benefit programs, and better enable them to conduct benefits counseling for employees, the FY 1998 OPM Customer Satisfaction Survey established baselines regarding the information sharing and technical assistance available to them for preparing employees for retirement, and for the user-friendliness and usefulness of the benefits information available on the Web-site. Increases for FY 2000 are noted parenthetically.

<u>Program Area</u>	<u>Information Sharing</u>	<u>Technical Assistance</u>
<i>Preparing Employees for Retirement</i>	88% (2%)	85% (2%)

<u>Product/Service</u>	<u>User-Friendliness</u>	<u>Usefulness</u>
<i>OPM Web-site</i>	98% (1%)	99%

- Increase the number of retiring Federal employees who receive retirement counseling or planning support from their former agencies.

RIS Client Satisfaction Survey results indicate that 71% of new retirees received retirement counseling in FY 1998 -- up from 67% reported in FYs 1997 and 1996, and 63% reported in FY 1995. RIS expects to continue this improving trend to 75% in FY 1999 and 80% by FY 2000.

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- Increase the number of retiring Federal employees who are satisfied with the retirement planning and counseling they received.

RIS Client Satisfaction Survey results indicate that 80% of new retirees were satisfied with the help they received from their agencies in preparing for retirement in FY 1998 -- compared to 82% reported in FY 1997, 89% in FY 1996, and 87% in FY 1995. RIS expects to reverse this trend to 85% in FY 1999 and 90% by FY 2000.

RIS Goal 8 **A baseline is established regarding the quality of agency submissions to**
FY 1999/2000: **the retirement system based on OPM reports to agencies that include**
 information about how many of the retirement claims submitted were
 complete and ready for immediate processing.

Means:

- Complete the project that was started during FY 1998 to develop the tracking systems needed to measure, by agency, the number of new retirement claims that are fully documented, and the number that require further documentation in order to compute the full annuity benefit due to retirees.
- In addition to reporting on timeliness or retirement submissions, develop a periodic report, in concert with agency officials, that will provide information to agencies on the quality of their submissions.
- Coordinate with agencies to determine what the acceptable levels of Governmentwide performance regarding the completeness of claims should be.

Indicators/Performance Results:

- A baseline level of agency performance will be established during FY 2000, based on quality data collected by the tracking system developed in FY 1999, and communicated to agencies by the end of FY 2000.

In September 1998, RIS completed a comprehensive plan to develop during FY 1999 information regarding the quality of agency submissions, which will be communicated to the agencies as a part of our regular quarterly reporting to them. The quality of agency submissions refers to the completeness of the retirement application packages when they are received from the agencies for new retirees. RIS estimates that approximately 40% of all new retirement packages require further documentation before the full annuity benefit can be

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calculated and paid to these customers. Currently it takes nearly 50 days to process these “undeveloped” claims, versus the average of 23 days it took to process fully documented claims during FY 1998. RIS believes that by working with the agencies to improve not just the timeliness of their retirement submissions, but also the quality of these packages, they will be able to process a larger portion of the total retirement claims workload in less than 30 days.

- FY 2000 OPM Customer Satisfaction Survey results will indicate that HR Directors and Specialists find this quality information is useful toward improving their internal retirement processes. RIS will develop additional questions for the FY 2000 survey to collect this information.

OPM STRATEGIC PLAN GOAL IV:

***DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$80,211 Full-Time Equivalents: 883

[The budget request includes \$4 million in no-year funds to finance the development and implementation of selected modules for the Retirement Systems Modernization project.]

- By the year 2002, earned benefit program customers will (a) be paid the right amount on the day payment is due, and (b) receive responses to their inquiries and service requests that are accurate and that meet or exceed their expectations.

**RIS Goal 9 The delivery of services in the FEHB Program is improved by
FY 1999/2000: developing and using health care quality measures and communicating
quality information to program customers and prospective customers.**

Means:

- In FY's 1999 and 2000, RIS will maintain its partnerships within the health insurance industry and continue to work with them to develop and expand the use of health care quality measures. Also, RIS will seek to communicate this information by using a variety of media, including the Internet and CD-ROM technology.

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- RIS will continue to work with the health plans participating in the FEHBP to improve the performance reporting they provide to the Service concerning the delivery of health services to Program customers.
- RIS will continue to include quality measurement and performance information about health plans in the FEHB Open Season Guide, plan brochures, and materials on the OPM Web-site.

Indicators/Performance Results:

- Partnerships are used to promote the use of Health Care Quality Measures.

RIS strengthened its leadership role in the health insurance industry by building and maintaining strong relationships with the National Commission for Quality Assurance (NCQA), the Health Care Finance Administration (HCFA), the Department of Health and Human Services, and the Foundation for Accountability (FAACT). These partnerships have been instrumental in promoting the use of health care quality outcome measures by OPM and health care purchasers and providers throughout the nation, led to the adoption of the Consumer Assessment of Health Plans Survey (CAHPS) customer survey instrument as an industry standard, and resulted in modifications to NCQA's Accreditation 99 process that will better meet the needs of the FEHB Program.

- The increases in HB Carrier Performance Targets described below are met.

During the early and mid-1990s, RIS firmly established the concept of performance standards with the carriers participating the FEHB Program and these standards are now a part of the carriers' contracts with OPM. Because of the dynamic nature of the health care industry, RIS is taking a conservative approach in establishing expected levels of performance from the carriers.

HEALTH BENEFITS PROGRAM - PERFORMANCE INDICATORS

Customer Satisfaction Indicator	FY 1996 Performance	FY 1997 Performance	FY 1998 Target	FY 1999 Target	FY 2000 Target
Overall Customer Satisfaction with Their HB Plan	HMOs - 87% FFSs - 87%	HMOs - 84% FFSs - 87%	HMOs -85% FFSs- 87%	HMOs -87% FFSs- 90%	HMOs -90% FFSs - 92%
Business Process Indicators	CY 1996 Performance	CY 1997 Target	CY 1998 Target	CY 1999 Target	CY 2000 Target

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Timeliness of Claims Processing (FFS Plans only) 87% in 20 days 92% in 30 days 97% in 60 days	93% met target 93% met target All met target	95% meet target 95% meet target All% meet target	95% meet target 95% meet target All meet target	95% meet target 95% meet target All meet target	95% meet target 95% meet target All meet target
Speed to answer customer calls (HMO Plans only) Calls answered w/in 1.5 minutes	81% met target	85% meet target	85% meet target	87% meet target	90% meet target
Speed to answer customer correspondence (All Plans) 90% answered w/in 30 calendar days	67% of HMO plans met target 74% of FFS plans met target	70% of HMO plans met target 75% of FFS plans met target	70% of HMO plans met target 75% of FFS plans met target	72% of HMO plans met target 77% of FFS plans met target	75% of HMO plans met target 80% of FFS plans met target
Business Process Indicators	CY 1996 Performance	CY 1997 Target	CY 1998 Target	CY 1999 Target	CY 2000 Target
HB Disputed Claims Processed w/in 60 calendar days (OPM)	N/A	94%	99%	99%	99%
Routine Correspondence Answered On Time (OPM)	88%	90%	90%	90%	90%

RIS Goal 10 **Claims for life insurance benefits are at least 99% accurate and paid within 10 days of being fully documented to the Office of Federal Retirement and Insurance Service.**
FY 1999/2000: **within 10 days of being fully documented to the Office of Federal Employees Life Insurance.**

Means:

- RIS will continue to work in partnership with OFEGLI staff on delivery of life insurance program services.

Indicators/Performance Results:

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- Performance Targets for life insurance claims processing are met.

LIFE INSURANCE PROGRAM - PERFORMANCE INDICATORS

Business Process Indicators	FY 1996 Performance	FY 1997 Performance	FY 1998 Performance	FY 1999 Target	FY 2000 Target
Accuracy of Claims Payments: More Than 99% are Accurate					
as % of # Paid	99.5%	99.5%	99.6%	99.5%	99.5%
as % of \$ Paid	99.8%	99.6%	99.8%	99.7%	99.7%
as % of # Cert/OPM	99.7%	99.6%	0.8%	99.7%	99.7%
Timeliness of Claims Payments: Fully documented claims are paid w/in 10 calendar days	6.8 Days	6.3 Days	6.0 Days	6.0 Days	6.0 Days

RIS Goal 11 **The FY 1999 level of customer satisfaction, processing times, and
FY 1999/2000: accuracy rates for processing new claims for annuity and survivor
benefits is increased or maintained.**

Means:

- Continue efforts to improve the timeliness and accuracy of agency retirement submissions by issuing quarterly progress reports to retirement counselors and using the Interagency Advisory Group as a forum to deal with systemic problems.
- Expand the training provided at the Retirement Operations Center to enable staff there to process as many claims as possible at OPM's entry point in Boyers, PA, saving time and minimize handling.
- Continue to streamline work processes when such opportunities occur in order to reduce claims processing times and improve processing accuracy.

Indicators/Performance Results:

- Improvements in the Performance Targets shown below are met.

During the past several years, Customer satisfaction with RIS' claims processing services has remained at high levels as RIS has reduced processing times and workload balances and stabilized accuracy rates by improving its internal business processes. To sustain and continue improving these services in FY 2000 and beyond, RIS must reengineer its business

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- During FY's 1999 and 2000, RIS will continue to expand its range of retirement and insurance telephone services: retirees will be able to make an even wider range of annuity allotments, request FEHB plan brochures, and obtain customer satisfaction survey results pertaining to FEHB carriers.
- Starting in FY 1999, RIS will provide all new retirees under the Civil Service Retirement System with personalized and detailed information regarding their retirement, health and life insurance benefits when they begin receiving their regular annuity checks.
- Evaluate weekly performance reports from new IVR technology installed during FY 1998, and those from the new Pittsburgh call center, to revise performance baselines, set new performance goals, and develop new performance measures for the teleservice activities.
- Improve communications with customers by fully deploying the new "*Your Federal Retirement Benefits*" booklet in *Plain Language* with clearer, more detailed and personalized information about their retirement, health and life insurance benefits at the time of their first annuity payment.

Indicators/Performance Results:

- Improvements in the Performance Targets shown below are met.

In early FY 1998, RIS opened a new Teleservice Center in Pittsburgh, Pennsylvania, increased the number of telephone lines in all of its call centers, and introduced new interactive voice-response (IVR) technology throughout the Retirement and Insurance Service. These enhancements raised the number of calls handled by 32% and significantly increased the number of customers able to access services on their first call. As a result, caller satisfaction has remained at high levels.

RIS streamlined its correspondence handling functions so that most written inquiries from its retirement program customers are now answered by more experienced and knowledgeable staff at the point they are received in the organization. This has contributed to an increase in customer satisfaction with both the content and timeliness of responses to these inquiries.

RETIREMENT PROGRAMS (ANSWERING INQUIRIES) - PERFORMANCE INDICATORS

Customer Satisfaction Indicators	FY 1996 Performance	FY 1997 Performance	FY 1998 Performance	FY 1999 Target	FY 2000 Target
Overall Satisfaction with Call Handling	81%	89%	85%	90%	90%

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Overall Satisfaction with Content & Timeliness of Written Responses	73% 70%	78% 76%	85% 85%	87% 87%	90% 90%
Business Process Indicators	FY 1996 Performance	FY 1997 Performance	FY 1998 Performance	FY 1999 Target	FY 2000 Target
Number of Calls Handled	574,242	740,845	974,380	1,023,100	1,074,255
% of Priority Correspondence Answered w/in 8 calendar days	89%	92%	93%	95%	95%
% of Regular Correspondence Answered w/in 15 calendar days	87%	N/A	76%	85%	95%

RIS Goal 13 **The FY 1999 level of customer satisfaction with the accuracy and timeliness of account maintenance services is improved, and workload balances are reduced, as more of these customer service requests are handled through the telecommunications media.**
FY 1999/2000:

Means:

- Continue to modernize sub-systems used to process service requests. Integrate these improvements with existing automated systems.
- Continue to give callers the option of using an Interactive Voice Response (IVR) technology to make account changes, i.e., Federal or state tax withholdings, purchase Savings Bonds, request forms and pamphlets, verify income, life insurance or survivor information, and request replacement annuitant ID cards.

Indicators/Performance Results:

- Improvements in the Performance Targets shown below are met.

Over the past several years, RIS has made a concerted effort to improve the delivery of many of its retirement program services by moving away from its traditional paper-bound business

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environment. Instead, RIS is relying primarily on telephony and other electronic media to communicate with customers and execute their requests for services.

RETIREMENT PROGRAMS (MAINTAINING THE ANNUITY ROLL) - PERFORMANCE INDICATORS

Customer Satisfaction Indicators	FY 1996 Performance	FY 1997 Performance	FY 1998 Performance	FY 1999 Target	FY 2000 Target
Customers either very or generally satisfied with overall services	79%	89%	75%	85%	90%
Business Process Indicators	FY 1996 Performance	FY 1997 Performance	FY 1998 Performance	FY 1999 Target	FY 2000 Target
Number of Account Maintenance Transactions Handled by IVR Technology	117,717	195,804	325,487	Increase by 5% above FY98	Increase by 5% above FY99
Processing Times (calendar days) and Accuracy of Address Change Requests	3.3 days 95.9%	4.7 days 99.9%	8.6 days 98.0%	4.0 days 100.0%	4.0 days 100.0%
Combined Key Workload Balances	46,521	20,750	19,910	19,320	18,740

- By the year 2002, begin deploying a modern retirement system that fully automates a redesigned retirement process including retirement counseling, trust fund and financial management, and claims processing.
 - By the year 1998, validate business requirements of the retirement programs based on input from Federal agencies and other stakeholders.
 - By the year 1999, based on analysis of business requirements, develop alternative "Concepts of Operations" for modernized system and define system modules (i.e., retirement counseling, trust fund and financial management, claims processing, etc.).
 - From 1999 through the year 2002, based on Concepts of Operation, develop and deploy technology solutions to defined modules consistent with OPM's Information Technology technical architecture.

**RIS Goal 14 Accelerated information technology solutions for a modernized
FY 1999/2000: retirement system are designed, developed, and implemented.**

Means:

- RIS will select potential modules from candidates such as a tracking system for benefits inquiries from employees, an expert system to augment benefits counseling to customers, or

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a secure web site which retirees could access to obtain information about their retirement benefits. RIS will develop detailed plans and delivery schedules for the selected modules.

- Additional funding of \$4 million will be used to finance the development and implementation of selected modules.
- RIS will involve agency partners and other stakeholders in all phases of technology development and implementation.
- RIS will work with BPR contractor, agency partners, and other stakeholders to develop a Balanced Scorecard performance measurement approach to evaluate the success of the modernization project and RIS' business operations as a whole. The Balanced Scorecard provides a thorough approach to measuring program and organizational performance by developing performance measures and indicators based on four performance quadrants: customer service; business processes; financial management; and workforce competencies.

Potential Indicators/Performance Results:

- A new business model for the retirement program is selected and a business process reengineering effort is initiated to form the basis of new technology solutions.

The Retirement Systems Modernization Project lies at the heart of RIS efforts to improve the quality and timeliness of the services to civil service retirement beneficiaries. OPM initiated this project in FY 1997 by working in partnership with key Federal agencies and other stakeholders to identify the legal and regulatory requirements underlying the CSRS and FERS programs. After this process was completed, the group examined several alternative concepts of operation, culminating in the selection of a business model in FY 1998 and the initiation of a comprehensive business process reengineering (BPR) effort that will continue throughout FY 1999. The "framing" phase of BPR was completed by the end of October 1998, and at that point several "early win" projects -- work processes that can be successfully reengineered in the short-term -- to be completed by the end of the year were identified for consideration. This will serve two purposes: (1) it will quickly demonstrate the practicability of our business model, and (2) it will validate our decision to modernize by implementing discrete modules that result in immediate and tangible improvements in customer service.

- In FY 2000, selected modules are delivered within the timeframes established in detailed plans and delivery schedules developed during FY 1999.

VERIFICATION AND VALIDATION

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For the Retirement and Insurance Service, meeting the goals identified in the OPM Strategic Plan and this Annual Performance Plan means developing and maintaining a high quality work environment, making prudent investments in staff, suppliers, and technology, and continually measuring the results achieved against objectives linked to the Strategic Plan. These objectives are incorporated in RIS' Customer Service Standards, and in the annual work plans of each office. RIS maintains a comprehensive Management Information System to monitor and report output (business process) measures, and uses recurring customer satisfaction surveys as one means of measuring progress towards achieving established objectives from a customer perspective. To ensure the integrity of the performance information, RIS' management information function operates independently of the Retirement and Insurance program Offices, reporting to the RIS Associate Director through the Assistant Director for Systems, Finance, and Administration. In addition, the identical performance information is reported in the Program Performance Overviews of OPM's Annual Financial Statements and, therefore, is included in the independent audits of these statements.

Workload and Performance Tracking

RIS has a long history of tracking and evaluating the performance of the employee benefit programs. The RIS internal management information system monitors virtually all program inputs and outputs. For the Retirement Program, this involves outputs such as workload volumes for the full range of claims, customer service requests, and general inquiries received and processed each day, and the remaining balances of unprocessed work. It also involves outputs such as timing and aging data, and program inputs such as the human and other resources expended on these operations. Data supporting this tracking is collected by the OSFA's Management Information Branch in weekly increments and accumulated during the fiscal year. These data are either downloaded from OPM mainframe databases and transaction systems, LAN-based databases, or are based on manual tracking performed by operations staff and reported each week in hard copy format. RIS currently has approximately 20 years of such data.

RIS also tracks the accuracy of its service delivery through periodic reviews of various program outputs. These reviews are conducted by the OSFA's Quality Assurance Division and are based on statistically valid samples of those outputs.

Similar statistically valid samples of new and ongoing annuitant customers are used to evaluate program outcomes through RIS' customer satisfaction survey program and are focused on customers for whom RIS offices have recently processed a transaction. The surveys performed under this program are conducted on an annual basis and executed by the OSFA's Management Information Branch.

For the Health Benefits (HB) and Life Insurance (LI) Programs, the quality, timeliness, and effectiveness of contract administration activities and the performance of the carriers under these contracts are evaluated through required carrier reports against established quality

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control/assurance standards. These reports are submitted by the carriers at the end of each contract year and are based on statistically valid samples of program customers whom the carriers have served and/or claims paid as a part of service delivery to those customers.

HB and LI Program outcomes are measured through annual surveys of customers comprised of statistically valid samples of both active employees and annuitants. These surveys are conducted by private contractors.

Virtually all of the data collected for the three earned benefit programs are used to support established families of performance indicators that measure program performance against annual and long-term goals.

Internal Performance Reporting

The current status on many RIS workloads and program performance indicators is available to RIS executives, program managers, supervisors, and analytical staff on an on-going basis through a LAN-based, on-line Management Information System. Data in the system is updated as frequently as weekly. The status on other program performance indicators, primarily related to quality assurance and customer satisfaction, is made available to key staff in written reports on an ad-hoc basis.

Externally Reported Program Evaluations

The earned benefit programs performance is reported externally in OPM's annual Congressional and Budget Justification/Annual Performance Plan, the Program Overviews in the OPM Annual Financial Statements, and in annual Customer Service Reports to the National Partnership for Reinventing Government. Also, the OPM Inspector General performs audits and reviews of the earned benefit programs' financial systems, program outputs, work processes, and performance measures and makes recommendations to OPM management to improve these areas as warranted.

FY 2000 BUDGET CHANGES:

A net decrease of \$4,968,000 is composed of the following:

Annual:

An increase of \$250,000 is requested to assist in the development of a model to serve as the Government's new *benefits platform*.

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No-Year:

An increase of \$4,000,000 is requested for the Retirement Systems Modernization project and is to remain available until expended.

A net decrease of \$5,218,000 in FY 2000 obligations for Retirement Systems Modernization results from the FY 1999 spend-out of \$9,218,000 in unobligated balances of prior year no-year appropriations.

ADVANCES AND REIMBURSEMENTS

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Merit Systems Oversight & Effectiveness	\$14	\$---	\$---	---
Employment Service	81	---	---	---
Retirement and Insurance Service	663	750	750	---
Workforce Compensation & Performance Service	401	500	500	---
Workforce Relations	725	500	500	---
Executive Resources	---	---	---	---
Administrative Services	4,514	3,561	3,561	---
Executive and Other Services	2,542	3,908	3,908	---
Internal A&R	<u>(7,056)</u>	<u>(7,469)</u>	<u>(7,469)</u>	<u>---</u>
Total External	\$1,884	\$1,750	\$1,750	\$0
 <u>Offsetting Collections</u>	 \$8,940	 \$9,219	 \$9,219	 \$0
 <u>Budget Authority</u>	 ---	 ---	 ---	 ---
 <u>Outlays</u>	 ---	 ---	 ---	 ---
 <u>Full-Time Equivalents:</u>				
Merit Systems Oversight & Effectiveness	---	---	---	---
Employment Service	1	---	---	---
Retirement and Insurance Service	2	5	5	---
Workforce Compensation & Performance Service	2	7	7	---
Workforce Relations	6	10	10	---
Executive Resources	---	1	1	---
Administrative Services	39	48	48	---
Executive and Other Services	<u>28</u>	<u>39</u>	<u>39</u>	<u>---</u>
Total	78	110	110	0

ADVANCES AND REIMBURSEMENTS

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1999 Estimate</u>	<u>FY 2000 Request</u>	<u>Change</u>
Personnel Compensation	\$5,336	\$5,567	\$231
Personnel Benefits	1,033	1,082	49
Benefits for Former Personnel	0	0	0
Travel and Transportation of Persons	137	137	0
Transportation of Things	5	5	0
Rental Payments to GSA	0	0	0
Communications and Utilities	450	450	0
Printing and Reproduction	119	119	0
Advisory and Assistance Services	0	0	0
Other Services	1,208	1,003	(205)
Supplies and Materials	159	159	0
Equipment	722	647	(75)
Land and Structures	50	50	0
Total Obligations	\$9,219	\$9,219	\$0
Internal A&R	(7,469)	(7,469)	0
Total	\$1,750	\$1,750	\$0

ADVANCES AND REIMBURSEMENTS

RETIREMENT AND INSURANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$663	\$750	\$750	---
Full-Time Equivalents	2	5	5	---

DESCRIPTION OF ACTIVITY

The Retirement and Insurance Service provides reimbursable services to other agencies under the authority of the Economy Act as a service to agencies that can no longer store certain retirement records, and when OPM possesses special skills and technical expertise that either are more readily available or are more economical than other public or private sources.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$750 Full-Time Equivalents: 5

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Government wide systems are in place.

RIS Goal 15 **Agency staff are more knowledgeable about the administration of the earned benefit programs by attending the Annual Benefits Officers Conference, attending pre-conference training, and/or the annual Fall Festival of Training.**
FY 1999/2000:

***Advances and Reimbursements
Retirement and Insurance Service***

Means:

- Conduct the Fall Festival of Training to provide agency benefits officers with an expanded array of workshops designed to increase their knowledge and counseling skills and to broaden their understanding of the interactions and integration of the benefits programs administered by other agencies such as the Social Security Administration and the Federal Thrift Savings Investment Board.
- Continue to use feedback from benefits officers and other agency staff to develop interesting and appropriate agendas for the annual benefits officers conferences and other training programs.
- Promote these initiatives by doing mailings, advertising on the OPM web site, communicating through IAG meetings, etc. to ensure awareness and attendance.
- Conduct the Annual Benefits Officer Conference, continuing to expand the attendance to include more field office staff. Continue the pre-conference training and workshops to improve agency benefits officers understanding of various aspects of benefits administration in the changing environment as we enter the new millennium.
- Expand the use of satellite technology to provide information to employees and benefits officers. Continue to work in consultation with the Interagency Network of Benefits Officers to disseminate information and receive feedback on the initiatives undertaken.

Indicators/Performance Results:

- Formal feedback collected during conferences and training seminars, and from OPM Customer Satisfaction Survey indicates agency personnel find that these training programs and informational materials improve their knowledge of the benefit programs.

The FY 1998 Annual Benefits Officers Conference was attended by 378 participants, the largest turnout ever, with approximately 40% of attendees coming from outside the Washington area. The nine pre-conference training sessions provided 350 student days of training. Following the theme Benefits Round Up, the conference covered the broad spectrum of Federal benefits, going beyond the retirement and insurance programs to include social security, thrift savings, and workers' compensation benefits, and the relationship these benefits have toward one another. Conference attendees were also briefed on the status of the many proposals circulating on the Hill that could affect Federal employee benefits.

***Advances and Reimbursements
Retirement and Insurance Service***

Over 150 attendees participated in one or more of the 10 training courses offered during the first RIS Fall Festival of Training. The Fall Festival provided over 400 student-days of Federal benefits training to human resource specialists from Washington area and field office locations.

The results of the recent OPM customer Satisfaction Survey indicate that 75% of HR specialists working in the retirement and insurance benefits field find OPM sponsored conferences, such as the Benefits Officers' Conference, useful. In addition, 86% of these people found OPM briefings useful. By FY 2000, RIS expects these indicators to increase to 80% and 90%, respectively. Also, as an indicator of the extent to which conferences and training seminars increase the knowledge of agency human resource staff regarding the employee benefit programs, the FY 2000 Survey will be enhanced to include questions that evaluate whether these staff agree that this is true.

**RIS Goal 16 Agency retirement records are stored with OPM when they are
FY 1999/2000: changing their payroll systems.**

Means:

- Work with agencies who approach OPM about storing at OPM's Retirement Operations Center the individual retirement records for which they no longer have filing space.
- Make the necessary arrangements regarding the timing of the transfer of documents to the Center, and allocate the staff necessary to keep current with incoming workload.

Indicators/Performance Results:

- Agencies continue to request these services from OPM.

ADVANCES AND REIMBURSEMENTS

WORKFORCE COMPENSATION AND PERFORMANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$401	\$500	\$500	---
Full-Time Equivalents	2	7	7	---

DESCRIPTION OF ACTIVITY

The Workforce Compensation and Performance Service (WCPS) conducts seminars, symposia, and conferences on classification, compensation, and workforce performance issues. In addition, staff occasionally provide reimbursable technical assistance to other agencies.

ANNUAL PERFORMANCE GOALS FOR FY 2000 BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$500 Full-Time Equivalents: 7

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

Advances and Reimbursements
Workforce Compensation and Performance Service

WCPS Goal 12: Federal agencies receive timely, clear, accurate, and useful advice and assistance on classification, compensation, and performance management that keeps them better informed about appropriate system flexibilities and ways in which they can be used to support accomplishment of agency strategic goals.
FY 1999/2000

Means:

- Sponsor a comprehensive Total Compensation Conference, which also covers performance management and position classification issues.
- Offer workshops and seminars to share best practice experience and discuss emerging issues and trends.
- Conduct reimbursable projects in position classification, position management, performance management, and compensation as requested by agencies.

Indicators/Performance Results:

- An increase in the level of HR Specialists' satisfaction with OPM's technical assistance as measured by informal customer feedback and a 2% increase over FY 1999 levels in the percentage of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The baseline level of satisfaction as measured by the 1998 OPM Customer Survey was as follows:

<u>Program Area</u>	<u>Technical Assistance</u>
<i>Position classification and position management</i>	70%
<i>Annual pay adjustment</i>	83%
<i>Pay administration</i>	81%
<i>Leave Administration</i>	83%
<i>Premium pay and hours of work</i>	78%
<i>COLA administration</i>	74%
<i>Federal wage system</i>	77%
<i>Performance appraisal</i>	71%
<i>Incentive awards</i>	72%

- Increased number of requests for consultation demonstrates overall satisfaction with the quality of services provided.

*Advances and Reimbursements
Workforce Compensation and Performance Service*

- Degree of customer satisfaction with reimbursable projects results as measured by direct customer feedback (e.g., number of requests for repeat business, assessment of verbal or written complaints and/or compliments) indicates overall satisfaction with products.
- The Total Compensation Conference is shown by end-of-conference surveys to have satisfied participants' expectations for the level and type of information provided to help them understand developing issues in Federal compensation.

In FY 1999, conduct the first Total Compensation Conference.

- Post-workshop and seminar customer surveys indicate overall satisfaction with leave workshop presentations.

During FY 1998, conducted four workshops on "Federal Leave Programs -- Putting the Pieces Together." These workshops provided guidance and active discussions on the interaction of the Family and Medical Leave Act of 1993; sick leave for family care, bereavement, and adoption purposes; the Federal leave transfer and leave bank programs; leave for bone-marrow and organ donation; and taking actions against employees who use or abuse leave.

In FY 1998, conducted successful seminars on position classification and performance management. In FY 1999 these separate seminars will be absorbed into a single comprehensive Total Compensation Conference.

VERIFICATION AND VALIDATION

Data will be collected, analyzed, and studied each year according to accepted collection, analysis, and evaluation practices from customers and participants in seminars and workshops to determine satisfaction levels and acceptance of WCPS products and services, and the level of progress toward achieving WCPS goals.

ADVANCES AND REIMBURSEMENTS

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$725	\$500	\$500	---
Full-Time Equivalents	6	10	10	---

DESCRIPTION OF ACTIVITY

The Office of Workforce Relations (OWR) provides models, guidance, and technical assistance to agencies in developing effective employee and labor relations programs. These programs incorporate alternative dispute resolution methods, interest-based problem solving, facilitation, and mediation.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$500 Full-Time Equivalents: 10

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

Advances and Reimbursements
Office of Workforce Relations

OWR **Federal agencies receive timely, accurate and useful advice and**
Goal 14: **technical assistance to ensure that employee relations, employee health**
FY 1999/2000 **services, work and family, labor-management relations and human**
 resources development are a positive part of agencies' fully integrated
 human resource systems.

Means:

- Sponsor recurring conferences devoted to current topics in employee relations, employee health services, work and family issues, labor-management relations, and human resources development.
- Sponsor or participate in reimbursable workshops/seminars on employee relations and employee health services issues to share state-of-the-art practices and discuss emerging issues and trends.

Indicators/Performance Results:

- Maintain a high level of satisfaction as expressed by conference, workshop and seminar participants on evaluation sheets and/or orally.

In FY 1998, 94% of participant evaluations rated the overall content and quality of SOELR as Excellent or Very Good. 4% of the respondents rated the conference at the Good level.

*In FY 1998, OWR sponsored the highly popular **Symposium on Employee and Labor Relations (SOELR)**. This annual conference draws more than 800 labor and employee relations professionals from Federal agencies all over the world. OWR is planning to sponsor the FY 1999 **Symposium** during the second quarter of the year, including seven all-day pre-conference sessions and over 40 general sessions.*

- Consistent level of repeat conference, workshop and seminar attendance.
- Increase in demand for conferences/workshops as measured by the number of potential registrants on an established waiting list.
- Periodic surveys of stakeholders reflect an increasing rate of approval in terms of subject matter and quality of presentations and technical assistance.

*Advances and Reimbursements
Office of Workforce Relations*

In the 1998 OPM customer satisfaction survey, agency HR Directors rated all OPM conferences in this manner: 58.5% said that OPM sponsored conferences were very useful and 36.6% said they were somewhat useful.

Also in 1998, HR Specialists survey results indicated that 60.2% found OPM conferences very useful and 35.3% found them somewhat useful.

VERIFICATION AND VALIDATION

- OWR will continually assess various mechanisms for collecting baseline data and measuring customer/stakeholder satisfaction. Such valid and reliable assessment tools as OPM's customer satisfaction survey and participant evaluation forms will be utilized.

OFFICE OF PERSONNEL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

DESCRIPTION

This account has three fund sources:

- **Salaries and Expenses/General Fund Appropriation (S&E)**

This annual appropriation pays for the operating expenses to carry out mandated responsibilities of the Office of the Inspector General (OIG). This appropriation also funds the OIG's S&E share of agencywide support services.

- **Transfers from the Trust Funds**

The OIG receives an annual appropriation to pay the operating expenses of audits, investigations and reviews of OPM's administration of the civil service retirement and insurance programs. This appropriation also funds the OIG's Trust Fund's share of agencywide support services. These funds are transferred from the Civil Service Retirement and Disability Fund, the Employees and Retired Employees Health Benefits Fund and the Employees Life Insurance Fund.

- **Advances and Reimbursements**

The OIG provides services, on a reimbursable basis, to other agencies when the OIG possesses special skills and technical expertise that are more economical than alternative public or private sources.

**OFFICE OF INSPECTOR GENERAL
COMPARATIVE SUMMARY STATEMENT**

(dollar amounts in thousands)

	<u>FY 1998</u> <u>Actual</u>	<u>FY 1999</u> <u>Estimate</u>	<u>FY 2000</u> <u>Request</u>	<u>FY 2000</u> <u>Change</u>
<u>Obligations:</u>				
Salaries and Expenses	\$904	\$960	\$960	\$0
Transfers from the Trust Funds	<u>8,611</u>	<u>9,145</u>	<u>9,645</u>	<u>500</u>
Total Appropriation	\$9,515	\$10,105	\$10,605	\$500
Carryover	<u>\$70</u>	<u>\$45</u>	<u>---</u>	<u>(\$45)</u>
Sub-Total	\$9,585	\$10,150	\$10,605	\$455
Advances and Reimbursements	\$15	\$150	\$150	---
Grand Total	\$9,600	\$10,300	\$10,755	\$455
<u>Offsetting Collections:</u>				
Transfers from the Trust Funds	\$8,611	\$9,145	\$9,645	\$500
Carryover	35	20	---	(20)
Advances and Reimbursements	<u>15</u>	<u>150</u>	<u>150</u>	<u>---</u>
Total	\$8,661	\$9,315	\$9,795	\$480
<u>Budget Authority:</u>				
Budget Authority	\$960	\$960	\$960	\$0
Carryover	<u>35</u>	<u>25</u>	<u>---</u>	<u>(25)</u>
Total	\$995	\$985	\$960	(\$25)
<u>Trust Funds Budget Authority:</u>				
Annual	\$8,645	\$9,145	\$9,645	\$500
Carryover	<u>35</u>	<u>20</u>	<u>---</u>	<u>(20)</u>
Total	\$8,680	\$9,165	\$9,645	\$480
<u>Outlays:</u>				
General Fund	\$1,028	\$935	\$950	\$15
Trust Funds	\$8,646	\$9,165	\$9,645	\$480
<u>Full-Time Equivalents:</u>				
Salaries and Expenses	9	10	10	---
Transfers from the Trust Funds	80	95	100	5
Advances and Reimbursements	<u>---</u>	<u>1</u>	<u>1</u>	<u>---</u>
Total	89	106	111	5

OFFICE OF THE INSPECTOR GENERAL

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1999 Estimate</u>	<u>FY 2000 Request</u>	<u>Change</u>
Personnel Compensation	\$6,450	\$7,027	\$577
Personnel Benefits	1,402	1,574	172
Benefits for Former Personnel	0	0	0
Travel and Transportation of Persons	470	490	20
Transportation of Things	0	0	0
Rental Payments to GSA	785	785	0
Communications and Utilities	90	90	0
Printing and Reproduction	14	14	0
Advisory and Assistance Services	0	0	0
Other Services	978	664	(314)
Supplies and Materials	93	93	0
Equipment	18	18	0
Total Obligations	\$10,300	\$10,755	\$455

OFFICE OF THE INSPECTOR GENERAL

**SALARIES AND EXPENSES, TRANSFERS FROM THE TRUST FUNDS,
AND ADVANCES AND REIMBURSEMENTS**

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations				
Salaries and Expenses	\$904	\$960	\$960	---
Transfers from the Trust Funds	\$8,611	\$9,145	\$9,645	\$500
Advances and Reimbursements	<u>\$15</u>	<u>\$150</u>	<u>\$150</u>	<u>---</u>
Total	\$9,530	\$10,255	\$10,755	\$500
Carryover	<u>\$70</u>	<u>\$45</u>	<u>---</u>	<u>(\$45)</u>
Total	\$9,600	\$10,300	\$10,755	\$455
Full-Time Equivalents				
Salaries and Expenses	9	10	10	---
Transfers from the Trust Funds	80	95	100	5
Advances and Reimbursements	<u>---</u>	<u>1</u>	<u>1</u>	<u>---</u>
Total	89	106	111	5

DESCRIPTION OF ACTIVITY

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

The mission of the OIG is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness and efficiency within the agency.
- Prevent and detect fraud, waste and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.

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- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

Specific functions include:

Audits

- Perform health and life insurance carrier audits. The OIG conducts audits of health insurance carriers, sponsors, underwriting organizations, as well as two life insurance carriers, all of which share in annual premium payments in excess of \$16.8 billion. Audits of FEHBP carriers result in significant positive financial impact (this includes both actual recoveries to the FEHBP fund and commitments by OPM management to recover additional funds).
- Perform OPM internal audits. This activity includes such diverse areas as financial statement audits required by the Chief Financial Officers Act; President's Council on Integrity and Efficiency Governmentwide audits; and audits of agency compliance with laws and regulations such as the Prompt Payment Act and the Federal Managers Financial Integrity Act. In addition, the need exists for the OIG to complete performance audits of OPM programs that involve the full range of the agency's responsibilities, but it has not been able to because of resource constraints.
- Perform OPM external audits. The OIG, as requested by OPM procurement officials, conducts pre- and post-award contract audits relating to the acquisition of goods and services by agency program offices.

Investigations

- Provide investigative oversight of OPM's administered trust funds. Combined disbursements for these programs are in excess of \$60 billion annually. The investigation of fraud involving OPM's trust funds occupies the majority of our OIG investigative efforts.
- Inquire into allegations by OPM employees, contractors, and other interested parties of program-related fraud, misconduct or conflict of interest.

Evaluation and Inspections

- Conduct evaluations and inspections of OPM program issues and functions. Through these evaluations and inspections, the OIG is providing assistance to agency program managers to

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improve delivery of services throughout the agency. Much of this work is performed through a constructive and interactive relationship with program officials. However, the OIG may impose an evaluation or inspection whenever a need is identified.

- The OIG also conducts inspections of the local organizations of the Combined Federal Campaign, the sole authorized charitable fund-raising drive conducted in federal installations throughout the world.

Administrative Sanctions

- OIG operates a program of administrative sanctions with respect to health care providers whose actions indicate that they present a threat to the integrity of the Federal Employees Health Benefits Program. Under authority delegated from the agency head, OIG issues debarment actions against providers who have previously been sanctioned by other federal agencies.
- Public Law 105-266, enacted on October 19, 1998, substantially revised the existing statutory FEHBP sanctions authority (5 USC §8902a), making it both more comprehensive and procedurally efficient. Under the statute, it will become feasible for the first time for the OIG to pursue sanctions--including suspension, debarment, and financial assessments--of health care providers for violations committed against FEHBP, even if there is no indication that offenses occurred in other federal health care programs.

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL II:

***PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE
EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND
EVALUATION PROGRAM.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$10,755 Full-Time Equivalents: 111

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- By the year 1999, resolve material weaknesses and improve financial systems and internal controls to maintain the integrity of the benefit trust funds totaling more than \$60 billion in annual benefit payments and OPM's appropriated and reimbursable funds.
- Ensure Federal Employees' Health Benefits and Federal Employees' Group Life Insurance contract compliance through financial and performance audits, and quality assurance standards. (Continuing)

OIG Goal 1: Independent oversight of agency programs, operations, functions, and activities is provided.

Means:

- Identify and monitor sensitive, significant, or costly agency initiatives.
- Pursue a comprehensive plan of audit in which priorities are focused on performing independent audits of OPM's financial statements, health insurance carriers and life insurance carriers.
- Perform audits, investigations, evaluations, and inspections in accordance with appropriate professional standards and applicable laws and regulations to ensure both the quality and objectivity of work.

Indicators/Performance Results:

- Number of audits, investigations, evaluations, or reviews completed. New databases being established in FY 1999 will provide baseline data for performance measures where results are not currently reported.

<i>Performance Indicators</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>Insurance Audit Reports</i>	<i>47</i>	<i>47</i>	<i>50</i>
<i>Questioned Costs</i>	<i>\$126M</i>	<i>\$95M</i>	<i>\$100M</i>
<i>OIG Goals 1,2</i>			

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<i>Performance Indicators</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>CFO Audit Oversight, TF</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>CFO Audit Oversight, S&E and RF</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>OIG Goals 1,2,4</i>			
<i>Investigative Cases Worked</i>	<i>628</i>	<i>650</i>	<i>680</i>
<i>OIG Goals 1,2,3</i>			
<i>Investigative Complaints Handled</i>	<i>1,985</i>	<i>2,000</i>	<i>2,200</i>
<i>OIG Goals 1,2,3 - Hotlines</i>			
<i>Administrative Sanctions Issued</i>	<i>2,926</i>	<i>3,125</i>	<i>3,300</i>
<i>OIG Goals 2,3</i>			

Conduct inspections of the general administrative procedures used by local Combined Federal Campaigns (CFC) with more in-depth evaluations performed on problem areas identified either by OPM CFC program office or issues discovered through the inspections. FY 1999 is the first year that OIG will conduct these reviews using evaluative techniques. Accomplishment also applicable to OIG Goal 2.

Increase the number of rate reconciliation audits (RRA) in FY 1999 to 20 which is an increase of 42 percent over FY 1998. The RRA concept is designed to assist OPM contracting officials in negotiating the best FEHBP premium rates possible by ensuring that they have been provided with current, complete and accurate information by participating community-rated HMOs. Accomplishment also applicable to OIG Goal 2.

➤ *Dollars saved, recovery rate, and return on investment.*

Outlays from the retirement and insurance trust funds are highly susceptible to fraud. Working with limited resources, the OIG has achieved an impressive record of cost effectiveness in combating this fraud. For FY 1998, OIG activities resulted in recoveries and disallowed costs of \$76.4 million in favor of the trust funds. Of this amount, \$71 million is associated with FEHBP audits, \$1.9 is associated with FEHBP and retirement investigations, and \$3.5 million is associated with joint audit and investigative projects. This trust fund oversight by the OIG will continue to result in significant positive financial impact. Accomplishment also applicable to OIG Goals 2 and 4.

In addition to this financial impact, OIG audits and investigations also provided a significant deterrent against future instances of fraud, waste and abuse. Accomplishment also applicable to OIG Goals 2 and 4.

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- Audit cycle, average number of unaudited years, and lost audit years for FEHBP carriers.
- Meet Inspector General Act reporting requirements.

Prepare semiannual reports on OIG activities for the Director of OPM and Congress as required by the Inspector General Act. Accomplishment also applicable to OIG Goals 2,3 and 4.

OIG Goal 2: Assist and work with our customers and stakeholders in a spirit of cooperation.

Means:

- Identify opportunities for OPM to improve operations and put resources to better use.
- Conduct audits, evaluations, and inspections with the principal purpose of addressing the specific needs of OPM program managers.
- Provide a quick and comprehensive response to program office requests.
- Enhance teamwork and/or coordination among auditors, investigators, evaluators, the Department of Justice (DOJ), OIG's customers, stakeholders, and other parties with common goals or interests.

Indicators/Performance Results:

- Percent of recommendations agreed to and implemented by OPM management.
- Number of audit issues or concerns regarding OPM's financial statements, programs, and administrative activity identified.
- Number of issues addressed and/or resolved by the Quality Improvement Teams (QITs).

The OIG participated in 3 QITs in FY 1998.

- Number of times OIG participated in joint investigations or multi-agency task forces.

In FY 1998, OIG participated in 150 joint investigations.

- Number of debarment inquiries.

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1000 debarment inquiries processed in FY 1998.

OIG Goal 3: Fraud against OPM programs is detected and prevented.

Means:

- Promote and protect the integrity of the Federal Employees Health Benefits Program through debarment of untrustworthy health care providers.
- Target program weaknesses and develop new techniques for detecting fraud.
- Conduct objective, aggressive, thorough, and timely audits, investigations, and evaluations.
- Pursue restitution, whenever possible.
- Publicize offender convictions for deterrent effect.
- Work with program managers and legislators to improve the legal tools needed to protect OPM programs from fraud, other illegal acts or abuse.
- Utilize the Program Fraud Civil Remedies Act (31 U.S.C. 3801-3812) by investigating program fraud allegations involving false claims of up to \$150,000 and report findings and conclusions to the General Counsel, the agency reviewing officer.
- Maintain investigative hotlines as a means of receiving information regarding fraud against OPM programs.

Indicators/Performance Results:

- Number of investigations resulting in a positive disposition for the agency.

Investigative efforts in FY 1998 resulted in 22 arrests. These arrests primarily involved civil service retirement fraud. Accomplishment also applicable to OIG Goal 2.

- Number of debarments and amount of fines.

The number of common rule debarments issued against health care providers whose actions indicated that they presented a threat to the integrity of the FEHBP rose from

***Salaries and Expenses, Trust Fund, and Advances and Reimbursements
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1886 in FY 1997 to 2926 in FY 1998. This represents a 55 percent increase, which is attributable principally to the expanding overall level of attention being paid to health care fraud issues on a Governmentwide basis. Accomplishment also applicable to OIG goals 1 and 2. No fines were imposed during FY 1998.

- Number of referrals to the DOJ.

In FY 1998, there were 113 referrals to DOJ.

- Percentage of carriers in compliance with debarment guidelines, and the percent that have a debarment implementation plan in place.

In FY 1998, 100% of carriers have an implementation plan in place.

- Percentage of debarments and contested proposed debarments processed within established time requirements.

Under common rule debarments, 100% processed within time requirements in FY 1998.

OIG Goal 4: Overall quality assurance and oversight of OPM's programs is improved.

Means:

- Require experience-rated FEHBP carriers to expand their audits using independent public accountants (IPAs) engaged by the insurance carrier.
- Prepare an audit guide that will set forth the scope of audit requirements to be used by IPAs. Focus OIG resources on contract performance on FEHBP carriers where we have program expertise such as the allowability and allocability of administrative expenses, allowability of benefit payments, and the detection of benefit payment fraud and abuse.
- Audit all OPM financial statements to ensure compliance with government auditing standards.

Indicators/Performance Results:

- Monitor the use of IPAs.
- Change in number of material weaknesses.

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FMFIA material weaknesses increased by 1 in FY 1998.

VERIFICATION AND VALIDATION

The verification and validation mechanisms that are in place for the OIG's performance measures include:

Audit Reports Tracking System (ARTS): ARTS is a automated tracking system that provides information regarding audits of FEHBP carriers. This information is cross-referenced twice a year with information maintained by RIS in their automated tracking system and any discrepancies are resolved and agreed to by OIG and RIS. This system is currently being updated and it will meet both OIG and RIS needs. The information captured in this system is reported in the OIG's Semiannual Report to Congress.

Investigations Tracking System (ITS): ITS is an automated tracking system that provides the status and resolution of investigative activities. The information captured in this system is also reported in the OIG's Semiannual Report to Congress.

U.S. Attorney review of criminal cases: A number of the OIG's investigations are criminal in nature and forwarded to the Department of Justice for prosecution. These cases are scrutinized by the U.S. Attorney.

Administrative Sanctions: FEHBP administrative sanctions are based on information provided by the Department of Health and Human Services (HHS). The OIG informs HHS of any discrepancies that we discover with the information that they provide. The General Services Administration publishes the name and relevant information of the individuals that are sanctioned by the OIG.

Evaluations and Inspections: Program offices that request, or where the OIG imposes, an evaluation or inspection of their operations are provided with a draft report for comment. The comments provided by the program office are used to ensure the accuracy of the final report.

FY 2000 BUDGET CHANGES:

An increase of \$500,000 and 5 FTE is requested to increase the frequency of FEHBP carrier audits helping OPM progress toward an overall five year or better audit cycle. This increase is the second phase of a request made, and appropriated by Congress, for FY 1999. These additional funds will be used to finance the salaries and benefits for the increased FTE, audit travel expenses, training for the new staff, and necessary ADP equipment and supplies.

Salaries and Expenses, Trust Fund, and Advances and Reimbursements
Office of the Inspector General

Description of Issue:

The preferred audit cycle for carriers that participate in the FEHBP ranges between three and five years. The Office of the Inspector General believes that high risk carriers (based on relative size and past audit experience) should be audited at least every three years while the remaining carriers should be audited no less than every five years. Any cycle longer than five years exposes the FEHBP to the risk of substantial loss because contractual provisions and federal regulations limit retention of FEHBP administrative records to five years.

PAYMENT ACCOUNTS

- **GOVERNMENT PAYMENT
FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS**
- **GOVERNMENT PAYMENT
FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE**
- **PAYMENT
TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND**

PLEASE NOTE: The program performance goals and initiatives applicable to the Government payments for annuitants' health benefits and life insurance, and to the Civil Service Retirement and Disability Fund can be found under the section entitled Transfers from the Trust Funds and Advances and Reimbursements.

**GOVERNMENT PAYMENT FOR ANNUITANTS,
EMPLOYEES HEALTH BENEFITS**

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
PROGRAM BY ACTIVITY				
Obligations				
Government contribution for annuitants benefits (1959 act)	\$4,111,198	\$4,650,940	\$5,102,863	\$451,923
Government contribution for annuitants benefits (1960 act)	<u>3,918</u>	<u>3,206</u>	<u>2,619</u>	<u>(587)</u>
Total	\$4,115,116	\$4,654,146	\$5,105,482	\$451,336
FINANCING				
Unobligated balance available, start of year	—	—	—	—
Unobligated balance available, end of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Budget Authority	\$4,115,116	\$4,654,146	\$5,105,482	\$451,336
RELATION OF OBLIGATIONS TO OUTLAYS				
Obligations incurred	\$4,115,116	\$4,654,146	\$5,105,482	\$451,336
Obligated balance start of year	182,138	228,463	387,713	159,250
Obligated balance end of year	<u>(228,463)</u>	<u>(387,714)</u>	<u>(423,590)</u>	<u>(35,876)</u>
Outlays	\$4,068,791	\$4,494,895	\$5,069,605	\$574,710

**GOVERNMENT PAYMENT FOR ANNUITANTS,
EMPLOYEES HEALTH BENEFITS**

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FY 2000

(dollar amounts in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Budget Authority	\$4,115,116	\$4,654,146	\$5,105,482	\$451,336
Obligations	\$4,115,116	\$4,654,146	\$5,105,482	\$451,336
Outlays	\$4,068,791	\$4,494,895	\$5,069,605	\$574,710

This appropriation funds the Government's share of health benefits costs for annuitants and survivors who no longer have an agency to contribute the employer's share. The Office of Personnel Management requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. These trust revolving funds are available for: (1) the payment of subscription charges to approved carriers for the cost of health benefits protection; (2) contributions for qualified retired employees and survivors who carry private health insurance under the Retired Employees Health Benefits (REHB) program and (3) the payment of expenses incurred by the Office of Personnel Management in the administration of the REHB program.

Beginning in the 1999 contract year, in accordance with Public Law 105-33, the maximum government contribution will be 72 percent of the weighted average monthly premium of all plans participating in the FEHB Program, with a 75% limitation on the contribution to any specific plan.

A number of laws have been passed over the last several years to require the Postal Service to finance a share of the Government's costs toward certain postal service annuitants' health costs. The most recent action, Public Law 103-66, the Omnibus Reconciliation Act of 1993, enacted on August 10, 1993 requires the Postal Service to make three fixed annual payments of \$116 million to the Employees Health Benefits Fund during FY 1996-1998 as reimbursement for costs incurred by the Government on behalf of postal retirees during the years elapsed since the Postal Service reorganization in 1971. Conferees believe that after these payments have been made, the Postal Service will have completely paid its debt for past retiree health benefits. These payments are in addition to those required by Public Law 101-508, enacted on November 5, 1990 requiring the Postal Service to make monthly contributions for a prorated portion of the Government costs, based on post-1971 service. The amount requested in this appropriation recognizes these payments to be remitted by the Postal Service for their portion of annuitants health benefits costs.

Budget Authority:

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 the "such sums as may be necessary" to carry out these provisions. An increase of \$451,336,000 is necessary to cover the increase in obligations.

Obligations:

The overall increase in obligations for this program is made up of two parts:

An increase of \$451,923,000 in FY 2000 is necessary to provide for the growing number of enrollees and the estimated impact of premium increases effective January 2000.

This appropriation also provides financing for the Government's share of health benefit costs for annuitants and survivors covered under the Retired Employees Health Benefits Program. Public Law 96-156, the Retired Federal Employees Health Benefits Act - Government Contribution, provides for increases in Government contributions toward the subscription charge for health coverage, ties to increases in the cost of Medicare Part B, for those annuitants who retired prior to July 1, 1960. The net impact of the increased rate of contributions for those enrolled with private insurance carriers and the decreases in the number of enrollees is a decrease in Government costs of \$587,000.

**GOVERNMENT PAYMENT FOR ANNUITANTS,
EMPLOYEES LIFE INSURANCE**

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
PROGRAM BY ACTIVITY				
Obligations	\$30,025	\$34,576	\$36,207	\$1,631
FINANCING				
Unobligated Balance Available, start of year	—	—	—	—
Unobligated Balance Available, end of year	—	—	—	—
Budget Authority	\$30,025	\$34,576	\$36,207	\$1,631
RELATION OF OBLIGATIONS TO OUTLAYS				
Obligations incurred, net	\$30,025	\$34,576	\$36,207	\$1,631
Obligated balance, start of year	3,034	2,952	2,952	0
Obligated balance, end of year	<u>(2,952)</u>	<u>(2,952)</u>	<u>(3,074)</u>	<u>(122)</u>

Outlays

\$30,107

\$34,576

\$36,085

\$1,509

**GOVERNMENT PAYMENT FOR ANNUITANTS,
EMPLOYEES LIFE INSURANCE**

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FY 2000

(dollar amounts in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Budget Authority	\$30,025	\$34,576	\$36,207	\$1,631
Obligations	\$30,025	\$34,576	\$36,207	\$1,631
Outlays	\$30,107	\$34,576	\$36,085	\$1,509

Public Law 96-427, Federal Employees' Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for the purposes of retirement on or after January 1, 1990, continue to make contributions toward their Basic life insurance coverage (currently \$.36 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 \$.18 per month for each \$1,000 coverage) for Basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution associated with annuitants' post retirement basic life coverage.

Budget Authority:

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 the "such sums as may be necessary" to carry out these provisions each fiscal year.

Basic insurance coverage increases based on the basic salary of employees. Thus, as the final salaries of retirees increases over time, so will their life insurance premiums. The account requires an increase of \$1,631,000 to account for these changes.

**PAYMENT TO THE CIVIL SERVICE RETIREMENT
AND DISABILITY FUND**

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
PROGRAM BY ACTIVITY				
Payment of annuities under special acts	\$431	\$362	\$333	(\$29)
Payment of Government share of retirement	8,381,255	8,702,818	9,120,539	417,721
Transfer for interest on unfunded liability and payment of military service annuities	12,916,700	12,885,786	12,634,317	(251,469)
Spouse equity payment	58,915	56,348	56,348	—
Transfer for payment of FERS supplemental liability	—	—	—	—
Total Obligations	\$21,357,301	\$21,645,314	\$21,811,537	\$166,223
FINANCING				
Appropriation (current)	\$8,381,686	\$8,703,180	\$9,120,872	\$417,692
Appropriation (permanent, Indefinite)	<u>12,975,615</u>	<u>12,942,134</u>	<u>12,690,665</u>	<u>(251,469)</u>
Budget Authority	\$21,357,301	\$21,645,314	\$21,811,537	\$166,223
Outlays	\$21,357,301	\$21,645,314	\$21,811,537	\$166,223

**PAYMENT TO THE CIVIL SERVICE RETIREMENT
AND DISABILITY FUND**

CURRENT AND PERMANENT BUDGET AUTHORITY

(dollar amounts in thousands)

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FY 2000

	<u>Current</u>	<u>Permanent</u>	<u>Total</u>
FY 1999 Total Budget Authority/ Obligations	\$8,703,180	\$12,942,134	\$21,645,314
FY 2000 Program Changes			
Decrease in payment for annuities under special acts.	(29)	---	(29)
Increase in 30-year amortization payments resulting from an assumed 4.4% January pay raise (including locality pay adjustments).	417,721	---	417,721
Decrease in the annual payment of interest on the Civil Service Retirement System unfunded liability resulting from increased Postal Service contributions.	---	(405,697)	(405,697)
Increase in the annual payment for military service credit due to annuity roll growth and payment of the 2.4% January 2000 COLA.	<u>---</u>	<u>154,228</u>	<u>154,228</u>
Total Changes	\$417,692	(\$251,469)	\$166,223
FY 2000 Total Budget Authority/ Obligations	\$9,120,872	\$12,690,665	\$21,811,537

The Civil Service Retirement and Disability Fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. In FY 1999 the Fund will serve approximately 2.6 million active employees, 1.8 million annuitants and 0.6 million survivors and will make benefit payments in excess of \$44 billion. The Fund covers the operation of both the Civil Service Retirement System and the Federal Employees Retirement System.

The Payment to the Civil Service Retirement and Disability Fund consists of an appropriation and a permanent indefinite authorization to pay the Government's share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (Public Law 91-93), the Federal Employees Retirement Act of 1986 (Public Law 99-335) and the Civil Service Retirement Spouse Equity Act of 1985 (Public Law 98-615). The payment is made directly from the General Fund of the U.S. Treasury and is in addition to appropriated funds that will be contributed from agency budgets in FY 2000.

Current Appropriation

Public Law 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System (CSRS) 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. Since FY 1994, the Office of Personnel Management has notified the Secretary of the Treasury each year of the "such sums as may be necessary" to carry out these provisions.

The total current appropriation request for FY 2000 (\$9,120,872,000) is the sum of the annual payments authorized since the law was enacted in 1969 (\$8,702,818,000), plus the estimated payment resulting from assumed pay raises totaling 4.4% in January 2000 (\$417,721,000). It also includes funding for the annuities of persons employed on the construction of the Panama Canal and widows of former Lighthouse Service employees (Annuitants under Special Acts, \$333,000). The total FY 2000 current appropriation estimate represents an increase of \$417,692,000 from the amount estimated for FY 1999 of which \$417,721,000 is attributed to increases in employees' pay, and \$29,000 for decreases in payments to annuitants under special acts.

Permanent Indefinite Authorization

Public Law 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement System's current statutory unfunded liability, calculated based on static economic assumptions, of \$8,977,153,000, and annuity disbursements attributable to credit for military service of \$3,657,164,000.

Payment Accounts
Civil Service Retirement and Disability Fund

It also includes a payment of \$56,348,000 in accordance with Public Law 98-615 which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

The permanent indefinite authorization in FY 2000 will total \$12,690,665,000, a decrease of \$251,469,000 from FY 1999. The decrease reflects a lower CSRS unfunded liability interest payment of \$405,697,000, and a higher payment for military service credit of \$154,228,000.

OFFICE OF PERSONNEL MANAGEMENT

REVOLVING FUND ACCOUNT

DESCRIPTION

Under authority of 5 U.S.C. 1304, various Public Laws and Executive Orders, the Revolving Fund of the Office of Personnel Management provides financing on a reimbursable basis for a continuing cycle of services.

The services include: training for Federal managers and executives; testing of potential military inductees for the Department of Defense in those locations where it is cost-effective for OPM to do so; providing employment information; providing assessment services; automating other agencies' staffing systems; examining for vacancies when requested by an agency; providing technical assistance and general consultation services on all facets of human resources management; and the selection, coordination and development of Presidential Management Interns. The Investigations Service includes: National Agency Checks/National Agency Checks and Inquiries and background security investigations of individuals who are candidates for positions identified as critical-sensitive by the requesting agencies, or reinvestigations of individuals occupying positions identified as critical-sensitive.

Each program is operated at rates, established by OPM, which should be adequate to recover expenses over a reasonable period of time. Receipts derived from operations are, by law, available in their entirety for use of the fund without further action by Congress.

Budget Accomplishments

OPM reversed a 10-year trend of increasing deficits in its Revolving Fund by imposing tough management decisions, tighter financial controls across all programs, increased accountability and downsizing. In addition, OPM successfully privatized two major revolving fund programs, training and investigations including the creation of the Government's first Employee Stock Ownership Plan (ESOP). These actions have resulted in the Revolving Fund continuing to be above the breakeven point at the end of FY 1998 after experiencing a \$48.8 million deficit at the end of FY 1994.

REVOLVING FUND

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	<u>FY 1998 Actual</u>	<u>FY 1999 Estimate</u>	<u>FY 2000 Request</u>	<u>FY 2000 Change</u>
DOD Testing	\$7,408	\$7,601	\$7,980	\$379
Employment Service	27,699	34,038	36,083	2,045
Investigations Service	102,007	87,713	89,748	2,035
Workforce Relations	35,062	36,622	37,478	856
Executive Resources	<u>18,906</u>	<u>22,401</u>	<u>22,795</u>	<u>394</u>
Total	\$191,082	\$188,375	\$194,084	\$5,709
Full-Time Equivalent:				
DOD Testing	155	157	157	0
Employment Service	265	364	364	0
Investigations Service	32	35	35	0
Workforce Relations	22	27	27	0
Executive Resources	<u>62</u>	<u>69</u>	<u>69</u>	<u>0</u>
Total	536	652	652	0
Agency Reserve	<u>0</u>	<u>43</u>	<u>21</u>	<u>(22)</u>
Grand Total	536	695	673	(22)

REVOLVING FUND

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1999 Estimate</u>	<u>FY 2000 Request</u>	<u>Change</u>
Personnel Compensation	\$31,073	\$32,567	\$1,494
Personnel Benefits	5,723	6,114	391
Benefits for Former Personnel	0	0	0
Travel and Transportation of Persons	2,177	2,285	108
Transportation of Things	253	245	(8)
Rental Payments to GSA	6,872	7,010	138
Communications and Utilities	4,858	4,951	93
Printing and Reproduction	653	666	13
Other Services	131,238	135,407	4,169
Supplies and Materials	1,841	1,878	37
Equipment	3,588	2,937	(651)
Land and Structures	99	24	(75)
Total Obligations	\$188,375	\$194,084	\$5,709

REVOLVING FUND

DOD TESTING

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$7,408	\$7,601	\$7,980	\$379
Full-Time Equivalents	155	157	157	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) administers the Armed Services Vocational Aptitude Battery for the Department of Defense (DOD). The DOD uses our national network of trained examiners to conduct their military recruitment testing program in a cost-effective manner. The following services are provided, at the specific request of DOD:

- ES conducts student tests at local high schools, vocational institutions, and community and junior colleges. Students are tested and their scores are provided to their counselors to use in career exploration and planning. The program also allows military recruiters to channel their activity toward qualified students who are interested in a military career.
- ES conducts enlistment tests for individuals who wish to enter the military service.

ES continues to maintain our nationwide cadre of experienced test examiners who provide services to a number of federal agencies and the DOD. We currently administer tests nationwide for Border Patrol agents, Customs Inspectors, and other occupations.

ANNUAL PERFORMANCE GOALS FOR FY 2000 BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL IV:

*DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.*

FY 2000 RESOURCE SUMMARY: Obligations (000): 7,980 Full-Time Equivalents: 157

***Revolving Fund
DOD Testing***

- By the year 2000, become the provider of choice for direct human resources management services including examining, test administration, downsizing, career transition, organizational assessment, and occupational analysis, on a reimbursable basis.

**ES Goal 22: The DOD Testing Program is operated to maintain high customer
FY 1999/2000 satisfaction and fiscal balance.**

Means:

- Support DOD in its continuing initiative to provide student testing, by maintaining the capability of fully responding to requests for conducting test sessions.
- Work closely with DOD Testing Program managers to assess and improve operations.

Indicators/Performance Results:

- Continuation of the contract by DOD.

The contract with DOD has been continued for FY 1999, and ES expects it will be renewed in FY 2000.

- Requests for numbers of student test sessions by DOD are met.

In FY 1998 approximately 15,000 student test sessions and approximately 30,700 enlistment sessions were conducted for DOD, and in FY 1999 ES is planning on an increase in the number of sessions conducted.

- Increased customer satisfaction as tracked through quarterly feedback sessions with DOD program managers.

DOD Test Program managers expressed their satisfaction with this program in the annual planning meeting held in June, 1998. This high level of satisfaction has been reflected in an increase in contract workload for FY 1999.

- Financial balance of costs and income.

Costs and income for the DOD Testing Revolving Fund were in balance at the end of FY 1998.

VERIFICATION AND VALIDATION

- See the Employment Service Verification and Validation Section on page 119.

FY 2000 BUDGET CHANGES:

An increase of \$379,000 is estimated to cover the cost of pay raise and inflation.

REVOLVING FUND

EMPLOYMENT SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$27,699	\$34,038	\$36,083	\$2,045
Full-Time Equivalents	265	364	364	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) provides a variety of operational and consultative human resources services to agencies on a reimbursable basis. Services are delivered in all areas of Employment Service responsibility, including automated examining, testing, organizational assessment, personnel records processing, and employment information.

OPM continues to provide two functions formerly funded fully through its general fund appropriation: employment information and examining for Administrative Law Judge positions. These are now funded through a mix of appropriated and reimbursable funds.

In the employment information area, costs of supporting USAJOBS, the Governmentwide automated employment information system, are split between OPM and agencies; agencies pay a prorated share based on each agency's number of employees in the competitive service. OPM continues to fund approximately half of employment information through S&E appropriations to ensure that the needs of job seekers, veterans, and displaced employees are balanced with the needs of agencies.

In the case of the Administrative Law Judges, OPM is prohibited by law from delegating the authority for examining to agencies, but is fully recovering the costs of examining for these positions through agency fees based on the number of ALJ's in each agency. OPM will continue to fund other ALJ personnel program functions (such as personnel policy development, reviewing and approving non-competitive employment actions and classifying positions) through appropriated funding.

OPM also continues to conduct the Presidential Management Intern (PMI) Program through both appropriated and reimbursable funds, providing policy leadership, direction, and administrative support under S&E funding, and recovering the costs of assessment and training through agency fees based on the number of PMI's hired.

Reimbursable Authority.

***Revolving Fund
Employment Service***

ES provides reimbursable services under OPM's existing Revolving Fund Authority, which was defined in the FY 1994 OPM budget justification to include the conduct of projects at the request of agencies to assess and improve the quality of the Federal workforce, and to support agencies' efforts to automate their staffing operations. This authority includes studies designed to assist agencies in the selection, development, and retention of a high quality workforce and to help agencies develop and install complementary computer systems for staffing operations. ES Revolving Fund authority was further expanded in FY 1996 when OPM was given authority to delegate competitive examining (except for Administrative Law Judges), and to accept reimbursement from agencies for competitive examining services, when requested.

ES utilized a contingent workforce of temporary and term employees, and private sector contractors, to supplement core staff in the delivery of specific services. We are deploying a new suite of systems to further assist in the delivery of reimbursable services through our nationwide network of Service Centers.

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL IV:

***DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$36,083 Full-Time Equivalents: 364

- Provide information about Federal employment opportunities to the public and to Federal employees 24 hours a day, 7 days a week, through the use of a Governmentwide, comprehensive information system to ensure fair and open competition and to assist agencies in reaching diverse, well-qualified job applicants. (Continuing)
 - By the year 1999, expand coverage to include all excepted service job openings.
 - By the year 2000, improve access for disabled information-seekers of employment information by using new technology.
 - By the year 2000, integrate the automated Federal employment information system with other employment information systems, at the State, local and collegiate levels, to ensure comprehensive service to the public.

ES Goal 19: **The Governmentwide employment information system, USAJOBS, is
FY1999/2000** **operated effectively and efficiently, and enhanced as needed, so that it
contributes to Governmentwide cost-savings and a high-quality
Federal workforce.**

USAJOBS, the Governmentwide automated employment information system, which ES introduced in FY 1997, gives the public greater access to Federal job listings and saves agencies millions of dollars in infrastructure costs. Each agency would have to spend upward of \$15 million on equipment alone to duplicate OPM's current Governmentwide system.

Means:

- Work closely with the Interagency Work Group on Employment Information and other relevant parties (e.g., Department of Labor, Veterans' Service Organizations, etc.) to identify needed enhancements to the Governmentwide employment information systems.
- Implement needed enhancements in a timely and cost-effective way.
- Review and respond to customer satisfaction feedback and make changes and improvements as needed.
- Use automation (e.g., Web sites, touch screens, telephone technology) to provide employment information to the fullest extent possible and to keep agency costs low.
- Continuously improve customer service.

Indicators/Performance Results:

- Obtaining 5% increases in rates of access and numbers of requests for information on the Web site and other components of USAJOBS, as measured by the online employment information systems.

The WEB site currently averages more than 28,000 visits daily as compared to averaging more than 16,500 visits daily in FY 1997. Total FY 1998 visitors to the WEB site exceeded 8.5 million as opposed to 3.8 million from FY 1997. Overall, the Federal jobs data base was accessed more than 13 million times to respond to employment inquiries in FY 1998, and expectations are that usage of the system will increase at least by 10% in FY 1999, and another 5% in FY 2000.

- Enhancements introduced as planned.

**Revolving Fund
Employment Service**

In FY 1998, ES introduced an online resume builder as an enhancement to the USAJOBS Web site, and implemented electronic delivery of resumes to Federal agencies. More than 53,000 resumes were on file at the end of FY 1998. USAJOBS online resume process delivers the goal of providing true one-stop service to job seekers by making job searching, vacancy announcement receipt, and application completion available in a single transaction. Other enhancements included adding a “What’s Hot” feature to highlight large scale recruiting efforts, a special search feature for Y2K compliance jobs, and the ability to search for jobs by agency. ES also implemented a “Worker-Trainee” job search on USAJOBS to facilitate recruitment under the Welfare-to-Work initiative. A Web Entry Enhancement Project is underway, focusing on making the USAJOBS job entry and vacancy announcement development system faster and easier to use. In FY 1999, a new search for Student Employment Opportunities will be added to USAJOBS. More standard forms will be made available on the system and job seekers will be able to “hot link” to agency Web sites from within the vacancy announcements for additional information about the hiring organization, duty location, etc.

USAJOBS BY PHONE, the new automated employment information telephone system, replaced the Career America Connection in FY 1998. USAJOBS BY PHONE offers more flexible job searching and fax delivery of both vacancy announcements and information fact sheets.

In FY 1998, ES developed a number of Employment Infoline Fact Sheets, often in collaboration with agency customers, to provide support for special recruitment efforts. Examples include Census 2000 job opportunities, student recruitment, recruitment of astronauts, and recruitment of volunteers for the Peace Corps. ES also supported the Bureau of the Census by developing three customized web pages in USAJOBS to support online applications for critical Census jobs.

- An increase in the levels of satisfaction of agency HR Directors and HR Specialists with USAJOBS operations and with USAJOBS system improvements as measured by informal feedback and a 2% increase over FY 1999 levels in the percentages of favorable ratings (or maintenance at 90% or higher) on the annual OPM Customer Satisfaction Survey.

The baseline satisfaction levels as measured by the 1998 survey were as follows:

USAJOBS Operations:

	<u>Satisfied/Very Satisfied</u>
<i>HR Specialists</i>	88.7%

USAJOBS Systems Improvements:

<u>Leadership</u>	<u>Involvement</u>
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**Revolving Fund
Employment Service**

<i>HR Directors</i>	<i>81.1%</i>	<i>85.3%</i>
<i>HR Specialists</i>	<i>80.0%</i>	<i>69.5%</i>

- Improved public customer satisfaction with employment information as indicated by a 2% increase in the percentage of overall “satisfied” ratings obtained from on-line user surveys, from FY 1998 levels (or as indicated by a continued satisfaction rating of 90% or higher).

ES measures public customer satisfaction with the employment information system through on-line surveys available on the telephone, touchscreen, Web site, and electronic bulletin board systems. Overall satisfaction ratings reflect the combined survey results (weighted according to number of responses per system). The employment information system saw an increase in overall satisfaction from 87.73% in FY 1997 to 90.56% in FY 1998. ES will continue the trend of increased overall customer satisfaction for FY 1999 and FY 2000.

**ES Subgoal 19a: New technology is introduced to USAJOBS in order to improve access for disabled information-seekers of employment information.
FY 1999/2000**

Means:

- Using the results of research and benchmarking conducted in FY 1998, begin the process of acquiring the best new technology in FY 1999/2000 to ensure access to employment information by job seekers with disabilities.
- Work closely with stakeholders to ensure they are satisfied with the new equipment and designs being acquired or implemented.

Indicators/Performance Results:

- Evaluate the satisfaction of stakeholders with the decisions on new equipment and processes, through a qualitative analysis of direct feedback, including feedback posted on OPM's Web site, in FY 2000.

**ES Subgoal 19b: Additional linkages between USAJOBS and other employment information sources are integrated to ensure comprehensive service to the public in FY 2000.
FY 1999/2000**

Means:

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- Provide ongoing access to Federal jobs database files to the Department of Labor's Automated Labor Exchange (ALEX) for distribution to State and local governments.
- Conduct ongoing awareness campaign to academic community, veterans' organizations, service providers for persons with disabilities, minority associations, and other constituency groups, to promote the use of the USAJOBS Governmentwide automated employment information system.
- Continue to work with excepted service agencies to list their job opportunities on USAJOBS.

Indicators/Performance Results:

- New linkages are made and additional job opportunities from a variety of sources are added to the USAJOBS data base.

USAJOBS includes all job vacancies in the competitive service open to outside applicants and many vacancies in the excepted service. Some jobs from State and local governments and the private sector are also available, as well as job opportunities for developmental assignments with agencies such as the National Partnership for Reinventing Government (NPR) and Legislative Branch positions including opportunities with the U.S. Senate Office of the Sergeant At Arms and the United States Capitol Police. ES provides internal search pages on the USAJOBS web site for agencies to link to from their own web sites. These pages allow agency employees to view all agency-specific vacancies and integrate employment information delivery for agencies into a single, comprehensive system.

ES Goal 20: Career Transition Center Services continue to be available and flexible enough to meet changing needs of the year 2000 and beyond.

Means:

- Coordinate meetings of the Federal Career Transition Center Directors to ensure that those Directors are kept up-to-date on career transition guidance, regulations, products, and services.
- Customize the implementation of new strategies to meet the service delivery needs of FY 2000 and beyond.

Indicators/Performance Results:

- Actions taken to support the Center.

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The ES supported the original establishment of the Metro Area Reemployment Project and the IAG Career Transition Center. ES installed USACareers, career counseling software, on the Center's computers. ES also participated in the interagency evaluation of the IAG Career Transition Center that resulted in the relocation of that center to the Theodore Roosevelt building in early FY 1999.

- By the year 2000, become the provider of choice for direct human resources management services including examining, test administration, downsizing, career transition, organizational assessment, and occupational analysis, on a reimbursable basis.

**ES Goal 21:
FY 1999/2000** **A broad range of cost-effective and high quality reimbursable human resources services are available to increase agency access to cutting edge technologies, expertise, and systems, and thereby to contribute to Governmentwide cost savings and mission accomplishment.**

Means:

- Assessment of customer needs and customer satisfaction is continuously conducted in order to ensure that customers are satisfied and that reimbursable services are financially stable.
- Conduct continuing multi-agency needs assessment, through formal and informal means, to ensure that ES products and services meet customer needs.
- Establish and measure service against customer service standards for all products and services; and continuously improve customer service.
- Examine what customer service means for the Year 2000 and revise standards as needed.
- Existing technological business line products and programs such as HRManager, automated staffing, USACareers, and the on-line application process are continually updated in order to encourage repeat customers.
- Work closely with customers to determine the most useful design enhancements for all major ES automated product lines.
- Develop new and improved products and services to meet agency customer needs (e.g., human resources planning, management succession, competency-based selection tools,

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automated testing), leveraging OPM investments in infrastructure and automated processes to reduce overall costs for human resources management to the Government.

- Ensure continued expertise in human resources management and automation through investments in staff development to maintain OPM's position as a service provider of choice.
- Assess strategic investments in human and physical capital that will improve ability to deliver high quality products and services.
- Maintain broad base of customers at multiple levels of Government through effective marketing.
- Provide reimbursable services which have Governmentwide impact and which are designed to move the HR community forward.
- Expand operating partnerships with consolidated civilian personnel offices and other organizations.
- Continue to foster and develop partnerships/relationships with FEBs and FEAs.

Indicators/Performance Results:

- OPM's widespread customer base indicates ES is providing products and services that are effective and useful.

In FY 1998, the Employment Service (ES) provided a wide array of reimbursable services to 52 executive branch departments and agencies, 4 legislative branch, 1 judicial branch, and 2 non-appropriated fund (NAFI) agencies. ES also provided services to 8 State governments and 6 municipalities. ES expects to provide services to a similar array of customers in FY 2000, with increases in the numbers of State and local governments served.

- Ongoing positive feedback from agency executives and managers that programs and services are high quality, timely, and customer-oriented and that they are relevant to individual and organizational performance improvement.

Agencies indicate that ES reimbursable services ultimately result in significant cost savings as agencies take advantage of the available expertise to supplement their reduced administrative staff resources. By outsourcing their examining work to OPM, client agencies save money and time, and ensure that their selections are made in compliance with the merit system. Many Federal agencies use ES psychometric expertise to conduct competency-based test development and validation projects; many of these projects are multi-year in length.

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The Department of Defense (DOD) and the Immigration and Naturalization Service (INS) utilize our test administration services through our network of trained examiners located at more than 650 points nationwide. The DOD uses our services to conduct an effective military recruitment testing program and INS uses our services to recruit and test Border Patrol Agents, Immigration Inspectors, and Detention Enforcement Officers. In addition, ES provided Workforce Restructuring services to 7 agencies/installations affecting over 15,000 Federal employees. These services included: assisting in downsizing planning, agency outplacement programs, career center design, automated RIF programs, and organizational restructuring. ES also implemented the National Security Education Program (NSEP) Internet Web site in April, 1998. This system contains resumes of NSEP scholars and fellows who have been funded by DOD, and are required to provide public service in exchange for this funding.

- New products and services are developed as needs are identified.

In FY 1998 ES undertook a major marketing effort to introduce the new subscription-based Web site or PC-based service, USACareers, to agencies. USACareers is a tool to determine training needs, develop career paths, and outplace employees affected by downsizing. ES is currently developing new selection tools to assess non-cognitive competencies; these will be introduced in FY 1999/2000.

- Improved customer satisfaction with reimbursable services as indicated by a 2 percent increase in the percentage of overall “satisfied” ratings obtained in customer assessments from FY 1998 levels (or as indicated by a continued satisfaction rating of 90 percent or higher).

In FY 1998, ES introduced customer standards for examining services on an interim basis, and implemented them as final standards at the beginning of FY 1999. Baseline results of timeliness and quality against these standards will be established in FY 1999, and improvements will be measured in FY 2000. Customer standards are being developed for all other reimbursable services in FY 1999; baselines will be established in FY 1999/2000 as they are introduced.

- Financial balance of costs and income.

ES met its Revolving Fund operating goals for FY 1998, including targets for retained income. Targets have been established for FY 1999 that incorporate modest growth in income and matching costs, and expectations are that similar modest growth will occur in FY 2000.

- Enhancements to technological products and programs are introduced.

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ES is redesigning OPM's automated staffing system to incorporate the newest technologies such as imaging and artificial intelligence. This redesign will be completed in FY 1999. ES also established a National Operations Workgroup which includes over 30 customers to maximize the effectiveness of the staffing system by using feedback from this group to inform the redesign effort. In FY 1998, ES began the development of an Internet-delivered, competency-based battery of selection procedures.

- Customers continue to contract for technological products and programs (i.e., repeat business is maintained at the same levels as previous year).

- | |
|---|
| <ul style="list-style-type: none">• Continue to enhance and support the Presidential Management Intern program as a source of future Government leaders through effective assessment and development. |
|---|

**ES Goal 23: The Presidential Management Intern (PMI) program is operated to
FY 1999/2000 result in the hire of at least 300 PMI's in FY 2000.**

Means:

- Work closely with agency groups, such as the President's Management Council, the Interagency Advisory Group, and the Federal Agency PMI Steering Group, to ensure that the PMI program is meeting their needs, and to encourage at least 300 hires per year.
- Continuously monitor the administering of the PMI program to identify areas for improvement.
- Implement options for expanding the PMI program such as including additional occupational groups, attracting a broader range of schools, and increasing academic and socio-economic diversity of applicants.
- Complete a study of the effectiveness (validity) and efficiency of the PMI assessment process in providing high quality hires, and implement needed changes.
- Maintain a program of recruitment to attract the "best and the brightest" applicants with graduate degrees to the Presidential Management Intern (PMI) program, particularly from diverse backgrounds, academic disciplines, and schools.

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- Utilize USAJOBS, the Governmentwide automated employment information system, to provide PMI program information and application forms to a wide audience of potential candidates.

Indicators/Performance Results:

- Evaluate the satisfaction of agency and external stakeholders of the PMI program through a qualitative analysis of direct feedback.

Informal feedback indicates a high level of satisfaction with the PMI program, resulting from the significant revitalization of the program which began in FY 1997. In FY 1998, additional revisions were made to the orientation and graduation training event to make them more effective and efficient, and the application forms and brochure were redesigned. The application was also made available electronically through USAJOBS. ES expanded recruitment to increase the numbers of schools who submitted candidates for consideration. In FY 1999/2000 ES will implement improvements in PMI program communications, including the introduction of a dedicated PMI Home Page at the end of November, 1998, and will complete a content validity analysis of the examination.

- Assess the numbers of PMI's hired in FY 1999 against the target established for the year (300 hires), against numbers hired in previous years, and against the ceiling of 400 hires.

ES examined more than 1,400 PMI candidates for the FY 1998 (calendar year) class; and identified a pool of 540 finalists to refer to agencies. To date agencies have hired more than 320 PMI's, and project that we will meet or exceed the number of PMI hires for FY 1997 (339), which was the highest in the 21-year history of the program. ES will work closely with agencies in FY 2000 to continue to hire in these record numbers.

- Evaluate comparative data to determine if minority PMI hires for FY 1999 increased by at least 2% for groups where underrepresentation for the relevant labor market was reported in FY 1998. These data are developed from the Central Personnel Data File, and are not yet available.

- Financial balance of costs and income.

The income generated from the PMI program covered all costs for FY 1998, and the lowered cost to agencies per hire introduced in FY 1996 will be maintained in FY 1999. The cost should remain stable in FY 2000, unless there is a significant drop in the number of PMI's hired, or if agency customers request and agree to pay for program enhancements.

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- Operate the Governmentwide personnel program for Administrative Law Judges, including examining candidates, classifying positions, and protecting employee rights, in a timely and quality manner. (Continuing)

**ES Goal 24: The Administrative Law Judge (ALJ) personnel program is operated
FY 1999/2000 to continue to ensure compliance with applicable laws and regulations.**

Means:

- Work closely with stakeholders to assess and improve examining and other personnel program operations.
- Continuously improve timeliness of processing agency requests for certificates of eligibles and other requests for specific action.
- Continuously improve timeliness for adjudication of rating appeals.
- Continuously improve timeliness for responding to applicant inquiries.
- Maintain staff expertise in order to provide high-quality advice and assistance to agencies.
- Use OPM Web site to post and obtain feedback on proposed revised regulations from a wide variety of stakeholders.

Indicators/Performance Results:

- Evaluate agency satisfaction with the ALJ personnel program through qualitative analysis of direct feedback. *Agencies indicate improved satisfaction with the ALJ personnel program, resulting from the improvements in timeliness introduced in the program in FY 1997. Proposed ALJ regulations were published for formal comment in FY 1998 with final issuance expected in FY 1999.*
- Timeliness of services provided meets standards established in FY 1998.

VERIFICATION AND VALIDATION

*Revolving Fund
Employment Service*

- See the Employment Service Verification and Validation Section on page 119.

FY 2000 BUDGET CHANGES:

An increase of \$2,045,000 is estimated to cover the cost of pay raise and inflation.

REVOLVING FUND

INVESTIGATIONS SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$102,007	\$87,713	\$89,748	\$2,035
Full-Time Equivalents	32	35	35	---

DESCRIPTION OF ACTIVITY

The Investigations Service has investigations conducted for other Federal agencies through a contract with an Employee Stock Ownership Plan (ESOP) corporation formed mainly with former staff from the Investigations Service of OPM.. These investigations are carried out on a reimbursable basis to provide agencies with the information necessary to determine whether to grant security clearances to individuals occupying or being appointed to sensitive national security positions or for public trust positions. OPM will also continue to investigate employees of contractors for the Department of Energy. The extent of the investigation is determined by the level of risk or sensitivity in the position held (or to be held) by an individual.

OPM also furnishes National Agency Checks and National Agency Checks and Inquiries, as well as Special Agreement Checks for the Postal Service. Both the employee-owned investigative company and OPM continued to meet high workload demands from agencies with no decrease in the quality of investigations.

Executive Order 12968 promulgated new investigative standards which reduce the coverage requirements of some investigations. This reduction in coverage requirements, coupled with a contractor price reduction, allowed OPM to drop the price of its most expensive product by close to 15 percent in FY 1998. OPM reduced the price of its most expensive product by another 12.5 percent for FY 1999 and the price of the standard background investigation by approximately 8 percent. These reductions will save agencies close to \$3 million each fiscal year based on current workload estimates.

The employee-owned company, US Investigations Services, Inc. continues to pay about \$10 million in Federal and state income taxes each year, tax revenue which did not exist when the operation was wholly Federal.

Specific functions include:

***Revolving Fund
Investigations Service***

- Manage and provide oversight of the contract with the ESOP company for conducting background and other investigations for OPM’s customer agencies;
- Liaison with customer agencies for case billing;
- Maintain the Security Investigations Index (SII);
- Ensure the integrity of the Personnel Investigations Processing System (PIPS) data base and related software; manage systems software support for the data center that processes PIPS;
- Assure case quality to customer agencies through contract oversight and case audits; and
- Recover operating costs through fiscal management and proper case pricing.

In order perform our responsibilities, IS recruits highly-experienced individuals from other Federal agencies who have hands-on experience in supervising and operating a National security investigations program. This staff includes people with detailed experience at the program level; and with experience in contract oversight, quality control, customer service, budget/product pricing, FOI/PA, and information technology.

FY 2000 Priority

IS’ priority for FY 2000 is to oversee the work of the investigative contractor to ensure that the quality and timeliness of investigations is maintained for our customers (IS Goal 4).

OPM STRATEGIC GOAL IV:
***DELIVER HIGH-QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES
TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$89,748 Full-Time Equivalents:35

- Provide a broad range of high-quality, cost-effective investigative products to Federal agencies.

IS Goal 4 **The quality of investigations is maintained, workload demands are met**
FY 1999/2000: **with timely, relevant products and the cost to the agencies is decreased.**

***Revolving Fund
Investigations Service***

Means:

- Ensure the quality of investigative and adjudicative case products through continuous contract oversight review and audit sampling.
- Reduce the cost to agencies for personnel security investigations by applying contractual price reductions and OPM net profits to reducing prices to customer agencies.
- Monitor the ESOP contract and related costs.
- Prepare to renew/renegotiate the second option year of the contract with the ESOP company to further reduce Government-furnished expenses.
- Contractor performance is evaluated against standards to determine whether to use the option years of the contract.

Indicators/Performance Results:

- Quality of the contractor's case products meets OPM standards.

In FY 1998, carried out an intensive contractor oversight function to ensure that our contractor was maintaining a quality control inspection system which will assure that all investigative products submitted to OPM conform to contract requirements. In addition to these contract requirements, we also continued, on a sampling basis, mail recontacts of sources to obtain public feedback.

In FY 1999/FY 2000 continue to monitor the quality of investigative work performed by the contractor.

- Percentage reduction in prices charged to OPM's customer agencies.

In FY 1998 reduced the price of OPM's most expensive product, the Single Scope Background Investigation by 14 percent.

In FY 1999/FY 2000 offer agency customers more competitive case prices.

- OPM recovers program operating costs through effective case pricing.

In FY 1998 reduced OPM costs for telephone use by the contractor. Entered into preliminary discussions with our investigative contractor to further reduce OPM's expenses in connection with the contract.

**Revolving Fund
Investigations Service**

In FY 1999/2000 implement further cost reductions.

- Develop new products based on customer needs.

In FY 1998 developed four new investigative products which add coverage to existing products to meet customer needs.

In FY 1999/FY 2000 develop new products to meet agencies' expanding coverage needs.

- Carried out investigative workload for our customers through use of our contract with the ESOP private contract company.

WORKLOAD MEASURES			
	FY 1998	FY 1999	FY 2000
Background Investigations	46,026	42,500	42,500
National Agency Checks/National Agency Checks with Inquiries	104,782	110,000	110,000
Special Agency Checks	192,143	192,000	192,000

VERIFICATION AND VALIDATION

- Standard accounting methods and tracking software will be used to validate workload measures and validate the health of the business.

FY 2000 BUDGET CHANGES:

An increase of \$2,035,000 is estimated to cover the cost of pay raise and inflation.

REVOLVING FUND

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$35,062	\$36,622	\$37,478	\$856
Full-Time Equivalents	22	27	27	---

DESCRIPTION OF ACTIVITY

Integral to OWR's efforts to strengthen the Government's investment in human resources is its work to provide, on a reimbursable basis, training and management assistance to improve human resources management. Factors such as deregulation, downsizing, and an increased emphasis on accountability and results have made it more important than ever to focus on front-end analysis to identify competencies and skills for appropriate training design to carry out agency missions. The Training Management and Assistance (TMA) program provides human resources management interventions that enhance workforce productivity and effectiveness through research, innovation, education, and training. The program is a three-way partnership between OPM, private-sector firms and Federal agencies.

ANNUAL PERFORMANCE GOALS FOR FY 2000 BY STRATEGIC GOAL AND OBJECTIVE

OPM STRATEGIC GOAL IV:

DELIVER HIGH-QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

FY 2000 RESOURCE SUMMARY: Obligations (000): \$37,478 Full-Time Equivalents: 27

Revolving Fund
Office of Workforce Relations

- By the year 1999, increase the capacity of OPM's reimbursable Training and Management Assistance program to provide cost-effective services that enhance human resources effectiveness through a partnership between OPM, Federal agencies, and private sector firms to develop training materials, as well as other performance management, workforce productivity improvement, and business process reengineering applications.. Provide a broad range of high-quality, cost-effective investigative products to Federal agencies.

OWR Goal 15: Assistance is provided to Federal, State and local governments
FY 1999/2000 through Training and Management Assistance (TMA) to improve their human resource management and organizational effectiveness.

Means:

- Provide enhanced and expanded Training and Management Assistance Programs to agencies in order to support effective agency HRM systems by:
 - effectively managing existing projects.
 - assisting agency customers with new project design and implementation.
 - overseeing contractor workload and performance.
 - improving marketing activities.
 - maintaining positive income-cost ratio by managing costs.

Indicators/Performance Results:

- Workload Measures:
 - Dollar amount of new and added funding for TMA projects increases 5% over FY 1998 levels.
 - Dollar amount of work orders issued for TMA work to be performed increases 3% over FY 1998 levels.

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Office of Workforce Relations***

- Dollar amount of contractor invoices approved for payment increases 3% over FY 1998 levels.

In FY 1999, OWR will enhance and expand Training and Management Assistance Programs provided to Federal, State and local governments in order to improve their human resource management and organizational effectiveness.

➤ **Business Well-Being Indicators:**

- Percent of income above contractor invoices maintained at FY 1998 levels.
- Income minus direct and indirect costs of program operations maintained at FY 1998 levels.
- A positive retained earnings contribution to OPM's revolving fund is maintained.
- Number of competitions held to select contractors for performance under TMA task orders increases 5% over FY 1998 levels.

OPM worked to sustain revolving fund activity at a high level of client interest in the TMA program as evidenced by \$44.9 million received in new and additional project funding during FY 1998. The TMA Program exceeded income targets for FY 1998.

- **Customer Satisfaction Measures:** Results gained from baseline data gathered and analyzed in FY 1999 from customers and contractors will be used to provide a basis that indicates 50% of problems identified are resolved.

In FY 1998, TMA conducted a "Federal track" on learning technology at the 1998 Interactive Multimedia Summer Conference sponsored by the American Society for Training and Development attended by over 800 participants. TMA consummated plans for running the "Federal track" for a multimedia conference to be held in Orlando, Florida, in February 1999.

TMA maintained approximately 150 different projects related to supporting Federal agencies' human resources systems. Key projects included the application of training technology for the Defense Acquisition University, performance support systems for the Federal Deposit Insurance Corporation, and a variety of courseware for the Bureau of the Census in preparation for the year 2000 census.

VERIFICATION AND VALIDATION

Revolving Fund

Office of Workforce Relations

- Standard accounting methods and tracking software will be used to verify workload measures and validate business well-being indicators (such as percent of income above contractor invoices, number of competitions held, etc.).
- During FY 1999, OWR will assess various mechanisms for collecting baseline data and measuring customer/stakeholder satisfaction. Such valid and reliable assessment tools as OPM's *Merit System Principles Questionnaire*, the OPM customer satisfaction survey, and participant evaluation forms will be considered in this process.

FY 2000 BUDGET CHANGES:

An increase of \$856,000 is estimated to cover the cost of pay raise and inflation.

REVOLVING FUND

EXECUTIVE RESOURCES

(dollar amounts in thousands)

RESOURCES	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Request</u>	FY 2000 <u>Change</u>
Obligations	\$18,906	\$22,401	\$22,795	\$394
Full-Time Equivalents	62	69	69	---

DESCRIPTION OF ACTIVITY

Executive Resources programs are committed to the development of Federal executives who are exceptional leaders, who understand their constitutional role, and who possess a broad, corporate view. The Federal Executive Institute (FEI), Management Development Centers (MDC's), and Schedule C and SES Orientation programs are residential and non-residential programs designed to instill common corporate values, develop management and executive skills, improve understanding of important public issues and stimulate Federal management awareness.

In order to meet these responsibilities, the Office of Executive and Management Development recruits highly-experienced faculty and administrative staff with expertise in human resources development, organization behavior, political science, and customer service. As needed, we supplement this with contract, adjunct faculty who have subject matter expertise in a variety of curricula and support fields. The skills of the professional and technical staff are continuously upgraded. A new training tracking and administrative support system is being implemented that is Y2K compliant and speeds customer service and administrative support.

FY 2000 Priorities

Executive Resources has identified three priorities for FY 2000 in support of the overall OPM priorities described in the Executive Summary.

The first priority is to improve the performance of Federal career leaders by providing high quality, competency based, intellectually challenging, affordable, interagency residential seminars for senior-level managers in the areas of leadership, management and policy implementation at the Federal Executive Institute in Charlottesville, VA and the Management Development Centers in Denver, CO, and Shepherdstown, WV (ER Goal7).

The second priority is to ensure that the executive and managerial training and development programs and curriculum reflect current trends in Government, leadership competencies, and

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Office of Executive Resources***

changes in policy direction by using the ongoing assessment of results for continuous review and update. (ER Goal 6)

The third priority is to increase participation by 4.2 % over FY 1999 to almost 7,800 participants, and end-of-course, cumulative ratings of program content, relevance, and facilities to at least 4.4 on a 5 point scale (ER Goal 6).

**ANNUAL PERFORMANCE GOALS FOR FY 2000
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

**OPM STRATEGIC PLAN GOAL IV:
*DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.***

FY 2000 RESOURCE SUMMARY: Obligations (000): \$22,795 Full-Time Equivalents:69

- Strengthen the corporate identity and leadership effectiveness of Federal managers and executives through the training and development programs offered by the Federal Executive Institute and the Management Development Centers and through the Senior Executive Service Orientation programs.

ER Goal 6: OPM executive and management development programs and services
FY 1999/2000 are high quality, timely, and customer-oriented and are relevant to individual and organizational performance improvement.

Means:

- Broaden impact of executive and managerial development through participation from all agencies and their components.

Indicators/Performance Results:

- Assess overall program quality and effectiveness through the use and analysis of end-of-course evaluations for training and development programs. Additional measures address how well courses improve participant's individual and organizational effectiveness back in the agency.

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Office of Executive Resources**

In FY 1998, ER's residential and non-residential executive development programs contributed to creating a corporate body of managers and executives by giving over 6,700 participants an extended exposure to colleagues from across government and by explicitly addressing national and governmental roles of Federal leaders. Each center maintained or improved a historically high end-of-course, cumulative rating of program content, relevance and facilities (4.60 out of 5 at FEI; 4.60 out of 5 at Eastern MDC; and 4.66 out of 5 at Western MDC).

In FY 1999, it is estimated that over 7,400 managers and executives will participate in OPM programs (a 10.4% increase over FY 1998), and participant ratings will meet or exceed a standard of 4.4 on a 5 point scale.

In FY 2000, increase participation by 4.2 % over FY 1999 to almost 7,800 participants, and end-of-course, cumulative ratings of program content, relevance, and facilities will meet or exceed a standard of 4.4 on a 5 point scale.

- *In FY 2000, expand pilot program efforts to measure the amount of learning that takes place in courses and seminars. Data is based on participants' self rating of their knowledge of the subject matter covered in the target seminar before and after completion of the program. The pilot before/after knowledge comparison shows an almost 50 percent increase in seminar participant subject matter knowledge after completion of the target seminar.*
- *Ensure executive and managerial training and development programs and curriculum reflect current trends in Government, leadership competencies, and changes in policy direction. Use ongoing assessment of results for continuous review and update.*

In FY 1998, the Results Act CD-Rom produced by the Office of Executive Resources (ER) was distributed to several thousand government executives and managers. ER also participated in a NAPA sponsored Performance Consortium consisting of 26 federal agencies to assist in GPRA implementation.

In FY 1998, the ER finalized a curriculum redesign for its core management programs. This redesign was prompted by the issuance of the new Executive Core Qualifications (ECQs) and Competencies, and provided an opportunity to use the ECQ's as a way to ensure that our core courses cover all of the competencies and as a way to explain to our customers what the courses cover. These courses assist Federal agencies in the development of their managers and executives by fostering a corporate perspective of the Federal service, an understanding of the constitutional framework for public governance, and the leadership skills needed to assure the government is run efficiently and effectively.

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In FY 1998, two new, self-supporting executive development learning centers were opened to serve the federal community. The new facilities at the Federal Executive Institute in Charlottesville, VA and the Management Development Center in Shepardstown, WV will strengthen OPM's capacity to instill common corporate values, develop executive and management skills, improve understanding of important public policy issues, stimulate Federal management awareness, and ultimately improve the performance of Government.

In FY 1998, FEI's Center for Executive Leadership (CEL) grew dramatically by – developing a list of ten short, open enrollment programs designed to present key theories, provide opportunities for practice, and build mastery of the program content; helping agencies through consulting on team development, strategic planning, and other issues; and, developing custom designed presentations for our client agencies. It achieved its goal of having a full roster of executive development activities ready for the opening of FEI's new facility.

In FY 1998, the Western Management Development Center assisted Region VI of the Environmental Protection Agency (EPA-Dallas) in their efforts to develop a corporate culture to support its administrative and legislative requirements. The process started at the beginning of FY 1998 and will extend into FY 1999. This multilayered approach consists of a detailed organizational analysis followed by a series of intense evaluation and planning sessions for all levels of management in the region. As a result, the region has a clearer picture of its strengths and weaknesses and a clear plan to implement its expectations.

For FY 1999, the entire ER delivery system is working to develop special programs for both the Department of the Treasury and the Federal Aviation Administration. These programs will help those agencies develop a corporate culture, improve their communication skills, and improve management and leadership skills.

- The Federal Executive Institute's on-going multi-year evaluation project is designed specifically to measure program quality and effectiveness in 10-12 different areas. Some of these areas regularly include: pre-program sponsor forms and participant objectives' surveys which indicate expectations in advance of the program, on-site evaluations of every element of the program, and post-program feedback from alumni and agencies. Major initiatives in FY 2000 will include: 1) a continuing survey of sponsors and key agency officials to determine the effectiveness of the Institute's programs; 2) revision of pre-program sponsor's form to link objectives to action-planning and post-program follow-up with agency sponsors; 3) use of computer based simulations to allow high-level skills "practice" to measure improvement; and 4) post-program case studies of cross-functional groups that have been part of multi-phase training at the Institute (e.g., Regulatory agencies working on similar issues and measuring improvement over time).

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- In FY 2000, survey data from recent graduates of Management Development Center (MDC) seminars will be used to develop information on how to increase the ability of MDC alumni to apply the knowledge they gained in ER programs back at their work place. This information will also be used to improve the design of our programs.
- In FY 2000, begin piloting a Federal analogue of The Corporate University Exchange to share benchmarking data on leading edge management development programs with agency counterparts.
- In FY 2000, seek membership in executive development consortiums (i.e., government, academia, business) for the purpose of benchmarking our programs and identifying meaningful evaluation and measurement techniques used in other executive development programs.

**ER Goal 7: Participation in OPM's executive and managerial training programs is
FY 1999/2000 increased and income and costs are balanced.**

Means:

- Increase the efficiency and productivity of Federal agencies and develop the leadership skills of senior level executives by providing high quality, affordable, interagency leadership training through the Federal Executive Institute for members of the Senior Executive Service corps and high potential GS-15 managers who are candidates for the SES.
- Improve government performance of Federal career leaders by providing high quality, competency based, intellectually challenging, affordable, interagency residential seminars for senior-level managers in the areas of leadership, management and policy implementation at the Management Development Centers (Denver, CO, and Shepherdstown, WV).
- Promote leadership skills and provide an overview of current Government policies and issues by developing and delivering orientation programs for new senior executives and Schedule C employees.
- Recognize annually Federal organizations that have demonstrated exemplary quality improvements by managing the President's Quality Award Program.

Indicators/Performance Results:

- Outcome evaluation assesses the extent to which a program achieves its outcome-oriented objectives. It focuses on outputs and outcomes to judge program effectiveness, but may also assess program process to understand how outcomes are produced. Course evaluations

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(described above) are used to assess overall program quality and effectiveness and how well courses improve participant’s individual and organizational effectiveness (outcome). The analysis of those evaluations is used to continually review and update the training and development programs and curriculum (process).

Finally, ER output is measured primarily as the net increases and decreases in participants, and participant training days.

	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>
<i>Sessions</i>	228	218	225
<i>Participants</i>	6,770	7,476	7,795
<i>Participant Training Days</i>	66,745	72,513	75,233

- Increases in participant training, coupled with high course evaluations and a systematic approach to improvement in program delivery and curriculum based on the course evaluations is the basis for ER’s overall outcome evaluation.
- ER’s financial strategies continue to support current and future program needs, as well as maintain a strong fiscal condition. Financial performance for each organization is measured as a function of annual income and cost in the context of a three-year financial plan which includes meeting the requirements to “break-even” and setting a 3-year investment horizon to ensure that ER is careful and thorough about providing full value to its customers.

In FY 1998, ER’s investment strategy included the outfitting and start-up of the Federal Executive Institute’s annex, and the relocation and start-up of the new Eastern Management Development Center in Shepherdstown, WV.

In FY 1999, ER’s strong financial condition and investment strategy will be used to develop new computer based simulations and case studies. These techniques greatly enhance learning by efficiently recreating realistic working situations for participants to resolve. When completely integrated into the programs of the ER delivery system, these computer based simulations maximize the learning required to assure improved leadership in government.

- In FY 2000, financial performance standards for each organization will include actual performance within tolerances of initial estimate (+\$250k,-\$125k), sufficient cumulative retained earnings reserves to accommodate appropriate contingencies, and an investment strategy consistent with program requirements and break-even over a three-year period.

VERIFICATION AND VALIDATION

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- Baseline estimates of production (i.e., sessions, participants and participant training days) and financial data (i.e., income, obligations, costs and cumulative results of operations) are prepared annually during the planning process. Actual data on production is collected and maintained locally (i.e., at FEI, EMDC and WMDC), reported to the program's Director on a monthly basis, and analyzed relative to baseline estimates. Actual production data on sessions and training days are verifiable based on an assessment of published program schedules. Actual data on participants is verifiable based on an analysis of income data by course. Financial data is collected and maintained in the OPM financial management system. Verification of the financial data is the responsibility of the Office of the Chief Financial Officer, OPM. Financial management information from the financial management system is reviewed, reconciled and analyzed at the operating level on a monthly basis. The local analysis is further analyzed at the nationwide program level relative to initial estimates and performance tolerances. Analysis at the highest level will result in feedback to the operating programs on performance to date, future expectations, and/or remedial actions needed.
- Participant surveys are collected for each session at the operating level, summarized, reported, explained and forwarded to the program's Director. Analysis at the nationwide program level will result in feedback to the operating programs on performance to date, future expectations and/or remedial actions needed.
- Results of the OPM Customer Satisfaction Survey will also aid in measuring the responsiveness and value of programs and services.

FY 2000 BUDGET CHANGES:

An increase of \$394,000 is estimated to cover the cost of pay raise and inflation.