



United States Office of Personnel Management

# **Congressional Budget Justification Performance Budget**

## **Fiscal Year 2014**

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# Executive Summary

## FY 2014 Budget Overview

The U.S. Office of Personnel Management (OPM) is the Federal Government’s chief human resources agency and personnel policy manager of the Federal workforce. OPM achieves its mission to *Recruit, Retain and Honor a World-Class Workforce to Serve the American People* by directing human resources and employee management, administering retirement, healthcare and insurance programs, overseeing merit-based and inclusive hiring into the civil service, and providing a secure employment process.

OPM requests **\$240,359,000** in discretionary resources for Fiscal Year (FY) 2014; **\$214,335,000** of this amount is for OPM activities. The agency’s FY 2014 discretionary request furthers the Administration’s efforts to cut lower-priority spending in order to create room for the most effective, innovative agency investments. This funding will support OPM’s executive leadership, administrative operations and services to the Federal government, its employees, retirees, and the American public. The request also includes funding in the amount of **\$26,024,000** for the Office of the Inspector General (OIG). The OIG routinely conducts independent audits, investigations and assessments on OPM’s programs and activities.

While developing the FY 2014 budget request of **\$214,335,000**, the agency carefully examined its strategic goals and implementation strategies. OPM programs using appropriated funds were asked to prioritize their activities in support of the OPM strategic plan. Although each strategic goal and implementing strategy is critical to furthering the OPM mission, program personnel and goal leaders examined their portfolios of responsibilities and prioritized their activities accordingly.

### FY 2014 OPM Budget Request—Discretionary (dollars)

OPM Discretionary Appropriation	FY 2012 Enacted	FY 2013 CR Annualized	FY 2014 Request
<b>OPM Discretionary Total</b>	<b>\$210,290,000</b>	<b>\$211,576,974</b>	<b>\$214,335,000</b>
Salaries & Expenses Appropriation	\$90,354,000	\$90,906,966	\$88,708,000
Trust Fund Annual	\$112,516,000	\$113,204,598	\$115,978,000
Trust Fund Limitation - No Year	\$0	\$0	\$2,600,000
EHRI S&E - No-Year	\$6,004,000	\$6,040,744	\$5,703,800
HRLOB S&E No-Year	\$1,416,000	\$1,424,666	\$1,345,200
<b>OIG Discretionary Total</b>	<b>\$24,316,000</b>	<b>\$24,464,814</b>	<b>\$26,024,000</b>
Salaries & Expenses Appropriation- OIG	\$3,142,000	\$3,161,229	\$4,684,000
Trust Fund Annual - OIG	\$21,174,000	\$21,303,585	\$21,340,000
<b>Discretionary Total including OIG</b>	<b>\$234,606,000</b>	<b>\$236,041,788</b>	<b>\$240,359,000</b>

## FY 2014 Request by Fund

This section provides an overview of OPM discretionary, OIG discretionary, Mandatory Authority and Revolving Fund values for FY 2014.

### FY 2014 OPM Operational Budget (dollars)

Funding Sources	FY 2012 Enacted	FY 2013 CR Annualized	FY 2014 Request
<b>Discretionary Total</b>	<b>\$210,290,000</b>	<b>\$211,576,974</b>	<b>\$214,335,000</b>
Salaries & Expenses Appropriation	\$97,774,000	\$98,372,376	\$95,757,000
Trust Fund Limitation	\$112,516,000	\$113,204,598	\$118,578,000
<b>OIG Discretionary Total</b>	<b>\$24,316,000</b>	<b>\$24,464,814</b>	<b>\$26,024,000</b>
Salaries & Expenses Appropriation- OIG	\$3,142,000	\$3,161,229	\$4,684,000
Trust Fund Annual - OIG	\$21,174,000	\$21,303,585	\$21,340,000
<b>Discretionary Total including OIG</b>	<b>\$234,606,000</b>	<b>\$236,041,788</b>	<b>\$240,359,000</b>
<b>Mandatory Authority Total</b>	<b>\$52,390,536</b>	<b>\$64,784,536</b>	<b>\$67,142,370</b>
FERCCA (P.L. 106-265) (Retirement)	\$2,109,000	\$2,109,000	\$2,109,000
5 USC 8348(a)(1)(B) (Retirement)	\$42,934,536	\$43,578,536	\$45,936,369
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) (Dental & Vision Ins.)	\$5,299,000	\$17,049,000	\$17,049,000
5 USC 9004(f)(B) (Long-Term Care)	\$2,048,000	\$2,048,000	\$2,048,001
<b>Revolving Fund</b>	<b>\$2,040,223,260</b>	<b>\$2,096,115,326</b>	<b>\$2,071,187,936</b>
<b>Grand Total</b>	<b>\$2,327,219,796</b>	<b>\$2,396,941,650</b>	<b>\$2,378,689,306</b>

Note: This table does not include anticipated advances and reimbursements from other Federal agencies for activities outside of OPM's revolving fund.

OPM's total FY 2014 discretionary request is **\$240,359,000**. OPM's budget request consists of two appropriations, the Office of Personnel Management Salaries and Expenses, and the Office of the Inspector General Salaries and Expenses. Both contain Salaries and Expenses and limitations on transfers from the earned benefit Trust Funds under OPM management. These Trust Funds are as follows:

- Civil Service Retirement and Disability Fund;
- Federal Employees Health Benefits Fund; and
- Federal Employees Group Life Insurance Fund.

Three mandatory appropriations payments provide resources from the Treasury's General Fund to three of the earned benefit Trust Funds, and finance benefits for Federal employees and annuitants. The Trust Funds and the associated mandatory appropriations are discussed in more detail in the Earned Benefit Trust Fund section of this budget.

### Salaries and Expenses Fund

For basic operating expenses, OPM requests **\$95,757,000** in annual and no-year Salary and Expense Funds (personnel and non-personnel resources). The annual Salaries and Expenses funding request of **\$88,708,000** will support the operations of the Executive office, OPM's internal administrative offices and the agency's program offices that carry out OPM's statutory policy and oversight responsibilities for other Federal agencies. Of this amount, **\$642,000** will be used to continually strengthen the capacity and capability of OPM's acquisitions workforce. OPM also requests **\$7,049,000**

in annual Salaries and Expenses No-Year funding that will support OPM's Enterprise Human Resources Integration (EHRI) services and its Human Resources Line of Business (HRLOB) operations.

### **Transfers from Trust Fund**

For the administration of the civil service retirement and insurance programs, OPM requests a total of **\$118,578,000** in transfers from the Trust Funds. The request total consists of **\$115,978,000** in Trust Fund annual authority and **\$2,600,000** in Trust Fund No-Year authority. OPM is responsible for managing the Federal Government's health benefits and life insurance programs under the Federal Employees Health Benefits Program (FEHBP) and the Federal Employees Group Life Insurance (FEGLI) Program. In addition, OPM also administers the Civil Service Retirement & Disability Fund (CSRDF) for annuitants (see Mandatory Administrative Authorities in paragraph below). The annual Trust Fund transfers support Retirement Services operations, as well as IT and accounting support for the administration of employees' retirement, health and life insurance benefits.

### **Mandatory Administrative Authorities**

Several provisions under Title 5 of the United States Code and the Federal Employees Retirement Coverage Errors Corrections Act (FERCCA) authorize OPM to administer retirement and insurance and to transfer funds for this administration from the trust funds to compensate the staff working on those activities. Per 5 USC §8348 (a)(1)(B), OPM incurs expenses from CSRDF for the following activities:

- Implementing cost of living adjustments (§8362);
- Administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a); and
- Making discretionary allotments and assignments and withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request.

Within the CSRDF account, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (P.L. 106-265, title II, §2302). OPM may incur expenses through a Long-Term Care Administrative Account from the Employees' Life Insurance Fund (supra at title I, 5 USC §9004(f)(B)). Within Employee Health Benefits, OPM may defray reasonable expenses to its Dental and Vision Benefits Administrative accounts for the administration and regulation of both Dental Coverage and Vision Coverage (5 USC §8958 (f)(2)(A) and §8988 (f)(2)(A)).

### **Revolving Funds**

OPM provides a variety of services to other Federal agencies that are financed through those agencies' customer transactions and orders rather than by discretionary funding. These transactions are collectively consolidated under Revolving Funds. The FY 2014 budget estimates total Revolving Fund obligations of **\$2,071,187,936** and **3,471 FTE** from the payments of Federal agencies for OPM's services. This represents a decrease of **\$24,927,390** from estimates of FY 2013. Services are generally provided by Federal employees, as well as contractors who are qualified for the service.

OPM's services include conducting more than 90 percent of the Federal government's background investigations of Federal employees, contractors, and military members for various Federal agencies. OPM also conducts national agency check and inquiry cases and background security/suitability investigations for Federal agencies on a reimbursable basis. We offer recruitment and applicant assessment services; a web-based automated staffing system for agency use; providing staffing, technical assistance, and general consultation services on workforce planning, organizational assessments and other facets of human resources management; providing core mission and customized training services and learning management systems to meet agency knowledge management needs; and managing the selection, coordination, and development of Presidential Management Fellows. OPM also offers personnel record conversion and advanced analytical tools for automated personnel records through the Enterprise Human Resources Initiative.

OPM's service costs associated with delivering human capital and training solutions to Federal agencies through contracted private firms is recovered through an established fee schedule. The fee schedule is separated into two major components: management fee and Acquisition and Systems Fee (ASF). The management fee covers the general assisted acquisition services costs such as project management, contract administration and financial services. As specified in the solicitation for the contract vehicle supporting the program, contractors are required to include a 0.75% ASF in their prices for each labor category identified for the contract. The specific amount of the ASF will remain at 0.75% over the life of the contract. The ASF reimburses OPM for acquisition and systems costs associated with operating the Vendor Management Branch program while recouping these operating costs from ordering activities. The fee shall be embedded in the awarded labor rates and reflected in the total amount charged to ordering activities. The fee shall not be assessed on travel and Other Direct Costs (ODC). OPM will collect the ASF at the time of invoice payment.

In FY 2014, OPM's expected funding will support **5,689** full-time-equivalent employees (FTE). Of this total, the discretionary appropriations and mandatory Trust Fund transfers will support **2,074** FTE (the sum of Salaries and Expenses Total, Trust Fund Annual Total, and Mandatory Authority Total). The remaining allocation of **3,615** FTE will be supported by Revolving Fund activities and OIG's discretionary appropriations.

**The FY 2013 and FY 2014 budget estimates for OPM's revolving fund are currently under review. Initial trend data in FY 2013 and discussions with OPM customers have indicated that other Federal agencies are experiencing significant fiscal constraints in the current budget environment. The recent sequester has further reduced our customer's ability to purchase OPM products and services. OPM continues to collect data from our customer base and when this effort is completed, we will forward revised FY 2014 estimates for revolving fund obligations to the applicable Congressional committees along with the associated impacts.**

## Fiscal Year Comparison of FTE Staffing

Fund	FY 2013 CR Annualized	FY 2014 Request	Increase/Decrease
Salaries & Expenses Appropriation	905.4	867.2	(38.2)
Salaries & Expenses Appropriation - No Year	6.8	6.5	(0.3)
Advances & Reimbursements	19.5	12.2	(7.3)
<b>Salaries and Expenses Total</b>	<b>931.7</b>	<b>885.9</b>	<b>(45.8)</b>
Trust Fund Annual	841.1	861.6	20.5
<b>Trust Fund Annual Total</b>	<b>841.1</b>	<b>861.6</b>	<b>20.5</b>
5 USC, 8348(a)(1)(b) Mandatory Authority	302.0	303.0	1.0
FERCCA - Mandatory Authority	12.0	12.0	0.0
Long Term Care - Mandatory Authority	5.3	5.2	(0.1)
Dental/Vision - Mandatory Authority	6.3	6.1	(0.2)
<b>Mandatory Authority Total</b>	<b>325.6</b>	<b>326.3</b>	<b>0.7</b>
OIG - Salaries & Expenses Appropriation	11.0	19.0	8.0
OIG - Trust Fund Annual	126.0	126.0	0.0
<b>OIG Total</b>	<b>137.0</b>	<b>145.0</b>	<b>8.0</b>
<b>Subtotal</b>	<b>2,235.4</b>	<b>2,218.8</b>	<b>(16.6)</b>
Revolving Fund	3,277.5	3,470.5	193.0
<b>Grand Total</b>	<b>5,512.9</b>	<b>5,689.3</b>	<b>176.4</b>

## Reform Proposals to Improve Program Performance

OPM is committed to successfully implementing and enhancing administrative efficiencies in its two highest priority programs – implementation of the ACA and reducing the backlog of retirement claims.

### Implementing the Affordable Care Act (ACA)

With the passage of the Patient Protection and Affordable Care Act (ACA) in 2010, OPM is tasked with the new responsibility of implementing health insurance options to the broader American public. Section 1334 of ACA directs OPM to contract with at least two health insurance issuers to offer multi-State plans (MSPs) on each State's Affordable Insurance Exchanges. OPM also supports the Pre-Existing Conditions Insurance Program (PCIP). Though PCIP is scheduled to end on December 31, 2013, enrollees will be able to transition and obtain coverage through Exchanges raising many operational and policy issues to address. The MSPP, in particular, requires OPM to recruit new employees with private market knowledge and expertise as OPM balances its statutory mandate to offer quality health insurance options in all 50 states and the District of Columbia without disrupting the insurance markets in those states. In addition, OPM will need to continue to build IT systems for the acceptance of applications and the collection of information essential to contract oversight and management. While we will continue during FY 2014 to implement the MSPP by evaluating new potential issuers and expanding the number of states in which MSPs are offered, we will also begin to operate the MSPP by, among other things, administering contracts, measuring performance, providing customer service to enrollees, and resolving disputed claims. The fulfillment of our ACA responsibilities is one of our highest priorities.



## Reducing Backlog of Retirement Claims

One of OPM's highest priorities is to administer Federal employees' retirement. A key component in ensuring the long term sustainability of the retirement processing system is OPM's request for **\$2,600,000** for the implementation of a Case Management system in OPM's Retirement Services program. OPM Retirement Services is in need of a conversion to an integrated Case Management system for centralized storage processing of all retirement and related benefits claims to more efficiently process cases. Currently, Retirement Services relies on old legacy mainframe based systems. As Retirement Services moves to automate the paper based process, a modernized Case Management System is critical to track digitally produced data. This system will provide functionality that allows for much needed analytics, specifically forecasting workload and performing ad-hoc-what if scenarios to determine impacts based on anticipated agencies increase in retirements due to fiscal budget reductions.

## Administration's Management Initiatives

During FY 2012, the President issued Executive Order 13589 for the purpose of promoting efficient spending in government. In FY 2014, OPM will continue to utilize Administration direction as a guide in identifying further areas of savings that will improve operational efficiencies and support the agency's core mission. Opportunities for savings are available in administrative areas, funding currently targeted for lower-priority information technology efforts, and lower-priority program activities. Opportunities for administrative savings and reinvestments include the following:

**Administrative Savings** – OPM has identified a series of administrative savings opportunities that seek to reduce funding for Employee Information Technology Devices, Printing, Executive Fleet, and Promotional Items while endeavoring to maintain previously implemented cuts to non-necessary Travel expenses.

**Utilization of Savings** – With these proposed savings, OPM will reinvest resources for more efficient and high-prioritized activities, such as those which further OPM's mission and image externally, contribute to increased human resources oversight, enhance its financial management capabilities, and contribute to increased support for Retirement Services backlog reduction activities.

**Evidence Initiatives** – OPM's FY 2014 Budget Request highlights efforts to increase the share of Federal resources, year over year that support evidence-based approaches to achieve better results at lower cost. For instance, OPM has recently begun to analyze data from the FEHB claims and has begun to use this rich data source to better inform future FEHB policy recommendations and administrative improvements. The chapter focusing on evidence initiatives highlights how OPM is acting on this data source.

## FY 2014 Request by Organization and Program

The Office of Personnel Management's (OPM) strategic vision is to provide the Federal government the resources necessary to become America's model employer for the 21<sup>st</sup> century. OPM's FY 2014 Performance Budget reflects how the agency will fulfill its mission to ***Recruit, Retain, and Honor a World-Class Workforce to Serve the American People***.

OPM's organizational structure reflects primary business lines through which OPM carries out its programs and implements its strategic goals and related implementation strategies. For a detailed description of OPM organizational components, refer to the Budget by Organization Section of this document.

## Budget Request by Organization for FY 2013 & FY 2014 (Discretionary) (dollars)

Organization	FY 2013 CR Annualized				FY 2014			
	Salaries & Expenses	Trust Fund Limitation	Common Services	FY 2013 CR Annualized Total	Salaries & Expenses	Trust Fund Limitation	Common Services	FY 2014 Total
Employee Services	\$31,166,945		\$9,109,596	\$40,276,541	\$29,007,137		\$6,901,528	\$35,908,665
Retirement Services	\$0	\$55,800,000		\$55,800,000	\$0	\$60,495,355		\$60,495,355
Merit System Audit & Compliance	\$13,287,000		\$1,416,000	\$14,703,000	\$13,008,192		\$1,458,196	\$14,466,388
Healthcare & Insurance	\$5,496,000	\$10,185,000		\$15,681,000	\$12,456,627	\$9,775,909		\$22,232,536
Chief Information Officer	\$9,465,410	\$7,244,000	\$40,034,000	\$56,743,410	\$7,626,229	\$8,051,600	\$35,367,413	\$51,045,242
Planning & Policy Analysis	\$7,957,000	\$8,884,000		\$16,841,000	\$12,450,641	\$8,489,435		\$20,940,076
Office of the Chief Financial Officer		\$8,318,000	\$22,273,000	\$30,591,000		\$8,443,613	\$22,722,155	\$31,165,768
Office of Diversity and Inclusion	\$1,040,000			\$1,040,000	\$1,058,976			\$1,058,976
Facilities, Security & Contracting	\$642,000		\$12,261,000	\$12,903,000	\$642,000		\$11,881,288	\$12,523,288
Executive Services	\$1,363,055		\$16,727,450	\$18,090,505	\$1,312,724		\$17,364,077	\$18,676,801
Rent and other CFI	\$15,603,564	\$15,000,000	\$0	\$30,603,564	\$11,239,339	\$14,296,102	\$1,726,343	\$27,261,784
<b>Grand Total</b>	<b>\$86,020,974</b>	<b>\$105,431,000</b>	<b>\$101,821,046</b>	<b>\$293,273,020</b>	<b>\$88,801,865</b>	<b>\$109,552,014</b>	<b>\$97,421,000</b>	<b>\$295,774,879</b>
Appropriated Contribution to Common Services	\$12,351,402	\$7,773,598	\$0		\$6,955,135	\$9,025,986	\$0	\$0
Non-Appropriated Contribution to Common Services	\$0	\$0	\$0	(\$81,696,046)	\$0	\$0	\$0	(\$81,439,879)
<b>OPM Total</b>	<b>\$98,372,376</b>	<b>\$113,204,598</b>	<b>\$101,821,046</b>	<b>\$211,576,974</b>	<b>\$95,757,000</b>	<b>\$118,578,000</b>	<b>\$97,421,000</b>	<b>\$214,335,000</b>

Note: OPM's executive and administrative offices support all agency organizations including those financed with revolving fund receipts or through mandatory administrative transfers from the earned benefits trust funds. A portion of the costs of operating these offices is also charged to those non-appropriated sources. This chart displays the total cost of those administrative activities. Executive offices provide leadership and support for OPM's execution of its Strategic Goals and associated Strategies. The executive offices consist of the Office of the Director, Executive Secretariat & Ombudsman, Chief Human Capital Officers Council, Communications and Public Liaison, Congressional and Legislative Affairs, Office of the General Counsel, Internal Oversight and Compliance, Equal Employment Opportunity, Federal Prevailing Rate Advisory Committee, and the Present's Commission on White House Fellows. Additionally, OPM centrally finances rent, and other items for discretionary financed components of the agency. Agency administrative activities consist of Facilities, Security and Contracting, Office of the Chief Information Officer, and the Office of the Chief Financial Officer. These activities provide support to all OPM services and are not directly mapped to a specific Strategic Goal or Strategy. This chart is exclusive of OIG.

## FY 2014 Discretionary Budget by Goal and Strategy (dollars)

STRATEGIC GOAL	STR_NO	STRATEGY	\$	FTE
<b>Hire the Best</b>	<b>1.01</b>	Implement Improvements to the Federal Hiring Process	\$6,321,962	43.0
	<b>1.02</b>	Promote Diversity and Inclusion in the Federal Workforce	\$1,058,976	7.0
	<b>1.04</b>	Reduce skills gaps in targeted mission critical occupations and/or competency areas across government	\$1,996,523	12.4
	<b>1.05</b>	Encourage increased manager involvement in the Federal hiring process	\$1,350,524	8.6
	<b>1.06</b>	Assist Veterans to Find a Place in the Federal Workforce	\$2,065,530	13.6
<b>Hire the Best Total</b>			<b>\$12,793,515</b>	<b>84.6</b>
<b>Respect the Workforce</b>	<b>2.01</b>	Improve Training Opportunities for Federal Employees	\$972,628	9.4
	<b>2.02</b>	Ensure that Available Benefits Align with Best Practices and Employee's Needs	\$16,576,509	104.9
	<b>2.03</b>	Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work-Life Flexibilities	\$2,760,796	9.0
	<b>2.04</b>	Improve Federal Labor-Management Relations Across the Government	\$2,201,148	18.2
	<b>2.06</b>	Create the 21st Century Flexible Workplace to Enhance Employee Engagement and Improve Satisfaction	\$1,390,964	0.0
<b>Respect the Workforce Total</b>			<b>\$23,902,045</b>	<b>141.5</b>
<b>Expect the Best</b>	<b>3.01</b>	Help Agencies Become High Performing Organizations with use of HR Tools	<b>\$8,532,222</b>	<b>20.6</b>
	<b>3.02</b>	Recognize, Select, and Sustain Individuals Who Provide Strong Leadership and Direction for Agencies	\$2,094,417	13.6
	<b>3.03</b>	Provide Leadership and Direction to Government-wide HR Programs	\$11,799,103	68.7
	<b>3.04</b>	Hold Agencies to Account for Improvements in Strategic Human Resources Management	\$11,697,050	90.3
	<b>3.05</b>	OPM will lead by example to implement human resources reforms and to reinvigorate our approach to individual and organizational performance management	\$250,000	2.0
<b>Expect the Best Total</b>			<b>\$34,372,792</b>	<b>195.2</b>
<b>Honor Service</b>	<b>4.01</b>	Develop a 21st Century Customer Focused Retirement Processing System that Adjudicates Claims in timely and accurate manner	\$58,554,091	649.0
	<b>4.02</b>	Improve OPM service to Federal agency benefit officers	<b>\$1,941,264</b>	<b>14.0</b>

STRATEGIC GOAL	STR_NO	STRATEGY	\$	FTE
<b>Honor Service Total</b>			\$60,495,355	663.0
<b>Improve Access to Health Insurance</b>	<b>5.01</b>	Contract with multi-state health plans to be offered on Affordable Care Act insurance exchanges	\$17,630,379	56.0
	<b>5.02</b>	Offer Federal Employee Health Benefits (FEHB) program benefits to employees of tribes and tribal organizations	<b>\$1,940,844</b>	<b>3.5</b>
<b>Improve Access to Health Insurance Total</b>			\$19,571,223	59.5
<b>Other Activities Unaligned</b>			\$63,200,070	591.5
<b>Grand Total</b>			<b>\$214,335,000</b>	<b>1,735.3</b>

Note: The following strategies 1.03, 2.05, and 5.03 are not included in this table; funding for these strategies is comprised of non-discretionary funding sources.

## FY 2014 Performance Budget Request by Strategic Goals

OPM developed the goals and strategies contained in the updated 2010 – 2015 Strategic Plan – *a New Day for Federal Service*, in part, to help other Federal agencies achieve their missions and to produce superior results. OPM’s unique government-wide role provides OPM the opportunity to make the Federal government America’s model employer.

OPM’s five strategic goals and corresponding strategies are designed to help other Federal agencies achieve their missions and produce superior results. The first four strategic goals are presented in an order that parallels the lifecycle of a Federal employee. The fifth strategic goal captures OPM’s role in implementing the Affordable Care Act (ACA).

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

Aligned with the five strategic goals, the Director has established the following specific program priorities:

- **Retirement Processing** – Based on the past year’s success in accelerating retirement processing, we’re closing in on our 18-month goal. By following our strategic plan, OPM will eliminate the backlog in applications and meet our promise to process 90% of cases within 60 days starting in July 2013.
- **Multi-State Plans** – In one of our newest responsibilities, OPM will establish and administer the Multi-State Plans set out in the Affordable Care Act. The Multi-State Plans will be affordable, quality health insurance options made available on the Exchanges currently being established in each state and the District of Columbia. OPM’s most important deadlines for Multi-State Plans will come this year – so the plans can be in place when open enrollment begins on October 1, 2013.
- **Skills Gap** – OPM and the CHCO Council can achieve results that will close the skills gap for some of our mission critical positions across government; resulting in GAO removing skills gap closure from its high-risk list. OPM will follow through on short and long-term strategies that will assure the Federal government’s ready and able to recruit, retain, and train staff for mission critical occupations like acquisition, cyber security, auditors, economists, human resources and Science, Technology, Engineering, and Mathematics (STEM) careers now and in the future.
- **Background Investigations** – With over 2.2 million background investigative products completed each year, and an increasing number of Top Secret investigative requests, OPM will need to keep a clear focus to continue to meet OPM’s 40-day timeline for the fastest 90% of initial background investigations.
- **Diversity and Inclusion** – OPM will continue to coordinate efforts aimed at increasing diversity and inclusion in the Federal government. These efforts will help employees of all backgrounds contribute to their fullest potential, assuring that employees and applicants are measured by how well they do the job – and nothing else.
- **Performance Management** – Taking lessons learned from the pilot projects under the Goals, Engagement, Accountability and Results (GEAR) framework, OPM will help agencies better engage with their employees to boost performance, to align individual goals with agency goals, to hold poor performers accountable, and to get the best results for the American people.

A detailed description of the strategy level detail for each strategic goal and the resources budgeted for each strategy in FY 2014 is in the Budget by Strategy section of this document. The following tables summarize the funding by strategy and show a crosswalk between strategy and organizational elements.

### FY 2014 Budget by Strategic Goal (all sources) (dollars)

Goal/Strategy	\$	FTE
Hire the Best	\$1,217,492,022	2,809.1
Respect the Workforce	\$43,522,046	157.8
Expect the Best	\$907,763,749	887.4
Honor Service	\$99,100,355	970.0
Improve Access to Health Insurance	\$21,068,423	67.2
Other Activities Supported by OPM	\$169,767,221	797.8
<b>Grand Total</b>	<b>\$2,458,713,816</b>	<b>5,689.3</b>
Revolving Fund Contribution to Common Services	(\$74,283,343)	0.0
<b>Grand Total</b>	<b>\$2,384,430,473</b>	<b>5,689.3</b>

**FY 2014 Performance Budget Request by Organization and Strategic Goal (all sources) (dollars)**

Organization/Activity	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Other Activities	Total Resources
Employee Services	\$15,644,590	\$4,564,740	\$19,609,386	\$0			\$39,818,716
Retirement Services		\$0		\$99,100,355		\$0	\$99,100,355
HR Solutions			\$800,170,000				\$800,170,000
Federal Investigative Services	\$1,189,120,738						\$1,189,120,738
Healthcare & Insurance		\$27,311,506			\$14,973,231	\$0	\$42,284,737
Merit System Audit & Compliance	\$0		\$11,697,050			\$6,091,338	\$17,788,388
Chief Information Officer	\$11,667,718		\$69,023,229	\$0		\$47,244,292	\$127,935,239
Planning & Policy Analysis		\$11,645,800	\$7,264,084		\$6,095,192	\$0	\$25,005,076
Office of the Chief Financial Officer						\$31,165,768	\$31,165,768
Office of Diversity and Inclusion	\$1,058,976						\$1,058,976
Facilities, Security & Contracting						\$12,523,288	\$12,523,288
Executive Services							
Office of the Director						\$3,376,112	\$3,376,112
Executive Secretariat & Ombudsman						\$1,693,489	\$1,693,489
Equal Employment Opportunity						\$976,667	\$976,667
Office of the General Counsel						\$6,500,425	\$6,500,425
Congressional & Legislative Affairs						\$2,579,103	\$2,579,103
Communications & Public Liaison						\$2,478,584	\$2,478,584
Federal Prevailing Rate Advisory Committee						\$236,531	\$236,531
White House Fellows						\$835,890	\$835,890
Office of the Inspector General						\$26,024,000	\$26,024,000
Rent & other CFI						\$27,261,784	\$27,261,784
Chief Human Capital Officer Council						\$779,950	\$779,950
<b>Total Resources</b>	<b>\$1,217,492,022</b>	<b>\$43,522,046</b>	<b>\$907,763,749</b>	<b>\$99,100,355</b>	<b>\$21,068,423</b>	<b>\$169,767,221</b>	<b>\$2,458,713,816</b>
<b>Revolving Fund Contributions to Common Services</b>							<b>(\$74,283,343)</b>
<b>OPM Total Resources</b>	<b>\$1,217,492,022</b>	<b>\$43,522,046</b>	<b>\$907,763,749</b>	<b>\$99,100,355</b>	<b>\$21,068,423</b>	<b>\$169,767,221</b>	<b>\$2,384,430,473</b>

Note: Includes funds for Advances & Reimbursements

## FY 2014 Performance Budget Request by Account

The following tables summarize OPM's FY 2014 funding discretionary budget request (excluding OIG) by object class, present estimated FY 2013 and FY 2014 revolving fund levels, and detail projected FY 2013 and FY 2014 mandatory payments levels for OPM's government payments accounts.

### Total Appropriated Accounts Request by Object Class

	FY 2013 Annualized CR	FY 2014 Request	Increase/ Decrease
Personnel compensation	\$106,563,454	\$112,124,547	\$5,561,093
Personnel benefits	\$28,560,914	\$31,965,629	\$3,404,715
Travel and transportation of persons	\$895,055	\$1,090,937	\$195,882
Transportation of things	\$7,037	\$7,234	\$197
Communications, utilities, and rent	\$28,270,736	\$27,850,561	(\$420,175)
Printing and reproduction	\$1,183,545	\$933,665	(\$249,880)
Other services	\$42,981,319	\$37,374,297	(\$5,607,022)
Supplies and materials	\$1,818,973	\$1,353,242	(\$465,731)
Equipment	\$1,295,941	\$1,634,888	\$338,947
<b>Total</b>	<b>\$211,576,974</b>	<b>\$214,335,000</b>	<b>\$2,758,026</b>
<b>FTE</b>	<b>1,772.8</b>	<b>1,747.0</b>	<b>(25.8)</b>

### Salaries and Expenses – Obligations by Object Class

	FY 2013 Annualized CR	FY 2014 Request	Increase/ Decrease
Personnel compensation	\$48,944,740	\$51,529,624	\$2,584,884
Personnel benefits	\$12,901,249	\$14,769,714	\$1,868,465
Travel and transportation of persons	\$665,776	\$792,654	\$126,878
Transportation of things	\$2,907	\$2,907	\$0
Communications, utilities, and rent	\$10,548,834	\$11,802,144	\$1,253,310
Printing and reproduction	\$377,510	\$179,233	(\$198,277)
Other services	\$23,850,500	\$15,273,258	(\$8,577,242)
Supplies and materials	\$391,643	\$327,968	(\$63,675)
Equipment	\$689,217	\$1,079,498	\$390,281
<b>Total</b>	<b>\$98,372,376</b>	<b>\$95,757,000</b>	<b>(\$2,615,376)</b>
<b>FTE</b>	<b>931.7</b>	<b>885.4</b>	<b>(46.3)</b>



## Trust Fund Limitations – Obligations by Object Class

	FY 2013 Annualized CR	FY 2014 Request	Increase/ Decrease
Personnel compensation	\$57,618,714	\$60,594,923	\$2,976,209
Personnel benefits	\$15,659,665	\$17,195,915	\$1,536,250
Travel and transportation of persons	\$229,279	\$298,283	\$69,004
Transportation of things	\$4,130	\$4,327	\$197
Communications, utilities, and rent	\$17,721,902	\$16,048,417	(\$1,673,485)
Printing and reproduction	\$806,035	\$754,432	(\$51,603)
Other services	\$19,130,819	\$22,101,039	\$2,970,220
Supplies and materials	\$1,427,330	\$1,025,274	(\$402,056)
Equipment	\$606,724	\$555,390	(\$51,334)
<b>Total</b>	<b>\$113,204,598</b>	<b>\$118,578,000</b>	<b>\$5,373,402</b>
<b>FTE</b>	<b>841.1</b>	<b>861.6</b>	<b>20.5</b>

## Revolving Fund Activities

Business Line		FY 2013 Estimate	FY 2014 Estimate	Increase/ Decrease
Investigative Services	Revenue	\$1,176,573,032	\$1,195,120,738	\$18,547,706
	Obligations	\$1,171,573,032	\$1,189,120,738	\$17,547,706
Human Resource Solutions	Revenue	\$786,000,000	\$776,000,000	(\$10,000,000)
	Obligations	\$820,432,000	\$800,170,000	(\$20,262,000)
Employment Services (HRTT)	Revenue	\$30,356,341	\$30,053,000	(\$303,341)
	Obligations	\$30,431,788	\$30,701,573	\$269,785
USAJOBS	Revenue	\$12,071,379	\$12,083,376	\$11,997
	Obligations	\$11,195,068	\$11,667,718	\$472,650
Presidential Management Fellows (PMF)	Revenue	\$4,800,000	\$3,150,000	(\$1,650,000)
	Obligations	\$3,906,511	\$3,910,051	\$3,540
Enterprise Human Resource Integration	Revenue	\$55,576,932	\$32,617,856	(\$22,959,076)
	Obligations	\$55,576,927	\$32,617,856	(\$22,959,071)
HR Line of Business	Revenue	\$3,000,000	\$3,000,000	\$0
	Obligations	\$3,000,000	\$3,000,000	\$0
<b>Total</b>	<b>Revenue</b>	<b>\$2,068,377,684</b>	<b>\$2,052,024,969</b>	<b>(\$16,352,715)</b>
<b>Total</b>	<b>Obligations*</b>	<b>\$2,096,115,326</b>	<b>\$2,071,187,936</b>	<b>(\$24,927,390)</b>

\* Obligations may exceed revenue as business lines use unobligated balances from prior years (i.e. carryover)



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## Government Payment Accounts

	FY 2013 Estimate	FY 2014 Estimate	Increase/ Decrease
Mandatory Payments (Estimated)			
Civil Service Retirement and Disability Fund	\$32,374,000,000	\$33,174,000,000	\$800,000,000
Federal Employees Health Benefits Fund	\$10,698,000,000	\$11,163,000,000	\$465,000,000
Federal Employees Group Life Insurance Fund	\$46,000,000	\$45,000,000	(\$1,000,000)
<b>Total</b>	<b>\$43,118,000,000</b>	<b>\$44,382,000,000</b>	<b>\$1,264,000,000</b>

# Appropriations Language

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

For necessary expenses to carry out functions of the Office of Personnel Management (OPM) pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of OPM and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$95,757,000, of which \$5,704,000 shall remain available until expended for the Enterprise Human Resources Integration project, of which \$642,000 may be for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management, and of which \$1,345,000 shall remain available until expended for the Human Resources Line of Business project; and in addition, \$118,578,000 for administrative expenses, to be transferred from the appropriate trust funds of OPM without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which \$2,600,000 shall remain available until expended for a retirement case management system: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of OPM established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2014, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

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

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$4,684,000, and in addition, not to exceed \$21,340,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

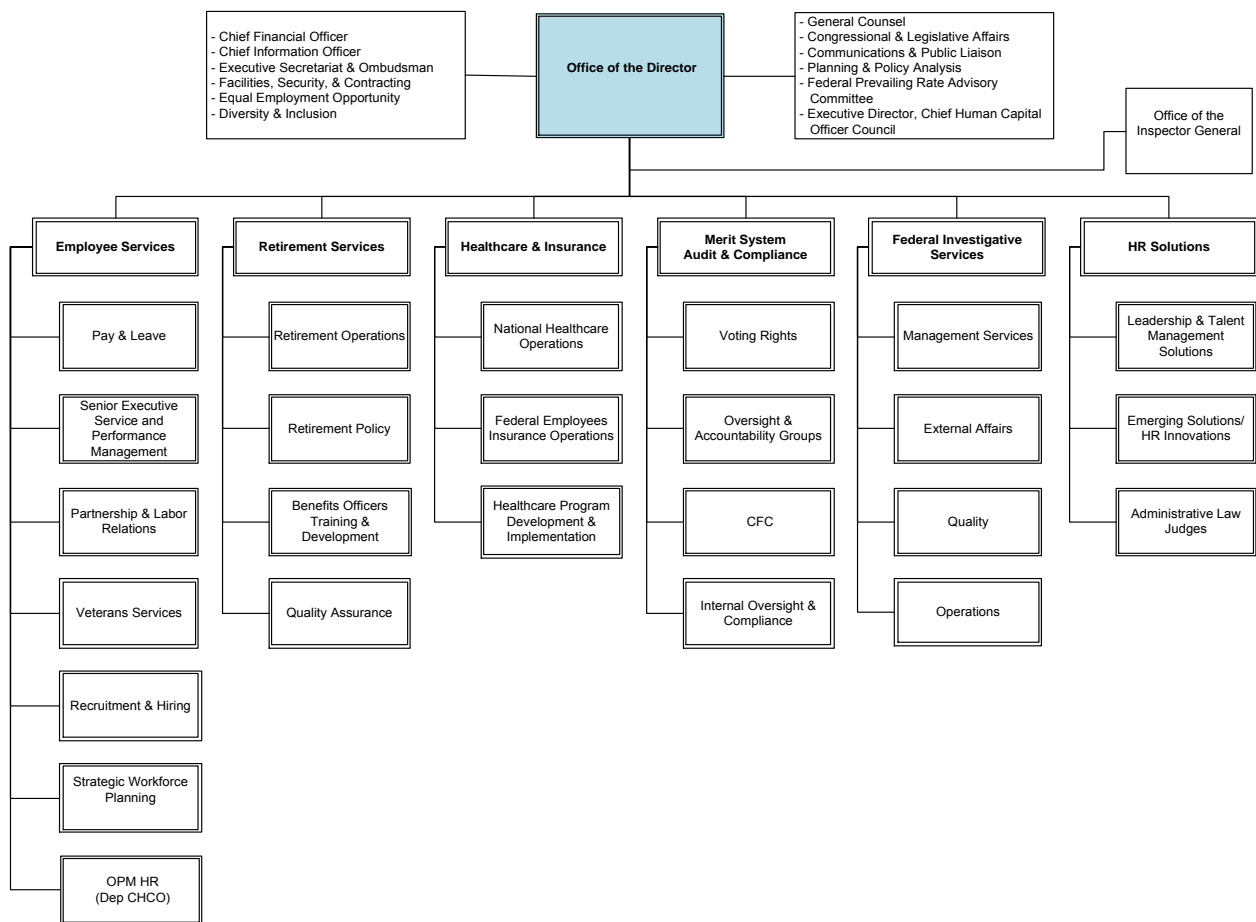


# Budget by Organization

The U.S. Office of Personnel Management (OPM) is the Federal Government’s chief human resources agency and personnel policy manager of the Federal workforce. OPM achieves its mission to *Recruit, Retain and Honor a World-Class Workforce to Serve the American People* by directing human resources and employee management, administering retirement, healthcare and insurance programs, overseeing merit-based and inclusive hiring into the civil service, and providing a secure employment process.

## Organizational Framework

OPM’s organizational structure reflects primary business lines through which OPM carries out its programs and implements its strategic goals and related implementation strategies. As shown in the figure below, OPM is comprised of the following components:



**Figure 1: OPM Organizational Structure**

## Executive Offices

- The *Office of the Director (OD)* provides guidance, leadership and direction necessary to make the Federal Government the model employer in the United States, and OPM its model agency. OD looks to provide increased oversight concerning Civil Service Hiring Reform, Retirement Stabilization, Work/Life and Wellness, and moving to an “active purchaser” model for the Federal Employees Health Benefits Program.
- *Communications and Public Liaison (CPL)* is responsible for coordinating a comprehensive effort to inform the public of the President’s and the Director’s goals, plans and activities through various media outlets. CPL is also responsible for planning and coordinating the publication and production of all printed materials that are generated from OPM offices and develops briefing materials for Congress, the Director and other OPM officials for various briefings and events.
- *Congressional and Legislative Affairs (CLA)* advocates for the legislative and policy priorities of the Director and the Administration. CLA is the focal point for all congressional and legislative activities for the Office of Personnel Management. CLA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. CLA also counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters.
- *Executive Secretariat and Ombudsman (ESO)* is responsible for the administrative management and support for the Office of the Director, including coordination and review of agency correspondence, policy and program proposals, regulations and legislation. ESO is responsible for the Agency’s Ombudsman function, which is necessary to provide a neutral, independent and confidential resource for customers and employees of OPM to raise issues of concern or complaints that their requests are not being addressed in a timely manner.
- *Equal Employment Opportunity (EEO)* provides a fair, legally-correct and expedient EEO complaints process (i.e., EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO designs and implements all required Special Observance and Special Emphasis initiatives, to promote diversity management.
- *Diversity and Inclusion (DI)* examines policy options, government-wide data trends, and employee survey findings that affect OPM’s management of HR policy, specifically including diversity and inclusion throughout the Federal government. D&I develops comprehensive strategies to drive and integrate diversity and inclusion practices throughout the Federal government and to help build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws.

## Program Divisions

- *Employee Services (ES)* Provides policy direction and leadership in designing, developing and promulgating government-wide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, work/life/wellness programs and labor and employee relations. ES provides technical support to agencies regarding the full range of human resources management policies and practices, to include veterans’ employment as well as the evaluation of their human resource programs. ES manages the operation of OPM’s internal human resources program.
- *Retirement Services (RS)* is responsible for government-wide administration of developing and providing Federal employees, retirees and their families with benefits programs and services that offer choice, value and quality to help maintain the government’s position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments.

- *Healthcare & Insurance (HI)* consolidates all of OPM's healthcare and insurance responsibilities into a single organization. This includes new functions such as the Affordable Care Act's Multi-State Plan Option, the work performed by OPM in support of the Pre-existing Condition Insurance Plan (PCIP) program, plus existing responsibilities for the Federal Employees Health Benefits Program (FEHBP), Federal Employee Group Life Insurance (FEGLI), Federal Long Term Care Insurance Program (FLTCIP), the Federal Employee Dental Vision Insurance Plan (FEDVIP), and Flexible Spending Accounts for Federal Employees (FSAFEDS). HI comprises Healthcare Program Development and Implementation, National Healthcare Operations, and Federal Employee Insurance Operations.
- *Merit System Audit & Compliance (MSAC)* ensures through rigorous oversight that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. MSAC carries out this responsibility with a staff of employees in five field offices across the nation and Washington, D.C. The three key components of the oversight and compliance programs are (1) Delegated Examining Unit Evaluations, (2) Large Agency Human Resources (HR) Evaluations, and (3) Small Agency HR Evaluations. MSAC also manages the classification appeals program, which provides Federal employees with an independent third-party review of the classification of their decisions and provides evidence as to whether agencies are technically accurate in the use of delegated classification and job grading authority. MSAC has government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights (VR) programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program provides observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General. Finally, MSAC manages OPM's Office of Internal Oversight and Compliance (IOC). IOC drives the resolution of audit recommendations, conducts program evaluations, and oversees the review of capital investments to strengthen OPM's risk management and operational performance.
- *Federal Investigative Services (FIS)* mission is to ensure the Federal Government has a suitable workforce that protects National Security and is worthy of their Public Trust. FIS is responsible for providing investigative products and services for over 100 Federal agencies to use as the basis for security clearance or suitability decisions as required by Executive Orders and other rules and regulations. Over 90 percent of the government's background investigations are provided by OPM.
- *Human Resource Solutions (HRS)* provides services that assist Federal agencies in achieving their missions by partnering with them to provide effective human resource solutions that develop leaders, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. HRS also offers services that enhance agencies' ability to attract and acquire specific talent.

### **Common Services**

- *Chief Financial Officer (CFO)* manages and oversees OPM accounting, billing, vendor payments, budgeting, strategic planning, performance, program evaluation, financial systems, internal control and financial policy functions which enable the Agency to achieve its mission. CFO also ensures the completion of timely and accurate financial reports that improve decision-making, comply with Federal requirements and demonstrate effective management of taxpayer dollars.
- *Chief Information Officer (CIO)* develops the Information Resource Management Plan and defines the information technology (IT) vision and strategy to include IT policy and security for OPM. CIO shapes the application of technology in support of the Agency's strategic plan including the IT architecture that outlines the long term strategic architecture and systems plans for the Agency and includes Agency IT capital planning. CIO supports and manages pre- and

post-implementation reviews of major IT programs and projects, as well as, project tracking at critical review points. CIO provides oversight of major IT acquisitions to ensure they are consistent with the Agency's architecture and the IT budget, and is responsible for the development of the Agency's IT security policies. CIO directs the realization of the Agency's IT Architecture to guarantee architecture integration, design consistency, and compliance with Federal standards, works with other agencies on government-wide projects such as e-Government, and develops long range planning for IT human resource strategies.

- *Office of the General Counsel (OGC)* provides expert legal advice to the Director and senior OPM officials to ensure that policies, programs and procedures are consistent with applicable rules, regulations, and statutes affecting civil service personnel law and human resources management. OGC also provides expert legal representation to OPM managers and leaders in an attempt to mitigate the agency's risk of litigation and ensure agency actions are in compliance with applicable statutes, rules, and regulations, and to ensure that agency actions are not unlawful.
- *Facilities Security & Contracting (FSC)* is composed of the following seven subcomponents and manages a broad array of OPM's key day-to-day programs:
  1. Facilities Management manages the agency's personal and real property, building operations, space design and layout, realty, safety and occupational health programs.
  2. Emergency Actions directs the operations and oversight of OPM's preparedness and emergency response programs.
  3. Contracting Management provides centralized contract management that supports the operations and government-wide mission of OPM. It also manages OPM's Purchase Card program.
  4. Office of Small and Disadvantaged Business Utilization manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies.
  5. Publications Management establishes and oversees OPM's nationwide publishing and printing management system for internal/external design and reproduction, its Government Printing Office (GPO)/commercial print ordering program, publications management, and electronic/office publishing systems.
  6. Security Services provides a safe and secure environment for OPM's information, personnel, and operations.
  7. Personnel Security provides personnel security and suitability and national security clearance determinations for OPM personnel.

## **Other Offices**

- *Planning and Policy Analysis (PPA)* provides planning and analytical support to the Director and the Agency. PPA assesses issues that affect OPM across the full array of human resources programs and benefits. A particular area of responsibility is the analysis of policy options, legislative changes and trends that affect OPM's management of health and retirement benefits for Federal employees. To assure benefits provide maximum value and are secure, the office conducts actuarial analysis, as well as statistical analyses using large databases such as the Enterprise Human Resources Integration – Statistical Data Mart (EHRI-SDM) (containing Federal employee data) and the Health Claims Data Warehouse.
- *OPM's Performance Improvement Officer (PIO)* is also the director of Planning and Policy Analysis. The Deputy PIO, who is a senior advisor to the OPM Director, supports the PIO in conducting program performance reviews and fostering innovative practices. Staff in the CFO's Budget and Performance Office helps the PIO monitor agency performance, report on agency performance and conduct performance reviews.



- *Federal Prevailing Rate Advisory Committee (FPRAC)* studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title 5, United States Code, and advises the Director of OPM on the government-wide administration of the pay system for blue-collar Federal employees.

### Office of the Inspector General

- *Office of the Inspector General (OIG)* conducts comprehensive and independent audits, investigations, and evaluations relating to OPM programs and operations. It is responsible for administrative actions against health care providers that commit sanction-able offenses with respect to the FEHBP or other OPM programs. The OIG keeps the Director and Congress fully informed about problems and deficiencies in the administration of agency programs and operations, and the need for corrective action.

### Budget by Organization

The following table shows the Budget by Organization within OPM that execute the mission of the agency. The primary core organizations of OPM are Employee Services, Retirement Services, Merit Systems Audit and Compliance, Federal Investigative Services, Human Resources Solutions, Planning and Policy Analysis, Healthcare and Insurance, and the Office of Diversity and Inclusion. The programs and activities within these organizations are directly aligned to the OPM’s Strategic Goals and corresponding Strategies. With the enactment of the Affordable Care Act, OPM has been designated as the agency responsible for implementing and overseeing Multi-State Plan Options. The Healthcare and Insurance (HI) office has oversight over all of OPM’s healthcare and insurance responsibilities, including all Multi-State Plan Option activities.

#### FY 2014 OPM Budget Request—Discretionary

OPM Discretionary Appropriation	FY 2012 Enacted	FY 2013 CR Annualized	FY 2014 Request
<b>OPM Discretionary Total</b>	<b>\$210,290,000</b>	<b>\$211,576,974</b>	<b>\$214,335,000</b>
Salaries & Expenses Appropriation	\$90,354,000	\$90,906,966	\$88,708,000
Trust Fund Annual	\$112,516,000	\$113,204,598	\$115,978,000
Trust Fund Limitation - No Year	\$0	\$0	\$2,600,000
EHRI S&E - No-Year	\$6,004,000	\$6,040,744	\$5,703,800
HR LOB S&E No-Year	\$1,416,000	\$1,424,666	\$1,345,200
<b>OIG Discretionary Total</b>	<b>\$24,316,000</b>	<b>\$24,464,814</b>	<b>\$26,024,000</b>
Salaries & Expenses Appropriation- OIG	\$3,142,000	\$3,161,229	\$4,684,000
Trust Fund Annual - OIG	\$21,174,000	\$21,303,585	\$21,340,000
<b>Discretionary Total including OIG</b>	<b>\$234,606,000</b>	<b>\$236,041,788</b>	<b>\$240,359,000</b>



## Budget Request by Organization for FY 2013 & FY 2014 (Discretionary) (dollars)

Organization	FY 2013 CR Annualized				FY 2014			
	Salaries & Expenses	Trust Fund Limitation	Common Services	FY 2013 CR Annualized Total	Salaries & Expenses	Trust Fund Limitation	Common Services	FY 2014 Total
Employee Services	\$31,166,945		\$9,109,596	\$40,276,541	\$29,007,137		\$6,901,528	\$35,908,665
Retirement Services	\$0	\$55,800,000		\$55,800,000	\$0	\$60,495,355		\$60,495,355
Merit System Audit & Compliance	\$13,287,000		\$1,416,000	\$14,703,000	\$13,008,192		\$1,458,196	\$14,466,388
Healthcare & Insurance	\$5,496,000	\$10,185,000		\$15,681,000	\$12,456,627	\$9,775,909		\$22,232,536
Chief Information Officer	\$9,465,410	\$7,244,000	\$40,034,000	\$56,743,410	\$7,626,229	\$8,051,600	\$35,367,413	\$51,045,242
Planning & Policy Analysis	\$7,957,000	\$8,884,000		\$16,841,000	\$12,450,641	\$8,489,435		\$20,940,076
Office of the Chief Financial Officer		\$8,318,000	\$22,273,000	\$30,591,000		\$8,443,613	\$22,722,155	\$31,165,768
Office of Diversity and Inclusion	\$1,040,000			\$1,040,000	\$1,058,976			\$1,058,976
Facilities, Security & Contracting	\$642,000		\$12,261,000	\$12,903,000	\$642,000		\$11,881,288	\$12,523,288
Executive Services	\$1,363,055		\$16,727,450	\$18,090,505	\$1,312,724		\$17,364,077	\$18,676,801
Rent and other CFI	\$15,603,564	\$15,000,000	\$0	\$30,603,564	\$11,239,339	\$14,296,102	\$1,726,343	\$27,261,784
<b>Grand Total</b>	<b>\$86,020,974</b>	<b>\$105,431,000</b>	<b>\$101,821,046</b>	<b>\$293,273,020</b>	<b>\$88,801,865</b>	<b>\$109,552,014</b>	<b>\$97,421,000</b>	<b>\$295,774,879</b>
Appropriated Contribution to Common Services	\$12,351,402	\$7,773,598	\$0		\$6,955,135	\$9,025,986	\$0	\$0
Non-Appropriated Contribution to Common Services	\$0	\$0	\$0	(\$81,696,046)	\$0	\$0	\$0	(\$81,439,879)
<b>OPM Total</b>	<b>\$98,372,376</b>	<b>\$113,204,598</b>	<b>\$101,821,046</b>	<b>\$211,576,974</b>	<b>\$95,757,000</b>	<b>\$118,578,000</b>	<b>\$97,421,000</b>	<b>\$214,335,000</b>

Note: OPM's executive and administrative offices support all agency organizations including those financed with revolving fund receipts or through mandatory administrative transfers from the earned benefits trust funds. A portion of the costs of operating these offices is also charged to those non-appropriated sources. This chart displays the total cost of those administrative activities. Executive offices provide leadership and support for OPM's execution of its Strategic Goals and associated Strategies. The executive offices consist of the Office of the Director, Executive Secretariat & Ombudsman, Chief Human Capital Officers Council, Communications and Public Liaison, Congressional and Legislative Affairs, Office of the General Counsel, Internal Oversight and Compliance, Equal Employment Opportunity, Federal Prevailing Rate Advisory Committee, and the Present's Commission on White House Fellows. Additionally, OPM centrally finances rent, and other items for discretionary financed components of the agency. Agency administrative activities consist of Facilities, Security and Contracting, Office of the Chief Information Officer, and the Office of the Chief Financial Officer. These activities provide support to all OPM services and are not directly mapped to a specific Strategic Goal or Strategy. This chart is exclusive of OIG.

## FY 2014 OPM Budget by Organization (all sources)

Organization Structure	Total Funding
<b>Executive Offices</b>	
<b>Communications and Public Liaison</b> Informs the public, press and federal employees on OPM's mission and current events through news releases, announcements, reports, media outlets, public speeches, conferences and events.	<b>\$2,478,584</b>
<b>Congressional and Legislative Affairs</b> Supports, informs, and advises the Director, OPM officials and Congressional staff on human resources policies and legislative priorities through hearings, briefings and reports.	<b>\$2,579,103</b>
<b>Diversity and Inclusion</b> Drives Federal agencies via outreach to promote inclusive practices throughout the Federal Government in order to build a diverse and effective workforce.	<b>\$1,058,976</b>
<b>Equal Employment Opportunity</b> Processes complaints under EEO laws and regulations and adjudicates claims of discriminatory practices in the workplace and hiring along with claims of Equal Employment statutory violations.	<b>\$976,667</b>
<b>Executive Secretariat and Ombudsman</b> Coordinates and reviews agency correspondence, policy and proposals, regulation and legislation. Provides a neutral, confidential resource for OPM customers to raise concerns (Ombudsman). Coordinates OPM international affairs, activities and contracts (Om	<b>\$1,693,489</b>
<b>Office of the Director</b> As the executive leadership of the agency, champions the Federal government as the model employer in the United States through the administration of OPM's activities	<b>\$3,376,112</b>
<b>White House Fellows Program</b> The Presidents Commission on White House Fellowships is responsible for providing gifted and motivated Americans with firsthand experience in governing the Nation and become future leaders.	<b>\$835,890</b>
<b>Program Division</b>	
<b>Employee Services</b> Directs policy and leads agencies in developing human resources systems and programs for recruitment, pay, leave, employee management, recognition, Work/Life and Wellness programs and labor relations.	<b>\$39,818,716</b>
<b>Federal Investigative Services</b> Provides personnel background investigations to determine if applicants are eligible for Federal civilian, military and contract employment and clearance to access classified national security information.	<b>\$1,189,120,738</b>
<b>Healthcare and Insurance</b> Administers the government's health benefits and insurance programs to Federal employees, retirees and their families. Collaborate with DHHS with current responsibilities under the Affordable Care Act.	<b>\$42,284,737</b>
<b>Human Resources Solutions</b> Collaborates with other Federal agencies, providing effective human resources solutions to develop service commitment, attract individuals to the workforce and promote a high-performance culture.	<b>\$800,170,000</b>

Organization Structure	Total Funding
<b>Merit Systems Audit and Compliance</b> Ensures that human resources in agencies across the government meet the merit system criteria. Encourages philanthropy through the Combined Federal Campaign (CFC).	<b>\$17,788,388</b>
<b>Retirement Services</b> Administers the Federal Employees Retirement System (FERS) and the Civil Service Retirement System (CSRS) for all current Federal employees, their families and 2.5 million retirees and survivors.	<b>\$99,100,355</b>
<b>Common Services</b>	
<b>Chief Financial Office</b> <b>Manages OPM's finance</b> and performance operations. Oversees accounting, billing, vendor payments, budget, strategic planning, performance and program evaluation, financial systems, risk, and policy.	<b>\$31,165,768</b>
<b>Chief Information Officer</b> Manages OPM's information technology resources. Defines IT strategy and policy for a secure and consistent technological environment for OPM staff to work.	<b>\$127,935,239</b>
<b>Facilities, Security &amp; Contracting</b> Oversees all of the agency's properties, building operations and designs. Directs workplace operations and oversees OPM's emergency response. Provides social and physical security for OPM employees at work.	<b>\$12,523,288</b>
<b>Office of the General Counsel</b> Provides legal advice to OPM through reviewing opinions, policies, regulations and executive orders.	<b>\$6,500,425</b>
<b>Other Offices</b>	
<b>Federal Prevailing Rate Advisory Committee</b> Examines the prevailing rate system, as pertinent to 5 USC 5341 et seq., and advises the Director on the administration of the pay system for blue-collar employees.	<b>\$236,531</b>
<b>Office of the Inspector General</b> Conducts comprehensive and independent audits, investigations and evaluations on OPM programs and operations. Keeps Director and Congress informed about problems and deficiencies in agency programs and operations and the need for corrective action.	<b>\$26,024,000</b>
<b>Planning and Policy Analysis</b> Analyze policy options, legislative changes, data trends and employee surveys that affect OPM's management of HR policy, health care insurance and employee health and wellness benefits.	<b>\$25,005,076</b>

## Employee Services

OPM requests **\$35,908,665** for Employee Services. The request consists of **\$29,007,137** from Salaries and Expenses Funds and **\$6,901,528** from Common Services.

OPM also estimates budget authority from sales of **\$3,910,051<sup>1</sup>** for its Presidential Management Fellows (PMF) program also financed through the Revolving Fund.

Employee Services fulfills the following functions:

- Employee Services (ES) develops human resource (HR) policies for Executive Branch agencies. Specifically, ES provides policy direction and leadership in designing, developing and promulgating government-wide human resources systems and programs for recruitment, staffing, classification, pay, leave, training, performance management and recognition, employee development, management of executive resources, work/life/wellness programs and labor and employee relations.
- Provides technical support to agencies regarding the full range of human resources management policies and practices. ES administers civil service pay structures and annually publishes pay tables for 1.3 million General Schedule employees. ES reviews and certifies the performance appraisal systems for over 7,000 Federal executives and senior level employees. ES issues government-wide policy on reciprocity of suitability investigations and suitability standards across government. ES develops and improves policy and procedures for the end-to-end hiring process. ES is the prime advocate for telework, health & wellness programs, and veterans' employment.
- Provide technical support to improve the employment opportunities of veterans in the Federal service.
- Manage OPM's Innovation Practice to enable Government-wide prototyping and pilot testing of new approaches for effective workforce management.
- ES provides central management for the PMF program by directing the program's assessment and selection process and offering training, orientation, and graduate sessions in addition to an annual job fair.
- ES manages the operation of OPM's internal human resources program including the Center for Innovative Learning & Professional Growth.

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<sup>1</sup> The FY 2013 and FY 2014 budget estimates for OPM's revolving fund are currently under review. Initial trend data in FY 2013 and discussions with OPM customers have indicated that other Federal agencies are experiencing significant fiscal constraints in the current budget environment. The recent sequester has further reduced our customer's ability to purchase OPM products and services. OPM continues to collect data from our customer base and when this effort is completed, we will forward revised FY 2014 estimates for revolving fund obligations to the applicable Congressional committees along with the associated impacts.

## ES Resource Summary - all resources (dollars)

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>ES</b>				
Salaries & Expenses Appropriation	\$31,166,945	228.7	\$29,007,137	188.6
RF Presidential Management Fellows (PMF)	\$3,906,511	5.0	\$3,910,051	7.5
Common Services	\$9,109,596	54.9	\$6,901,528	52.7
<b>Grand Total</b>	<b>\$44,183,052</b>	<b>288.6</b>	<b>\$39,818,716</b>	<b>248.8</b>

### Highlights

- OPM issued final regulations for the Pathways Program which will make it easier for students, graduates, veterans and those re-entering the workforce to find and apply for Federal jobs;
- Develop and implement Federal policy and guidance for telework as mandated by the Telework Enhancement Act of 2010;
- Develop a comprehensive project plan for technical assistance, consultation, training, tools and best practices to support the requirements to close competency gaps for mission critical occupations;
- Implement improvements to the Federal hiring process;
- Reduce skills gaps in targeted mission critical occupations and/or competency areas across government;
- Encourage increased manager involvement in the Federal hiring process;
- Assist veterans to find a place in the Federal workforce;
- Improve training opportunities for Federal employees;
- Improve Federal employee engagement and satisfaction with health, wellness, and work-life flexibilities;
- Improve Federal labor-management relations across the government;
- Promote the safety of the Federal workforce through emergency preparedness;
- Help agencies become high performing organizations with use of HR tools;
- Recognize, select, and sustain individuals who provide strong leadership and direction for agencies;
- Provide leadership and direction to government-wide HR programs;
- OPM will lead the implementation of human resources reforms to reinvigorate our approach to individual and organizational performance management; and
- Implement certain provisions of the Telework Enhancement Act of 2010.

## Retirement Services

OPM request **\$60,495,355** for Retirement Services (RS), composed of **\$57,895,355** in Trust Fund Annual authority and **\$2,600,000** in Trust Fund No-Year authority for FY 2014. Retirement will use these funds to continue to maintain the services it delivers to Federal employees, annuitants, and their families through the retirement program.

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

In addition to the amounts requested above, RS has access to administrative resources from the earned benefit trust funds under its purview that are not subject to Congressional limitation to perform specific tasks. RS FY 2014 non-discretionary funding levels include the following:

- **\$33,896,000** in 5 USC 8348 (a) (1) (B) Title V Authority - Title V Authority permits OPM/RS to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer cost-of-living adjustments, survivor annuities, alternative forms of annuities, voluntary allotments and tax withholding.
- **\$2,109,000** FERCCA Funds – Public Law 106-265 provides for the Office’s administrative expenses implementing the Federal Erroneous Retirement Coverage Correction Act.
- **\$2,600,000** VERA/VSIP Funds – Public Law 112-74 provides for the Office’s administrative expenses relating to processing a retirement claim under the terms of a Voluntary Early Retirement Authority (VERA), or Voluntary Separation Incentive Payment (VSIP).

Retirement Services will strive to meet Strategic Goal 4 – Honor Service. Our strategy to meet this goal is to develop a 21st century focused retirement processing system that adjudicates claims in a timely and accurate manner. This will be accomplished by: using performance measures to ensure quality customer service; strengthening quality assurance processes, policies and procedures; delivering optimal customer service experiences by improving processes; and advising and providing technical assistance to all OPM offices and Congress on Federal retirement policy matters. We will also improve OPM service to Federal agency benefits officers by developing an agency benefits officer’s service delivery model.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>RS</b>				
TF Limit - Annual	\$55,800,000	653.0	\$57,895,355	663.0
Trust Fund Limitation - No Year	\$0	0.0	\$2,600,000	0.0
Trust Fund Title V - FERCCA	\$2,109,000	12.0	\$2,109,000	12.0
Trust Fund-Title V	\$33,896,000	295.0	\$36,496,000	295.0
<b>Grand Total</b>	<b>\$91,805,000</b>	<b>960.0</b>	<b>\$99,100,355</b>	<b>970.0</b>

\* FY 2014 includes \$2.6 million for VERA/VSIP

## Highlights

- RS will eliminate the backlog in applications and meet our promise to process 90% of cases within 60 days;
- RS will plan for the long term sustainability of the retirement processing system;
- RS will implement technical changes resulting from the “Phased Retirement” enacted legislation allowing employees to retire but still continue working part-time; and
- RS plans to implement a case management system for centralized storage processing of all retirement and related benefits claims.

## Merit System Audit & Compliance

OPM requests **\$14,466,388** for Merit System Audit & Compliance (MSAC) office, composed of **\$13,008,192** in Salaries and Expenses funds and **\$1,458,196** in Common Services funds for FY 2014. Funding will enable OPM to oversee Federal agency HR programs to ensure they are operating effectively and meeting merit system principles, veterans' preference, and other critical civil service requirements.

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

Merit System Audit and Compliance (MSAC) mission is to ensure Federal agency human resources programs are effective, efficient, and meet merit system principles and related civil service requirements:

- Works directly with other Federal agency HR managers and specialists to improve agency programs that are not in compliance with Federal HR policies and regulation.
- Provides government-wide oversight through Human Resources Management Evaluations, Delegated Examining Audits, Accountability, Political Conversions, and Voting Rights.
- Adjudicates classification appeals, job grading appeals, Fair Labor Standards Act (FLSA) claims, compensation and leave claims, and declination of reasonable appeals.

MSAC is responsible for the Combined Federal Campaign (CFC). Under this program, OPM promotes and supports Federal employee philanthropy through a program that is employee-focused, cost-efficient, and effective in providing all Federal employees, through charitable giving, the opportunity to improve the quality of life for all citizens.

MSAC is responsible for the Voting Rights program. OPM sends observers to election sites at the request of the U.S. Attorney General to monitor whether eligible voters are permitted to vote and whether votes are properly tabulated.

MSAC manages the OPM internal oversight and compliance programs; drives the resolution of audit recommendations, conducts program assessment, and oversees the review of capital investments to strengthen OPM's risk management and operational performance.

- The Office of Internal Oversight and Compliance (IOC) proactively provides internal oversight while holding OPM officials accountable for operating effectively and efficiently in accordance with applicable policy, regulations and other criteria as further defined by the Director of OPM;
- Provide advice and assistance to program office managers and staff in responding to engagements and inquires, and preparing responses to draft finding and recommendations;
- Support GAO and OIG in facilitating their OPM audit activities, addressing information request and enduring timely response to request for comment and report review; and
- IOC will also continue to strengthen the IOC program review capability to improve the efficiency or effectiveness of selected OPM programs.



## MSAC Resource Summary - all resources (dollars)

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>MSAC</b>				
Advances & Reimbursements (Voting Rights)	\$3,390,000	0	\$3,322,000	0
Salaries & Expenses Appropriation	\$13,287,000	101.4	\$13,008,192	101.9
Common Services	\$1,416,000	8.3	\$1,458,196	8.3
<b>Grand Total</b>	<b>\$18,093,000</b>	<b>109.7</b>	<b>\$17,788,388</b>	<b>110.2</b>

### Highlights

- Continuously oversee and participate in agency-led HR management assessments and help agencies build and maintain effective accountability systems;
- Participate and conduct independent assessments of small agencies to determine if their human capital programs support the mission and meet merit system principles and related civil service laws;
- Provide statutory oversight responsibility and contracts human resources services to client agencies;
- Evaluate agency human resources Shared Service Providers;
- Conduct audits of selected shared service providers in FY 2014;
- Continue to deploy Federal observers to monitor the election process in areas designated by the U.S. Attorney General. OPM;
- Merit System Audit and Compliance (MSAC) ensures Federal agency human resources programs are effective, efficient, and meet merit system principles and related civil service requirements;
- The Combined Federal Campaign Program (CFC) was created in 1961 by President Kennedy. In FY 2011, \$272.7 million was donated. (Note: OPM will have the amount of FY 2012 funds donated by end of April 2013);
- In FY 2013, OPM increased the effectiveness and efficiency of the campaign by merging thirteen campaigns. In addition, OPM has submitted proposed regulations based on the CFC-50 Commission's recommendations to OMB for review;
- OPM manages the Voting Rights program in collaboration with the Department of Justice (DOJ) under the authority of the Voting rights Act of 1965. In FY 2012, OPM deployed 467 observers to 149 polling sites. In FY 2013 and FY 2014, OPM will continue to deploy appropriate numbers of observers to monitor polling sites at the request of DOJ throughout the year. In FY 2013 Voting Rights deploy 592 observers to 163 polling sites in 12 states; and
- OPM manages the Internal Oversight and compliance for driving the resolution of audit recommendations, conducts program assessment, and oversees the review of capital investments to strengthen OPM's risk management and operational performance.

## Federal Investigative Services

OPM estimates a new budget authority of **\$1,189,120,738<sup>2</sup>** for its Federal Investigative Services Revolving Fund.

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

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

- Increased user accessibility of the Central Verification System (CVS);
- Revised e-QIP functionality to improve quality of data;
- Implementation of revised SF-86;
- Expanded customer suitability training;
- Enhanced case and investigative issue coding to optimize eAdjudication, and continued availability of eDelivery of investigative files to agencies;
- Implementation of enhanced subject interview; and
- Deployed quality assessment tool for all OPM customer agencies.

### FIS Resource Summary – all resources (dollars)

Budgetary Resources	FY 2013 Estimate		FY 2014 Estimate	
	\$	FTE	\$	FTE
<b>FIS</b>				
RF Investigative Services	\$1,171,573,032	2,478.6	\$1,189,120,738	2,700.0
<b>Grand Total</b>	<b>\$1,171,573,032</b>	<b>2,478.6</b>	<b>\$1,189,120,738</b>	<b>2,700.0</b>

### Highlights

- Continue the projected releases for enhancements to support the timeliness goals set forth by IRTPA and allow FIS to continue to provide timely and quality services to Federal agencies;

<sup>2</sup> The FY 2013 and FY 2014 budget estimates for OPM's revolving fund are currently under review. Initial trend data in FY 2013 and discussions with OPM customers have indicated that other Federal agencies are experiencing significant fiscal constraints in the current budget environment. The recent sequester has further reduced our customer's ability to purchase OPM products and services. OPM continues to collect data from our customer base and when this effort is completed, we will forward revised FY 2014 estimates for revolving fund obligations to the applicable Congressional committees along with the associated impacts.

- Complete background investigations within the target of 90 percent completed in an average of 40 days or less;
- FIS will implement major IT transformation initiatives in support of the joint reform goal to streamline the investigative and adjudicative process; and
- Utilize resources to revamp the core software and hardware infrastructure of all core case processing systems and tools; commence with the transformation and modernization of the Case Processing and Customer Interfaces, providing agency access and investigative requests that will be easier to submit, process and deliver.

## Human Resources Solutions

OPM estimates a budget authority amount of **\$800,170,000<sup>3</sup>** for its Human Resources Solutions Revolving Fund. As a revolving fund program, HRS recovers costs of operations by managing agency reimbursable agreements from over 150 Federal customers.

HRS provides services that assist Federal agencies in achieving their missions by partnering with them to provide effective human resource solutions that develop leaders, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. HRS also offers services that enhance agencies' ability to attract and acquire specific talent. Broadly, HR Solutions activities can be grouped into Consulting and Training offerings.

HR Solutions activities can be grouped into Consulting and Training offering:

- Consulting offerings include assisted acquisition services, project management, staff acquisition solutions, testing and assessment support, and workforce and succession planning. In addition, HRS fully manages the nationwide program for the recruitment, examination, and employment of administrative law judges (ALJ).
- Training offerings include residential interagency executive coaching and development, employee growth and development sustainability, and customized online learning management systems.

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

Budgetary Resources	FY 2013 Estimate		FY 2014 Estimate	
	\$	FTE	\$	FTE
<b>HRS</b>				
RF Employment Services	\$820,432,000	670.0	\$800,170,000	510.0
<b>Grand Total</b>	<b>\$820,432,000</b>	<b>670.0</b>	<b>\$800,170,000</b>	<b>510.0</b>

### Highlights

- In FY 2014, OPM will complete the initial scope of work for the USA Staffing Competency Assessment Upgrade (CAU) and begin migrating customer agencies to this new technology platform. The Competency Assessment Upgrade (CAU) will update the underlying technologies for USA Staffing's future growth and increased usability. The CAU will improve the timeliness of selecting and hiring quality candidates by facilitating collaboration between HR professionals and hiring managers. This project will enhance job analysis and assessment capabilities and expand reporting and workload management in USA Staffing.
- In FY 2013, OPM will issue a new multiple award Indefinite Delivery/Indefinite Quantity contract vehicle to supersede the existing contract vehicle set to expire. This will enable OPM to continue delivering customized solutions to meet client agency training and human capital

<sup>3</sup> The FY 2013 and FY 2014 budget estimates for OPM's revolving fund are currently under review. Initial trend data in FY 2013 and discussions with OPM customers have indicated that other Federal agencies are experiencing significant fiscal constraints in the current budget environment. The recent sequester has further reduced our customer's ability to purchase OPM products and services. OPM continues to collect data from our customer base and when this effort is completed, we will forward revised FY 2014 estimates for revolving fund obligations to the applicable Congressional committees along with the associated impacts.

requirements through an expedited procurement process. Through this vehicle, OPM offers Government agencies a cadre of pre-qualified commercial firms with expertise in designing, developing, and implementing customized training and human capital solutions to improve individual, group, and enterprise performance. The transition from the current contract vehicle to the new contract vehicle will be relatively seamless, but marketing and delivering the services on the new contract vehicle will be a major OPM initiative that carries over into FY 2014.

- The development and implementation of proctored online testing (E-testing) capability utilizing HRS' online testing platform. Several existing OPM-owned paper and pencil tests are being developed for automation and placement on the platform for proctored online delivery, including Wage Grade Performance Potential Assessment, Law Enforcement, Administrative Careers With America (ACWA) 775-Benefits Review, Tax & Legal Test, ACWA 975-Questionnaire, and Auditor.
- Large-scale, nationwide delivery of mission critical training and transformation services to the largest agencies in the Federal government, including the FAA, VA, and DHS.
- Establishment of a new Administrative Law Judges (ALJ) register, consisting of highly qualified candidates that reflect the updated competencies proven to be associated with the ALJ occupation.
- HRS will research and identify emerging leadership and management challenges related to the future of governance, and develop social networking initiatives to foster inter-agency and cross-sector collaboration and partnerships for solving complex, multi-sector problems. HRS will:
  - Develop and deliver new educational programs for the Federal workforce to improve their ability to develop and implement public policy;
  - Conduct Federal market research and needs assessment to better align educational offerings with current needs of 21st century government;
  - Leverage cross-sector thought leadership that focuses on transforming governmental practices; and
  - Pilot test emerging concepts, practices and responses to new challenges such as natural disasters, workplace transformation, and change physical environment to increase efficiency in government.
- Full On-boarding Manager Implementation: HRS has a two-part expansion plan for Onboarding Managers: an expanded pilot followed by agency-wide implementation. Eight agencies are currently piloting the system: Department of Veterans Affairs, Social Security Administration, Office of Personnel Management, Navy, Army, Air Force, Department of Health and Human Services, and the Executive Office of the President.
- Acquisitions and Service Fee (ASF) established to reimburse Vendor Management Branch program costs associated with acquisitions and maintaining systems' compliance, modernization, efficiency, and effectiveness.

## Planning and Policy Analysis

OPM requests **\$20,940,076** for the Planning and Policy Analysis (PPA) Office, composed of **\$11,105,441** in Salaries and Expenses funds, **\$8,489,435** in Trust Fund Annual authority, and **\$1,345,200** in Salaries and Expenses No-Year authority funds for the Human Resources Line of Business (HRLOB) project.

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

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

PPA estimates **\$3,000,000** for its Human Resources Line of Business (HRLOB) financed through OPM's Revolving Fund.

The mission of Planning and Policy Analysis (PPA) is to provide strategic analysis and workforce information for the OPM Director and to support the performance goals of the agency. The scope of PPA analysis spans the full range of human resource management issues facing Federal agencies (such as workforce supply, pay, benefits, diversity) and involves a variety of analytical tools (including actuarial analysis, surveys, economic analysis, and policy analysis). This includes planning and policy activities related to the following Federal benefits programs:

- Federal Employees Health Benefits (FEHB) Program;
- Federal Employees Group Life Insurance (FEGLI) Program;
- Federal Flexible Spending Account (FSA) Program;
- Federal Long Term Care Insurance Program (FLTCIP);
- Federal Employees Dental/Vision Insurance Program (FEDVIP); and
- Federal retirement systems (CSRS and FERS).

PPA manages the Human Resources Line of Business (HRLOB); HRLOB leads the government-wide transformation of HR Information Technology by focusing on modernization, integration, and performance assessment.

## PPA Resource Summary - all resources (dollars)

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>PPA</b>				
RF HRLOB Activities	\$0	0	\$3,000,000	0
Salaries & Expenses Appropriation	\$7,957,000	37.0	\$11,105,441	34.0
TF Dental and Vision Benefits	\$271,000	2.3	\$271,000	2.3
TF Limit - Annual	\$8,884,000	22.0	\$8,489,435	28.5
Trust Fund Title V - Long Term Care	\$271,000	2.3	\$271,000	2.3
HR LOB S&E No - Year	\$0	0.0	\$1,345,200	4.0
Trust Fund-Title V	\$523,000	5.0	\$523,000	5.0
<b>Grand Total</b>	<b>\$17,906,000</b>	<b>68.6</b>	<b>\$25,005,076</b>	<b>76.1</b>

### Highlights

- PPA will continue to support OPM's Affordable Care Act (ACA) responsibilities by providing policy support, and actuarial and data analysis;
- PPA will continue to implement a Health Claims Data Warehouse (HCDW) to capture and analyze claims data for the purpose of performing economic analyses used to inform OPM leadership in decision-making about the future direction of the FEHB and other benefit programs;
- PPA will administer the Employee Viewpoint Survey;
- PPA will continue to provide Federal workforce statistics and demographic information to assist agencies in managing recruitment and retention of their workforces;
- PPA will continue to provide strategic direction for the Human Resources Line of Business (HRLOB) and EHRI and to lead the government-wide transformation of HR Information Technology by focusing on modernization, integration, performance assessment, as well as the development of strategic policies and plans that meet the future needs of Federal agencies and enable them to systematically manage the lifecycles of their workforces; and
- During FY 2013, PPA also assumed responsibility for strategic planning and policy for the future direction and oversight of EHRI.

## Healthcare and Insurance

OPM's FY 2014 budget request for Healthcare and Insurance (HI) includes **\$22,232,536** which consists of **\$12,456,627** in Salaries and Expenses Funds and **\$9,775,909** from annual Trust Funds.

OPM estimates it will utilize **\$1,777,001** to administer Federal Long Term Care Insurance Program (FLTCIP) and **\$16,778,000** to administer Federal Employee Dental Vision Insurance Plan (FEDVIP) in FY 2014.

In FY 2014, OPM anticipates **\$1,497,200** in Advance and Reimbursement resources being provided by Department of Health and Human Services to fund OPM's support of Pre-existing Condition Insurance Plan (PCIP) program.

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

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>HI</b>				
Advances & Reimbursements (PCIP)	\$2,100,000	17.0	\$1,497,200	7.7
Salaries & Expenses Appropriation	\$5,496,000	27.0	\$12,456,627	47.9
TF Dental and Vision Benefits	\$16,778,000	4.0	\$16,778,000	3.8
TF Limit - Annual	\$10,185,000	82.0	\$9,775,909	78.0
<b>Trust Fund Title V - Long Term Care</b>	<b>\$1,777,000</b>	<b>3.0</b>	<b>\$1,777,001</b>	<b>2.9</b>

### Highlights

- HI will continue to negotiate Federal Employees Health Benefits Program contracts with private insurance companies that offer a broad range of health insurance benefits;
- HI will work on implementing improved Pharmacy benefits within FEHB;
- HI will continue to enhance customers' health insurance options;
- HI will continue to implement OPM's responsibilities under the Affordable Care Act (ACA). This includes implementing a Multi-State Program, offering FEHB coverage to employees of eligible Tribes and Tribal organizations;
- HI will administer the Pre-Existing Condition Insurance Program (PCIP) until December 31, 2013; and
- HI will work toward implementing a user fee structure to cover part of OPM's administrative expenses for administering the MSP program in subsequent years.



## Office of Diversity and Inclusion

The OPM 2014 budget requests **\$1,058,976** for the Office of Diversity and Inclusion (ODI) from Salaries and Expenses resources.

ODI examines policy options, government-wide data trends, and employee viewpoint survey findings that affect OPM's management of HR policy, specifically including diversity and inclusion throughout the Federal government. ODI will:

- Develop comprehensive strategies similar to those found in the private sector and successful agencies. The strategies help agencies to drive and integrate diversity and inclusion practices throughout the Federal government.
- Assist agencies or departments to implement diversity and inclusion strategies that recruit and retain talented individuals from all communities to prepare for shifting workplace demographics, improve services to all populations, and increase innovation for the future.
- Educate the Federal workforce on how to create an inclusive culture that encourages collaboration, flexibility and fairness, and leverages diversity throughout the organization to enable all employees to contribute to their full potential.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>ODI</b>				
Salaries & Expenses Appropriation	\$1,040,000	8.0	\$1,058,976	7.0
<b>Grand Total</b>	<b>\$1,040,000</b>	<b>8.0</b>	<b>\$1,058,976</b>	<b>7.0</b>

### Highlights

- ODI continues to provide agencies with successful practices to recruit, hire, develop, retain, engage and motivate a diverse, results-oriented, high-performing workforce;
- ODI promotes the new regulations of “Schedule A Hiring Authority for People with Disabilities,” which relieves individuals of the burden of procuring “certificates of readiness” as a condition of appointment, and is consistent with the President’s policy of removing barriers and encouraging the employment of individuals with disabilities in the Federal workforce, as expressed in Executive Order No. 13548, “Increasing Federal Employment of Individuals With Disabilities;”
- ODI promotes the use of a government-wide database with applicants who qualify under the “Schedule A Hiring Authority for People with Disabilities,” (individuals who meet the qualifications to fill a variety of entry level Federal positions); this simplifies the hiring process for job applicants with disabilities who have work, educational, or other relevant experience;
- ODI continues to provide the “New Inclusion Quotient (IQ)” training, a research-based approach focused on the *5 Habits of Inclusive Leaders*, to enable teams to leverage the unique experiences, perspectives and viewpoints for the collective benefit of all stakeholders;
- ODI has provided training to over 11,000 Federal employees regarding Diversity and Inclusion strategies and Schedule A Hiring Authority for People with Disabilities; and

- OPM reviewed and provided feedback to 57 agencies on their Diversity and Inclusion Strategic Plans for implementation of the President’s Executive Order No. 13583 on “Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce.”

## Facilities, Security, and Contracting

For FY 2014, OPM requests **\$12,523,288** for the Facilities, Security, and Contracting (FSC) office, composed of **\$11,881,288** in Common Services funds and **\$642,000** in Salaries and Expenses funds.

FSC is responsible for a wide variety of program support services such as:

- Acquisition of goods and services;
- Facilities management, maintenance, leasing and construction oversight;
- Publications and document management;
- Contracting policy oversight; and
- Personnel security and suitability and national security clearance determinations for OPM personnel, Personal Identity Verification (PIV) card issuance and management, emergency management and continuity activities, and physical security.

Facilities Security & Contracting (FSC) is composed of the following seven subcomponents and manages a broad array of OPM's key day-to-day programs:

- *Facilities Management* manages the agency's personal and real property, building operations, space design and layout, realty, mail management and safety and occupational health programs. The Facilities Division operates and maintains the OPM headquarters building, Theodore Roosevelt Federal Building (TRB), under authority delegated by the General Services Administration (GSA), and provides policy and administrative guidance for OPM's other Federally owned and leased facilities nationwide.
- *Emergency Actions* directs the operations and oversight of OPM's preparedness and emergency response programs, including OPM's Continuity of Operations (COOP) activity, Continuity of Government (COG) activity, and Occupant Emergency Programs (OEP); Emergency Actions also maintains a 24 hour Operations Center to provide situational awareness to the Director regarding issues affecting the status of the Federal workforce.
- *Contracting Management* provides centralized contract management that supports the operations and Government-wide mission of OPM. It manages OPM's Purchase Card program. It provides contracting policy oversight and guidance to OPM offices.
- *Office of Small and Disadvantaged Business Utilization* manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies.
- *Publications Management* establishes and oversees OPM's nationwide publishing and printing management system for internal and external design and reproduction, graphics design, Government Printing Office (GPO) and commercial print ordering program, publications management, and electronic office publishing systems.
- *Security Services* provides a safe and secure environment for OPM's information, personnel, and operations by providing oversight and leadership to the TRB security guard force and physical security programs, administering the nationwide HSPD-12 mandated Personal Identity Verification (PIV) program, including PIV card issuance and management, as well as information and communication security programs.
- *Personnel Security* provides personnel security and suitability and national security clearance determinations for OPM personnel.

## FSC Resource Summary - all resources (dollars)

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>FSC</b>				
Salaries & Expenses Appropriation	\$642,000	6.0	\$642,000	6.0
Common Services	\$12,261,000	69.0	\$11,881,288	59.5
<b>Grand Total</b>	<b>\$12,903,000</b>	<b>75.0</b>	<b>\$12,523,288</b>	<b>65.5</b>

### Highlights

- Provide armed security guard service, x-ray machine and magnetometers screening;
- Provide personal identity credential services;
- Conduct security clearance briefings and de-briefings;
- Maintain 24/7 Situation Room to monitor and report worldwide events;
- Provide contract management support;
- Manage OPM's real property; and
- Administer OPM's small business program.

## Chief Information Officer

OPM requests **\$51,045,242** for the Office of the Chief Information Officer (CIO), composed of **\$1,922,429** in Salaries and Expenses Funds, **\$5,703,800** in Salaries & Expenses No-Year Funds, **\$8,051,600** in annual Trust Funds, and **\$35,367,413** in Common Services Funds.

OPM estimates budget authority from sales of **\$11,667,718<sup>4</sup>** for its USAJOBS program and it estimates budget authority from sales of **\$30,701,573** for Human Resources Tools & Technology (HRTT), both financed through the OPM Revolving Fund (RF).

CIO estimates that it will require **\$1,902,850** in 5 USC 8348 (a) (1)(B) authority in FY 2014. 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer Cost of Living Adjustments, survivor annuities, alternative form of annuities, voluntary allotments and tax withholding.

Additionally, CIO estimates receiving new budget authority of **\$32,617,856** for its Enterprise Human Resources Integration (EHRI) services.

The CIO provides strategic IT leadership within OPM and provides OPM program offices with the full range of infrastructure and information management services to enable OPM to build mission capacity. The CIO's leadership of core IT infrastructure assets provides the backbone of OPM's business and management applications. CIO manages core IT assets and includes the following core activities: Network Management, Application Systems, Benefits Systems, and the OPM Data Center. The CIO provides oversight of major IT acquisitions to ensure they are consistent with agency architecture and are reflected in the IT budget. These interrelated core activities support the OPM mission and enable the CIO to provide solutions to all of OPM's programs as well as partner with internal and external stakeholders to ensure mission success. The CIO:

- Directs the implementation of the agency's IT architecture to ensure the integration of IT components; CIO is responsible for the day-to-day operations of OPM's technology infrastructure including: data centers, enterprise applications, data and voice communications, data networks, computer support, mobile device support, and server and mainframe computers.
- Runs the systems that handled 125 million emails, processed \$56 billion in payment transactions, prevented 60 million network intrusions, and managed 4.456 million Federal investigations in FY 2012.
- Responsible for administering policies, programs, and procedures to ensure the agency's compliance with the Freedom of Information Act (FOIA), 5 U.S.C. § 552.
- Manages the Enterprise Human Resources Integration (EHRI) Program; an e-Government initiative designed to leverage the benefits of information technology as required by the E-Government Act of 2002. The stated goal of EHRI is to streamline and automate the exchange of Federal Employee human resources (HR) information government-wide.
- Manages FedScope, the single source for Federal human resource data.

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<sup>4</sup> After the difficulties encountered by OPM with the launch of the USAJOBS 3.0, the OIG planned two separate audits of the security of the site and the development process used by OPM. The OIG also has a constant queue of approximately 40 FIS fabrication cases at any given time. Furthermore, in February 2012, the General Accountability Office issued a report citing several pricing problems within FIS and recommended a thorough audit of the program be done. Finally, HRS discovered accounting issues that related to transactions between OPM and 24 other Federal agencies, requiring an extensive forensic review and reconciliation of several of those agencies' accounts.

- Reviews design consistency and compliance with Federal standards.
- Outlines the long-term strategic architecture and systems plans for the agency through the agency IT capital planning process.
- Manages compliance with oversight directives, including IT security and privacy programs for the Agency.
- Manages government-wide and agency-specific programs in areas such as records management, forms management, and paperwork reduction, to ensure information and records under OPM's control are managed in the interests of the American public.
- Incorporates agency Enterprise Architecture, IT Security and Privacy, Records Management, Quality Assurance, and IT Investment Management through which all of our IT investments are managed in an oversight capacity.
- Supports and manages pre- and post-implementation reviews of major IT programs and projects as well as project tracking at critical review points through the OPM Investment Review Board (IRB).
- Manage the USAJOBS.gov website, including design, development, and hosting of USAJOBS.gov and maintains more than three million unique log-ins and nearly 17 million visits and 82 million searches per month. The system completely complies with Federal security requirements and integrates with other Talent Acquisition Systems.
- Provides system support for USAStaffing, which is OPM's Talent Acquisition System used by many agencies in the Federal hiring process. It ensures system compliance with Federal hiring regulations, flexibilities, and authorities; CIO provides scalability for high volume usage, as well as Help Desk support for all users and applicants and a robust reporting capability.
- Provides system support for the Services Online application, a secure web-based self-service delivery system for civil service retirees and survivor annuitants who receive regular annuity payments.
- Manages Employee Express, a Web-based system that provides self-service payroll personnel information which empowers Federal employees to initiate the processing of their discretionary payroll transactions electronically.

## CIO Resource Summary - all resources (dollars)

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>CIO</b>				
Information Technology Funding	\$40,034,000	132.2	\$35,367,413	132.2
RF - USAJOBS	\$11,195,068	14.8	\$11,667,718	17.0
RF Enterprise Human Resources Integration	\$55,576,927	7.0	\$32,617,856	9.5
RF HRLOB Activities	\$3,000,000	0.0	\$0	0.0
Salaries & Expenses Appropriation	\$2,000,000	13.0	\$1,922,429	12.5
TF Limit - Annual	\$7,244,000	30.0	\$8,051,600	38.0
RF Employment Services (HRTT)	\$30,431,788	0.0	\$30,701,573	101.0
EHRI Salaries and Expenses - No - Year	\$6,040,744	2.8	\$5,703,800	2.5
Trust Fund-Title V	\$2,003,000	2.0	\$1,902,850	3.0
HRLOB S&E No - Year	\$1,424,666	4	\$0	0
<b>Grand Total</b>	<b>\$158,950,193</b>	<b>205.8</b>	<b>\$127,935,239</b>	<b>315.7</b>

Note: RF (HRTT) FTE increase reflects transfer from ES to CIO

### Highlights

- Assist Retirement Services (RS) in implementing phased retirement;
- Build document tracking and case management system for RS; and
- Complete planned releases for OPM's USAJOBS, USAStaffing, Employee Express, and Services Online.

## Chief Financial Officer

OPM requests **\$31,165,768** for the Office of the Chief Financial Officer (CFO), composed of **\$22,722,155** in Common Services, and **\$8,443,613** in Trust Fund Annual resources.

The Chief Financial Officer (CFO) manages all OPM financial activities and provides OPM program offices with a full range of financial management services and support in the following major areas: accounting, budget, and financial systems. The CFO organization is comprised of Financial Services, Budget & Performance, Financial Systems Management, Projects & Initiatives, Policy & Internal Control, and Travel Operations. The CFO functions include:

- Ensuring continued stewardship over OPM’s financial resources executes activities and support efforts to maintain a clean audit opinion;
- Leading OPM program offices in the effective management of agency resources; and
- Delivering services and tools that allow our customers the ability to make well informed financial business decisions.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>OCFO</b>				
TF Limit - Annual	\$8,318,000	54.1	\$8,443,613	54.1
Common Services	\$22,273,000	94.6	\$22,722,155	94.6
<b>Grand Total</b>	<b>\$30,591,000</b>	<b>148.7</b>	<b>\$31,165,768</b>	<b>148.7</b>

### Highlights

- Complete activities related to the annual financial audit;
- Provide guidance and audit guidelines to Federal agencies regarding their delegated responsibilities for administering the Federal benefits programs, and to carriers participating in the health benefits and life insurance programs;
- Support the preparation and completion of OPM quarterly and annual financial statements;
- Coordinate efforts for OPM’s Agency Priority Goals and support the preparation of the Agency Financial Report;
- Enhance data quality to ensure that OPM program offices’ labor and project codes are correct; and
- Provide operations and maintenance of OPM financial, trust fund and procurement systems.



## Executive Services

OPM's budget request for Executive Services will be used to fund these organizations which provide their support in OPM's execution of its Strategic Goals and accompany Strategies. Executive Services is composed of the following offices/functions:

- Office of the Director;
- Executive Secretariat & Ombudsman;
- Chief Human Capital Officers Council;
- Communications and Public Liaison;
- Congressional and Legislative Affairs;
- Office of the General Counsel;
- Equal Employment Opportunity;
- Federal Prevailing Rate Advisory Committee; and
- The President's Commission on White House Fellows.

Additionally, OPM centrally finances rent, and other items for discretionary financed components of the agency. These costs are included in this section.

### Office of the Director (OD)

OPM requests **\$3,376,112** for The Office of the Director (OD), composed of **\$240,303** in Salaries and Expenses funds and **\$3,135,809** in Common Services funds. The OD provides guidance, leadership and direction necessary to make the Federal government the model employer in the United States, with OPM as the model agency. OD works continuously to support the following Director's priorities:

- **Hire the Best** – Help agencies recruit and hire the most talented and diverse Federal workforce possible to serve the American people.
- **Retirement Processing** – Based on the past year's success in speeding retirement processing, we're closing in on our 18-month goal. By following our strategic plan, OPM will eliminate the backlog in applications and meet our promise to process 90% of cases within 60 days starting in July 2013.
- **Multi-State Plans** – In one of our newest responsibilities, OPM will establish and administer the Multi-State Plans set out in the Affordable Care Act. The Multi-State Plans will be affordable, quality health insurance options made available on the Exchanges currently being established in each state and the District of Columbia. OPM's most important deadlines for Multi-State Plans will come this year – so the plans can be in place when open enrollment begins on October 1, 2013.
- **Skills Gap** – OPM and the CHCO Council can achieve results that will close the skills gap for some of our mission critical positions across government; resulting in GAO removing skills gap closure from its high-risk list. OPM will follow through on short and long-term strategies that will assure the Federal government's ready and able to recruit, retain, and train staff for mission critical occupations like acquisition, cyber security, auditors, economists, human resources and STEM careers now and in the future.
- **Background Investigations** – With over 2.2 million background investigative products completed each year, and an increasing number of Top Secret investigative requests, OPM will need to keep a clear focus to continue to meet OPM's 40-day timeline for the fastest 90% of initial background investigations.

- **Diversity and Inclusion** – OPM will continue to coordinate efforts aimed at increasing diversity and inclusion in the Federal government. These efforts will help employees of all backgrounds contribute to their fullest potential, assuring that employees and applicants are measured by how well they do the job – and nothing else.
- **Performance Management** – Taking lessons learned from the pilot projects under the Goals, Engagement, Accountability and Results (GEAR) framework, OPM will help agencies better engage with their employees to boost performance, to align individual goals with agency goals, to hold poor performers accountable, and to get the best results for the American people.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>OD</b>				
Salaries & Expenses Appropriation	\$243,055	0.0	\$240,303	0.0
Common Services	\$3,095,666	17.0	\$3,135,809	17.0
<b>Grand Total</b>	<b>\$3,338,721</b>	<b>17.0</b>	<b>\$3,376,112</b>	<b>17.0</b>

### Executive Secretariat & Ombudsman (ESO)

OPM requests **\$1,693,489** in Common Services funds for the Executive Secretariat and Ombudsman (ESO). The ESO serves as OPM’s interface OMB and external entities and is responsible for the administrative support of the Office of the Director. ESO’s functions include:

- ESO is also responsible for the Agency Ombudsman function to provide a neutral, independent and confidential resource for customers and employees of OPM to raise issues of concern or complaints that their requests are not being addressed in a timely manner;
- ESO coordinates the OPM international affairs activities and contacts. Addressing requests from the State Department and foreign governments;
- Ensuring appropriate approval, posting and handling of executive correspondence, policy and decision packages are coordinated with program activities; and
- Providing essential resource management and administrative support to executive program and executive offices and some assistance is provided to the office for White House Fellows. Support tasks include coordination and review of agency correspondence, policy and program proposals, regulations and legislation.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>ESO</b>				
Common Services	\$1,523,000	14.0	\$1,693,489	14.0
<b>Grand Total</b>	<b>\$1,523,000</b>	<b>14.0</b>	<b>\$1,693,489</b>	<b>14.0</b>

### Highlights

- Coordinate and review OPM policy and regulations;
- Coordinate OPM international affairs activities;

- Provide administrative and resource management support to eight executive-level offices;
- Provide neutral, independent and confidential guidance to customers and employees of OPM; and
- Assist with the planning, coordination and preparation of OPM’s Semi-Annual Regulatory Unified Agenda.

## Chief Human Capital Officers Council (CHCOC)

OPM seeks **\$779,950** in authority from Advances and Reimbursements to Salaries and Expenses for the Chief Human Capital Officers Council (CHCOC). CHCOC advises and coordinates the activities of member agencies on such matters as the modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations. The CHCO Council is financed from contributions from all CHCO Act agencies.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>CHCOC</b>				
Advances & Reimbursements	\$821,000	2.5	\$779,950	4.5
<b>Grand Total</b>	<b>\$821,000</b>	<b>2.5</b>	<b>\$779,950</b>	<b>4.5</b>

### Highlights

- CHCOC will partner with OPM in the implementation of its goals, broadly and specifically, with regards to veterans employment, hiring reform, labor-management relations, and diversity.

## Communications and Public Liaison (CPL)

OPM requests **\$2,478,584** in Common Services funds for the Communications and Public Liaison (CPL) office. CPL coordinates a comprehensive effort to inform the public of the President’s and the Director’s goals, plans and activities through various media outlets. CPL plans and coordinates the publication and production of all printed materials that are generated from OPM offices and develops briefing materials for Congress, the Director and other OPM officials for various briefings and events.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>CPL</b>				
Common Services	\$2,489,000	19.0	\$2,478,584	20.0
<b>Grand Total</b>	<b>\$2,489,000</b>	<b>19.0</b>	<b>\$2,478,584</b>	<b>20.0</b>

### Highlights

- Inform the public of the President's and the Director's goals, plans and activities through various media outlets;

- Provides the American citizenry, Federal agency customers and pertinent stakeholders with accurate information to aid in their planning and decision-making process; and
- Plans and coordinates the publication and production of all printed materials that are generated from OPM offices and develops briefing materials for Congress, the Director and other OPM officials for various briefings and events.

## Congressional and Legislative Affairs (CLA)

OPM requests **\$2,579,103** in Common Services funds for the Congressional and Legislative Affairs (CLA) office. CLA advocates for the legislative and policy priorities of the Director and the Administration. CLA is OPM’s focal point for all congressional and legislative activities.

- CLA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. CLA counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters.
- CLA staff accomplishes its mission by keeping informed of issues related to Federal personnel policy. CLA staffs attend meetings, briefings, mark ups and hearings in order to interact, educate and advice agency and congressional officials. Sensitive and confidential matters are handled accordingly.

CLA has four subcomponents that work collaboratively to carry out its mission. They are Congressional Relations (CR), Legislative Analysis (LA), Constituent Services (CS), and Intergovernmental Affairs (IA).

- CR serves as OPM’s principal interface with Congressional committees and members of Congress. CR is also OPM’s congressional and legislative liaison with the White House and the Office of Management and Budget.
- LA reviews and prepares legislative documents and congressional testimony. LA is also responsible for the clearance of testimony, congressional reports, questions for the record and other materials.
- CS provides services to members of Congress, their staffs, and active and retired Federal employees by responding to questions and providing opportunities to learn about OPM’s retirement, health, and other benefit programs.
- IA serves as OPM’s principal interface with State, Local, and Tribal Government.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>CLA</b>				
Common Services	\$2,560,000	22.3	\$2,579,103	19.0
<b>Grand Total</b>	<b>\$2,560,000</b>	<b>22.3</b>	<b>\$2,579,103</b>	<b>19.0</b>

### Highlights

- CLA will continue to advocate the legislative and policy priorities of the Director and the administration;
- Focus all congressional and legislative activities for the Office of Personnel Management;
- Provide advice, counsel, and information to help preparing the Director and senior officials for testimony on Capitol Hill on matters related to civil service law and regulations;
- Help the Director develop strategies to enact the administration’s human resources agenda; and

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

## Office of General Counsel (OGC)

OPM requests **\$6,500,425** in Common Services funds for the Office of the General Counsel (OGC). OGC provides expert advisory and legal representation to the Director, Deputy Director, and OPM officials. OGC provides legal advice and representation in support of both OPM policy initiatives and litigation in which OPM is involved. OGC provides assistance to its clients in the resolution of human resource issues and problems that, in turn, affect the manner in which the government provides services to its citizens. OGC performs the following activities:

- Provides legal advice, assistance, and expertise, to officials of the Administration, to the Department of Justice (DOJ) when representing our interests in Federal courts and to other government agencies in carrying out their civil service responsibilities;
- Provides civil-service related legal assistance to annuitants, beneficiaries and members of the public, as needed, so that we can fairly and professional service the American people;
- Reviews proposed human resource policies and other work products and renders opinions and comment on their legal efficacy;
- Serves as agency representatives in administrative litigations, and supporting the Department of Justice in its representation of the government on matters concerning the civilian workforce;
- OGC works closely with senior officials and program offices to initiate and implement human resources policy; this helps agencies ensure that programs are administered lawfully; and
- OGC represents the agency human resource programs in all types of advocacy settings.

OGC carries out direct Federal-wide programmatic functions that benefit other OPM offices and Federal agencies:

- Provides oversight and guides OPM leadership with respect to government-wide Hatch Act regulations;
- OGC plays a policy and legal role in the government-wide function of determining which Merit Systems Protection Board and arbitral decisions are erroneous and have a substantial impact on civil service law and, accordingly, that merit judicial review; and
- Provides oversight and guides OPM’s ethics program, the disposition of certain claims and garnishment issues, and the disposition of appeals from initial OPM decisions concerning requests under the Freedom of Information and Privacy Acts.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>OGC</b>				
Common Services	\$6,104,000	39.0	\$6,500,425	38.0
<b>Grand Total</b>	<b>\$6,104,000</b>	<b>39.0</b>	<b>\$6,500,425</b>	<b>38.0</b>

### Highlights

- Trains and advises OPM employees on the provisions of the Hatch Act so that they will be knowledgeable about the permissible and non-permissible political activities for Federal employees as well as continue to pursue partial exemption of municipalities;

- Participates in shaping the Administration’s new health care program; and provide legal advice to Healthcare & Insurance in administering the new health care program;
- Represents OPM in challenges to personnel actions or decisions concerning compensation and benefits before the Merit Systems Protection Board (MSPB) and Equal Employment Opportunity Commission (EEOC);
- Provides advice and counsel on internal and government-wide labor-management issues, and when necessary, represent OPM in litigation involving these issues before the Federal Labor Relations Authority and Federal courts;
- Adjudicates and settles claims involving employees’ personal property and personal injury which is mandated by law;
- Resolves appeals of denials of information or refusals to amend documents under the FOIA and Privacy Acts;
- Review and approve procurement matters to strengthen OPM’s procurement process, minimize the risk of contract-related litigation and successfully defend procurement actions.
- Defend claims made by Federal Employee Health Benefits Program (FEHBP) carriers; and
- Provide legal advice to Retirement Services in administering the employee benefits trust funds.

### Equal Employment Opportunity (EEO)

OPM requests \$976,667 in Common Services funds for the Equal Employment Opportunity (EEO) office. EEO promotes equal employment opportunity and diversity. EEO’s primary responsibilities is to provide a fair, legally-correct and expedient EEO complaints process that includes EEO counseling, Alternative Dispute Resolution, intake, investigations, adjudications and appellate actions. Additional EEO responsibilities include monitoring, promoting diversity and inclusion within Office of Personnel Management.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>EEO</b>				
Common Services	\$955,784	8.0	\$976,667	8.0
<b>Grand Total</b>	<b>\$955,784</b>	<b>8.0</b>	<b>\$976,667</b>	<b>8.0</b>

#### Highlights

- Publishes an annual report to advise Director and Associate Directors of the state of EEO;
- Implements Phase II of the EEO Affirmative Employment Program and provide updated training to all OPM Employees;
- Continues planning stages for an on line training employees that has convenient access for required EEO training, and on-line No FEAR training program for supervisors and hiring managers;
- Implements an Alternate Dispute Resolution Program;
- Monitors the Harassment Prevention program; and
- Continue planning Special Emphasis Programs for OPM.

## Federal Prevailing Rate Advisory Committee (FPRAC)

OPM requests \$236,531 in Salaries and Expenses funds for the Federal Prevailing Rate Advisory Committee. FPRAC studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title 5, United States Code, and advises the Director of the Office of Personnel Management on the administration of the pay system that covers the approximately 200,000 blue-collar Federal employees.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>FPRAC</b>				
Salaries & Expenses Appropriation	\$247,000	1.0	\$236,531	1.0
<b>Grand Total</b>	<b>\$247,000</b>	<b>1.0</b>	<b>\$236,531</b>	<b>1.0</b>

### Highlights

- Advises the OPM Director on government-wide administration of the pay system for blue-collar Federal employees;
- Analyzes Federal Wage System (FWS) wage area boundaries, pay practices and regulatory criteria to administer the pay system covering the Federal government's 200,000 hourly employees;
- Examines and updates FWS Appropriated Fund and Non-appropriated Fund operating manuals;
- Accesses FWS wage survey methods and practices; and
- Evaluates training for Local Wage Survey Committee members and data collectors.

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

OPM requests \$835,890 in Salaries and Expenses funds for the President's Commission on White House Fellows program (WHF). The WHF program was established under Executive Order 11183. The Executive Order requires OPM to provide administrative assistance to the President's Commission on White House Fellows.

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

Budgetary Resources	FY 2013 CR Annualized		FY 2014 Request	
	\$	FTE	\$	FTE
<b>WHF</b>				
Salaries & Expenses Appropriation	\$873,000	5.0	\$835,890	5.0
<b>Grand Total</b>	<b>\$873,000</b>	<b>5.0</b>	<b>\$835,890</b>	<b>5.0</b>

### Highlights

- WHF program continues to attract a broad range of qualified applicants and participants whom will receive valuable leadership development and public service opportunities;
- WHF program provides gifted and highly motivated Americans with firsthand experience in the process of governing the Nation with a sense of personal involvement in the leadership of society;

- Submit Fellows' applications to OPM for minimum background investigations;
- Submit list of potential Fellows to the President of the United States;
- Develop interview grids to schedule Fellows' interviews with multiple agencies; and
- Solicit agencies for placement of WHF participants.





# Office of the Inspector General

The OPM Office of the Inspector General (OIG) is **requesting \$26,024,000** for its fiscal year 2014 budget. Our request is composed of **\$4,684,000** from the Salaries & Expenses (S&E) General Fund and **\$21,340,000** from the OPM Trust Fund.

## **Affordable Care Act and Indian Health Care Oversight**

OIG's FY 2014 Budget includes funds associated with OPM's implementation of the Patient Protection and Affordable Care Act (ACA), including the Indian Health Care Improvement Reauthorization and Extension Act of 2009 (IHCIA), which was enacted as part of the ACA. The OIG is currently working with OPM on its implementation of the ACA. It has been proposed that the OIG will be permitted to audit and examine Multi-State Plan Program (MSPP) records and accounts that pertain to the MSPP. The OIG will work with MSPP issuers to carry out our oversight responsibilities by ensuring compliance with Federal regulations, the MSPP contract and OPM program guidance. This includes plans to review the business practices exhibited by the MSPPs, including their fraud detection systems, and report findings and recommendations to OPM for further action.

In addition, IHCIA allows eligible Indian tribes, tribal organizations, and urban Indian organizations to purchase Federal Employees Health Benefits Program and Federal Employees' Group Life Insurance coverage, rights, and benefits for their employees. Therefore, the OIG proposes to begin working with OPM, the National Finance Center, and the Indian tribes, tribal organizations, and urban Indian organizations to audit the enrollment, billing, and premium collection processes associated with ACA/IHCIA.

Our greatest resource needs with regard to the MSPs will not materialize until after 2014, when the program has been operational for a sufficient period of time for there to be enough experience to verify contract compliance, including claims experience to audit and to reveal fraudulent claims. Resource needs will be driven by several factors. The number of MSP issuers will be the primary driver of audit resource needs – more issuers means more audits. A secondary driver for audits will be the number of participants which will impact the number of claims that will be analyzed to determine if there are improper payments. The quantity of fraudulent claims experienced by the program will be the primary driver of investigative resource needs, and this is again a function of enrollment. In the IG's experience with the FEHBP, there is a direct correlation between the quantity of fraudulent claims and the number of covered beneficiaries. Therefore, the OIG investigative resource needs will be driven by how many people enroll in the MSPs.

## **Existing Responsibilities**

The OIG budget request for FY 2014 will permit the OIG to continue audit and investigative oversight of the Federal Employees Health Benefits Program (FEHBP), including FEHBP plans and pharmacy benefit managers; Civil Service Retirement/Federal Employees Retirement System programs and operations; and health carrier information systems. Our request includes minimal funding for the oversight of other significant OPM programs, including the Revolving Fund Federal background investigations program area and the Human Resources Solutions program. The OIG oversees and achieves positive impact within the FEHBP by reducing potential health and safety risks for Federal employees, annuitants, and their families and annually recovers tens of millions of dollars to the FEHBP, OPM trust funds, as well as to the Treasury general fund. The OPM trust funds have assets of over \$960 billion and disburse almost \$120 billion annually. The OIG continues to play a significant role in improving the efficiency and integrity of the FEHBP through our audit and investigative activities and by identifying proposals for legislative and contractual changes to be implemented in future years. During the past three years, the OIG has worked actively and cooperatively with both the Congress and OPM to promote the transparency of parties doing business with the FEHBP, such as pharmacy benefit managers (PBMs). OPM's adoption of transparency principles for PBM contracts has the potential to reduce prescription drug costs for all FEHBP enrollees.

The OIG audit and investigative efforts have led to improved efficiency and effectiveness throughout the varied OPM programs and operations. The OIG's efforts in reducing improper payments in the Federal retirement programs and other targeted areas of operation are direct deterrents to fraud, waste, and abuse and are absolutely dependent upon this funding request. Our more recent efforts within the Federal Investigative Services background investigations program have targeted fraud and abuse that have a direct impact on National Security.

As mentioned earlier, the OIG is severely underfunded in order to adequately oversee OPM's two largest Revolving Fund programs, the Federal Investigative Services (FIS) program area, and the Human Resources Solutions (HRS) program area, together which generate approximately \$2 billion annually. The OIG developed a legislative solution which for the past few years was included in our legislative program submitted through OPM to OMB. This year this legislative proposal is included in the general provisions of the submitted request for the Financial Services and General Government appropriations legislation. The OIG has experienced a dramatic increase in the number of investigative case referrals and requests for audits in the Revolving Fund program areas. The workload has ranged from technical audit work with the USAJOBS website to the continuing flow of allegations involving falsification of background investigations and abuse of authority referred to our office by the quality assurance area of the FIS program.

The OIG will continue to provide the current levels of oversight to other large OPM Trust Fund programs, including the FEHBP carrier and pharmacy benefit areas, Federal retirement programs, and the Federal Employees' Group Life Insurance (FEGLI) Program. The OIG will continue to cover other non-Trust Fund program areas as funding permits in order to provide oversight and enforcement to the other non-Trust Fund benefit areas and Revolving Fund program areas, as well as protecting each from fraud, waste, abuse and mismanagement.

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

Budgetary Resources	FY 2012		FY 2013		FY 2014		FY 2013-14	
	Enacted		CR Annualized		Request		Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$3,142,000	7.0	\$3,161,229	11.0	\$4,684,000	19.0	\$1,522,771	8.0
Trust Fund Annual	\$21,174,000	123.0	\$21,303,585	126.0	\$21,340,000	126.0	\$36,415	0.0
<b>Total Discretionary (dollars)</b>	<b>\$24,316,000</b>	<b>130.0</b>	<b>\$24,464,814</b>	<b>137.0</b>	<b>\$26,024,000</b>	<b>145.0</b>	<b>\$1,559,186</b>	<b>8.0</b>

### Program Overview

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

The IG Act requires that each OIG:

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

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

### Specific Activities Include:

#### Audits

**Experience-Rated Federal Employees Health Benefits Program (FEHBP) Audits.** Conduct audits of experience-rated health plans (fee-for-service, with the most popular being the various Blue Cross and Blue Shield plans) participating in the Federal Employees Health Benefits Program. The universe of experience-rated plans currently consists of approximately 95 audit sites. When auditing these plans, the focus is generally on three key areas: the legitimacy of contract charges and the recovery of appropriate credits, including refunds; the effectiveness of carriers' claims processing, financial, and cost accounting systems; and the adequacy of internal controls to ensure proper contract charges and benefit payments.

**Community-Rated FEHBP Audits.** Conduct audits of community-rated health plans (comprehensive medical plans, commonly referred to as health maintenance organizations [HMOs]) participating in the FEHBP. The community-rated HMO audit universe covers approximately 120 rating areas. Audits of these plans are designed to ensure the plans assess the appropriate premium rates in accordance with their respective FEHBP contracts and applicable Federal regulations.

**Pharmacy Benefit Manager (PBM) Audits.** Pharmaceutical-related expenditures comprise approximately 29 percent of all FEHBP costs, or over \$13 billion in 2012, most of them handled through third-party PBMs. The OIG conducts a series of audits that deal directly with PBMs. Based on experience

and results to date, these audits will identify significant findings related to the handling of the complex series of refunds, rebates, credits, and incentives that characterize the relationships among pharmaceutical manufacturers, PBMs, health insurance carriers, and the FEHBP.

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

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

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

**Information Systems Audits.** Information systems audits are conducted on health and life insurance carriers that participate in the FEHBP and the Federal Employees' Group Life Insurance Program, as well as on other OPM systems. The agency's computer systems development and management activities are also audited. These audits cover both general controls (the policies and procedures that apply to an entity's overall computing environment) and application controls (those directly related to individual computer applications). In addition, our auditors perform an independent evaluation of OPM's information technology security environment.

**FEHBP Data Warehouse.** The OIG will continue to operate its FEHBP claims data warehouse in 2014. The data warehouse streamlines and enhances the various administrative and analytical procedures involved in the oversight of the FEHBP. This project captures data from experience-rated insurance carriers in a data warehouse of health care information. The system's software tools support a variety of analytical procedures, including data mining, using the data in the warehouse. The project has facilitated more efficient and effective oversight of the FEHBP by enhancing the ability of auditors and investigators to identify improper payments.

The OIG will also provide periodic transfer of health claims data from the OIG's FEHBP Claims Data Warehouse to the independent "Health Claims Data Warehouse" being developed by OPM's office of Planning and Policy Analysis.

**Non-Trust Fund Benefit Program Audits.** OPM administers other benefit programs for Federal employees, which include FSAFEDS, FLTCIP, and FEDVIP. Our office conducts audits of these areas in order to ensure that costs charged and services provided to Federal subscribers are in accordance with the contracts and applicable Federal regulations.

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

**ACA Audits.** As proposed in the Federal Register (Vol. 77 No. 234) the OIG will perform audits of the Multi-State Plan Programs (MSPP) for the affordable insurance exchanges. Our office will work with MSPP issuers to ensure contract compliance, including reviews of their business practices and fraud detection systems, and report its findings and recommendations to OPM for further action.

## **Investigations**

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

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

**Revolving Fund Investigations.** OPM's Revolving Fund (RF) programs are the most rapidly growing OPM component and employ the majority of OPM employees. OPM projects that its RF budget will exceed \$2 billion in FY 2014. For the OPM Investigative Services program, many risks are inherent by it being a widely dispersed program where much of the work is being performed by background investigators in a setting where they are not directly subject to face-to-face supervision, but whose work product is relied upon as the basis for crucial governmental decisions. The vulnerabilities of the background investigations program lie not only in the fact that fraudulent, falsified, incomplete, or incorrect background investigations represent a poor quality work product, but rather that they may render the nation's security vulnerable by allowing the employment of unsuitable persons or the granting of security clearances to individuals who would compromise the national security of the United States.

During FY 2012, the OIG continued to receive increased referrals of fraud and abuse within the Human Resources Solutions revolving fund program area. The OIG audit and investigative staff have worked closely together and have identified many revolving fund program areas in need of audit work as a result of the weaknesses identified through our investigations.

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

## **Administrative Sanctions**

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

## **OIG Legislative Initiatives**

### **OIG Oversight of OPM's Revolving Fund Programs**

OPM operates several revolving fund programs that generate more than \$2 billion per year: Federal Investigative Services (FIS); Human Resources Solutions (HRS); Enterprise Human Resources Integration (EHRI); HR Line of Business (HRLOB); HR Tools & Technology (HRTT); USAJOBS; and the Presidential Management Fellows Program (PMF).

These programs were designed to operate as a business, pricing their products to match their costs. OPM's costs to operate and administer these programs are factored into the prices charged to the Government entities with which OPM does business. However, the OIG's oversight costs are not included in those calculations even though oversight is considered a normal cost of doing business in the private sector and is an integral function of management in the public sector.

Instead, the OIG must conduct its oversight of these programs, in addition to other OPM non-trust fund programs, using its general fund resources. As such, the OIG's capacity to provide oversight in these areas is extremely limited.

The OIG proposes that the OPM revolving fund provide resources to the OIG for the amount required to adequately audit, investigate, and provide other oversight activities. The OIG proposes that this is reflected in OPM Revolving Fund statutes.

This amount will not exceed .33 percent of the total budgetary authority requested in the budget estimates submitted to Congress by the Office. The OIG estimates that \$1,517,000 and 12.0 FTE will be required in FY 2014 to fund OPM revolving fund oversight activities.

Over the past two years alone, there have been significant problems within these programs which collectively illustrate the importance of a vigorous, adequately-resourced oversight capacity that would allow OPM and the OIG to identify and improve the programs before such problems occur.



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

<b>Object Class</b>	<b>FY 2013 CR Annualized</b>	<b>FY 2014 Request</b>	<b>FY 2013–14 Variance</b>
Personnel compensation	\$1,840,383	\$2,691,000	\$850,617
Personnel benefits	\$635,846	\$836,000	\$200,154
Travel and transportation of persons	\$160,000	\$189,000	\$29,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$250,000	\$398,000	\$148,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$215,000	\$500,000	\$285,000
Supplies and materials	\$30,000	\$25,000	(\$5,000)
Equipment	\$30,000	\$45,000	\$15,000
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$3,161,229</b>	<b>\$4,684,000</b>	<b>\$1,522,771</b>
<b>FTE</b>	<b>11.0</b>	<b>19.0</b>	<b>8.0</b>

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

<b>Object Class</b>	<b>FY 2013 CR Annualized</b>	<b>FY 2014 Request</b>	<b>FY 2013–14 Variance</b>
Personnel compensation	\$14,105,670	\$14,126,000	\$20,330
Personnel benefits	\$4,275,915	\$4,292,000	\$16,085
Travel and transportation of persons	\$800,000	\$800,000	\$0
Transportation of things	\$25,000	\$25,000	\$0
Communications, utilities, and rent	\$1,052,000	\$1,052,000	\$0
Printing and reproduction	\$20,000	\$20,000	\$0
Other services	\$800,000	\$800,000	\$0
Supplies and materials	\$125,000	\$125,000	\$0
Equipment	\$100,000	\$100,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total (dollars)</b>	<b>\$21,303,585</b>	<b>\$21,340,000</b>	<b>\$36,415</b>
<b>FTE</b>	<b>126.0</b>	<b>126.0</b>	<b>0.0</b>



## Office of the Inspector General Objectives

### Office of the Inspector General, Oversight

Performance Measures	FY 2011	FY 2012	FY 2013	FY 2014		
	Result	Result	Target	Target		
Return on investment	\$6	\$6.72*	\$6	\$6		
Carrier audit cycle (years)	3.9	3.6	4	4		
FEHBP audit recovery rate	75%**	72.20%	80%	80%		
Positive financial impact	\$123.0M***	\$144.0M***	\$144.0M	\$144.0M		
Fund	Budgetary Resources					
	FY 2013 CR Annualized		FY 2014 Request		FY 2013-14 Variance	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries & Expenses	\$2,315,248	7.0	\$3,430,000	13.0	\$1,114,752	6.0
OIG Trust Funds Annual	\$14,782,921	86.0	\$14,814,000	86.0	\$31,079	0.0
<b>Total (dollars)</b>	<b>\$17,098,169</b>	<b>93.0</b>	<b>\$18,244,000</b>	<b>99.0</b>	<b>\$1,145,831</b>	<b>6.0</b>

\* The OIG's investigative activity also results in a positive financial return to the General Treasury. These amounts are now reflected in our Semi-Annual Report to Congress as Fines, Penalties, Assessments, and Forfeitures. In our most recent SAR, the amount recorded was **\$808,328** for that 6-month period. This figure includes asset forfeitures and court assessments and/or fees resulting from criminal investigations conducted by our office. Many of these criminal investigations were conducted jointly with other Federal agencies, who share the credit for the fines, penalties, assessments, and forfeitures. At this time this amount is **not** factored into our Return on Investment measure, since this measure reflects only those dollars to be returned to the OPM Trust Funds.

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

\*\*\* The positive financial impact is calculated based on the five year rolling average.

### Office of the Inspector General, Enforcement

Performance Measures	FY 2011	FY 2012	FY 2013	FY 2014		
	Result	Result	Target	Target		
Number of arrests	46	54	60	60		
Number of indictments	64	63	60	60		
Number of convictions	63	51	60	60		
Number of debarments and suspensions	770	827	800	800		
Number of debarment and suspension inquiries	3,955	3,507	1,800	1,800		
Fund	Budgetary Resources					
	FY 2013 CR Annualized		FY 2014 Request		FY 2013-14 Variance	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries & Expenses	\$845,981	4.0	\$1,254,000	6.0	\$408,019	2.0
OIG Trust Funds Annual	\$6,520,664	40.0	\$6,526,000	40.0	\$5,336	0.0
<b>Total (dollars)</b>	<b>\$7,366,645</b>	<b>44.0</b>	<b>\$7,780,000</b>	<b>46.0</b>	<b>\$413,355</b>	<b>2.0</b>

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

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

Budget Source	FY 2013 CR Annualized		FY 2014 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$6,402	0.0	\$2,949	0.0	(\$3,453)	0.0
OIG Trust Funds	\$57,616	0.0	\$57,616	0.0	\$0	0.0
<b>OIG Total (dollars)</b>	<b>\$64,018</b>	<b>0.0</b>	<b>\$60,565</b>	<b>0.0</b>	<b>(\$3,453)</b>	<b>0.0</b>

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

Budget Source	FY 2013 CR Annualized		FY 2014 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$100,000	0.0	\$160,000	0.0	\$60,000	0.0
OIG Trust Funds	\$150,000	0.0	\$165,000	0.0	\$15,000	0.0
<b>OIG Total (dollars)</b>	<b>\$250,000</b>	<b>0.0</b>	<b>\$325,000</b>	<b>0.0</b>	<b>\$75,000</b>	<b>0.0</b>



# Earned Benefit Trust Funds

## Trust Fund Financing

A key component of OPM’s mission is administering retirement, health benefits, long-term care and life insurance, dental and vision and flexible spending account programs for Federal employees, retirees, and their beneficiaries and maintaining the integrity of these programs.

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

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Start of Year Balance	\$16,587	\$18,510	\$19,109	\$599
Receipts from the Public	\$13,069	\$13,447	\$14,194	\$747
Receipts from Appropriated Federal Sources	\$31,452	\$32,185	\$33,597	\$1,412
Interest Earnings	\$163	\$321	\$239	(\$82)
Change in Uncollected Customer Payments	\$41	\$56	\$92	\$36
Program Obligations (Mandatory)	\$42,760	\$45,352	\$47,793	\$2,441
Administrative Obligations (Appropriated)	\$31	\$41	\$38	(\$3)
Administrative Obligations (Mandatory)	\$11	\$17	\$17	\$0
<b>End of Year Balance</b>	<b>\$18,510</b>	<b>\$19,109</b>	<b>\$19,383</b>	<b>\$274</b>

Note: this display combines the FEHB and REHB Funds

### Federal Employees Health Benefits Fund

The Federal Employees Health Benefits (FEHB) Fund is a Trust Revolving Fund created by Federal Employees Health Benefits Act of 1959. The FEHB fund provides for the cost of health benefits for:

- Active employees;
- Employees who retired after June 1960, or their survivors;
- Those annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law 93-246;
- Tribal organizations including the Indian Health Care Improvement Reauthorization and Extension Act of 2009 (IHCIA); and
- The related expenses of OPM in administering the program.

### Retired Employees Health Benefits Fund

The REHB fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for:

- The cost of health benefits for retired employees and survivors who enroll in a government-sponsored uniform health benefits plan;
- The contribution to retired employees and survivors who retain or purchase private health insurance; and
- Expenses of OPM in administering the program.

The REHB program is closed to new enrollees, and the population is dwindling. The projected population for FY 2013 is about 400 and FY 2014 is about 300.

The FEHB and REHB funds are financed by:

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

Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods. OPM maintains a contingency reserve, funded by employee and government contributions that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates. In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

The health insurance marketplace has changed significantly since the FEHBP was enacted in 1959 and the current governing statute leaves little flexibility for the program to evolve with the changing market. The FY2014 Budget proposes changes to the FEHBP program beginning with 2015 carrier contracts to:

- Give employees the option to enroll in a self plus one coverage option rather than being limited to just self or family options;
- Extend coverage to domestic partners of Federal employees and new retirees;
- Authorize OPM to contract separately for pharmacy benefit management services;
- Permit OPM to make adjustments to premiums based on an enrollee's tobacco use and/or participation in a wellness program; and
- Authorize OPM to contract with modern types of health plans rather than being limited to the current four statutorily-defined plans reflective of the 1950s insurance market.

Adoption of these changes will modernize the FEHBP to better reflect the existing market, and result in efficiencies and savings that the government and enrollees will share for years to come.

Legislative changes are required to expand FEHB election coverage options to include a “self plus one” enrollment tier and expand the definition of “member of family” to include domestic partners of Federal employees. Current FEHB law, as passed by the original legislation in 1959, only allows for a “self only” or a “self and family” enrollment. The proposal will align the FEHB Program with the commercial market and serve to spread costs across different enrollment types.

The offering of a self-plus one enrollment option by itself will not change the overall cost of the program, but will shift costs among program participants. Current enrollees with Self and Family coverage who only have one dependent will benefit from lower premiums. Those with more than one dependent will incur higher premiums. A large percentage of annuitants who currently have Self and Family coverage would likely benefit from a Self-Plus One premium tier, resulting in score-able savings to the government because the government share of annuitant premiums will decrease. Extension of coverage to domestic partners adds new participants to the program, and thus results in some increase in costs.

OPM seeks greater authority to bring enhanced competition into the FEHB Program in relation to prescription drug coverage by permitting OPM to contract separately for pharmaceutical benefits.

Prescription drug costs, in particular, have risen sharply; in 1995 they comprised 19 percent of Program costs, whereas in 2012 they were almost 30 percent. OPM believes that the FEHB program can benefit from economies of scale associated with a pharmacy benefit contract that covers a substantial portion of program enrollments.

OPM seeks to provide the Director with the authority to approve a limited differential adjustment to the rates charged for enrollees that do not use tobacco or comply with certain health status indicators and/or participate in wellness programs designed to promote health or prevent disease as determined by the Director. This proposal would align the FEHB Program with current trends in the commercial market. It will also serve to promote and encourage health improvements such as tobacco cessation, weight management, and an overall healthy lifestyle, among the Federal workforce. The proposal would allow for incrementally phasing in differential premiums over a period of time. The savings generated by this proposal come from behavioral changes in the enrolled population incentivized by the premium differential.

Finally, OPM seeks to expand the definition of plan types offered in the FEHBP to allow us to contract with additional types of plans, such as Regional and Exclusive Preferred Provider Organizations. The health plan designations currently in the law place artificial limitations on OPM's contracting for health benefits for Federal employees. The health insurance marketplace has changed significantly over the years and the four traditional health plan categories described in the original FEHB law reflect largely outdated distinctions. The change will enable OPM to take advantage of the contemporary health plan types currently available to private sector employers. This change is expected to increase competition among carriers in the FEHBP. In many instances, these additional plan types are more efficient than some existing FEHB carriers. The program projects score-able savings from this expansion. The Budget also proposes that the Patent and Trademark Office (PTO) continue to fund the accruing costs associated with post-retirement health benefits for its employees.

### Employees Life Insurance Fund (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Start of Year Balance	\$38,782	\$40,326	\$42,180	\$1,854
Receipts from the Public	\$2,679	\$2,608	\$2,630	\$22
Receipts from Federal Sources	\$550	\$517	\$515	(\$2)
Interest Earnings	\$1,028	\$1,474	\$950	(\$524)
Change in Uncollected Customer Payments	\$4	-\$41	\$3	\$44
Program Obligations (Mandatory)	\$2,713	\$2,697	\$2,769	\$72
Administrative Obligations (Discretionary)	\$2	\$5	\$6	\$1
Administrative Obligations (Mandatory)	\$2	\$2	\$2	\$0
<b>End of Year Balance</b>	<b>\$40,326</b>	<b>\$42,180</b>	<b>\$43,501</b>	<b>\$1,321</b>

This fund finances payments to private insurance companies for Federal Employees' Group Life Insurance (FEGLI). The FEGLI was established by passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. The FEGLI Program is an employer-sponsored life insurance trust fund program. This program provides benefit payments to beneficiaries following the death of employees, retired employees, and eligible family members. Employees also have an additional dismemberment benefit. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, and many of their family members. The FEGLI program offers Federal employees the opportunity to purchase group term life insurance which provides financial protection to beneficiaries in the event of enrollee death or dismemberment (for employees). It also strengthens the appeal of Federal government employment for highly qualified applicants, keeping Federal employment competitive with private industry.

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

The budget proposes that the Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

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### Civil Service Retirement and Disability Fund under Current Law (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Start of Year Balance	\$797,479	\$817,728	\$832,612	\$14,884
Receipts from the Public	\$4,294	\$4,282	\$4,355	\$73
Receipts from Discretionary Federal Sources	\$56,888	\$56,930	\$57,608	\$678
Receipts from Mandatory Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$33,779	\$31,545	\$30,660	(\$885)
Program Obligations (Mandatory)	\$74,567	\$77,766	\$80,922	\$3,156
Administrative Obligations (Appropriated)	\$102	\$105	\$105	\$0
Administrative Obligations (Mandatory)	\$44	\$0	\$0	\$0
<b>End of Year Balance</b>	<b>\$817,728</b>	<b>\$832,612</b>	<b>\$844,207</b>	<b>\$11,594</b>

## Changes to Civil Service Retirement and Disability Fund from Budget Proposals (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Start of Year Balance	\$0	\$0	(\$2,600)	(\$2,600)
Receipts from the Public	\$0	\$0	\$0	\$0
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0
Program Obligations (Mandatory)	\$0	\$2,600	\$4,430	\$1,830
Administrative Obligations (Appropriated)	\$0	\$0	\$0	\$0
Administrative Obligations (Mandatory)	\$0	\$0	\$0	\$0
<b>End of Year Balance</b>	<b>\$0</b>	<b>(\$2,600)</b>	<b>(\$7,030)</b>	<b>(\$4,430)</b>

The Civil Service Retirement and Disability Fund is the oldest and largest of the four trust funds. The Fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Once approved, permanent budget authority is available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must be determined at some future point in time (e.g. when actual receipts and expenses become known).

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

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

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

FERS is funded under a "dynamic" entry age funding method as prescribed in Chapter 84 of Title 5, United States Code. Employees and agencies together contribute the full amount of the dynamic normal cost. During fiscal year 2012, the normal cost for "Regular Employees" was 12.7 percent (employees share, 0.8% and employer's share, 11.9%), and for fiscal year 2013, the normal cost is projected to still be 12.7% (employees share, 0.8% and employer's share, 11.9%). An extra 0.5 percent of pay is contributed



by Law Enforcement Officers, Firefighters, Air Traffic Controllers, Congressional employees, and Members of Congress. This normal cost is for the defined benefit plan only, and does not include the cost of Social Security or the Thrift Savings Plan. FERS regular employees contribute a percentage of salary that is equal to the difference between the contribution rate for CSRS employees, as set forth above, and the tax rate under the Old Age, Survivors and Disability Insurance (OASDI) portion of Social Security, which is currently 6.2 percent of pay.

**Civil Service Retirement and Disability Fund – Recently Enacted Legislation:**

1. **Phased Retirement** -- On July 6th, 2012, President Obama signed into Public Law (112-141), the “*Moving Ahead for Progress in the 21st Century Act or MAP-21*”. This Act included the Legislative Provision “Federal Employee Phased Retirement”. Phased Retirement is a new human resource management tool intended to encourage the most experienced Federal employees to extend their contributions to the Nation by mentoring and training employees who will be filling the positions of more experienced employees who are preparing for full retirement. Phased Retirement allows Federal employees to retire but still continue working part- time. Employees can continue to earn additional retirement benefits based on their part-time earnings. OPM is working to implement this legislation. Regulations and technical changes have to be made in order to implement. OPM has dedicated approximately \$1.0 million to the Chief Information Office and \$800 thousand to Retirement Services to invest in information technology tools and solutions to facilitate the necessary changes to the Retirement Benefit Processing Systems. The Congressional Budget Office (CBO) estimated that Phased Retirement would decrease direct spending by \$427 million and increase revenues by \$24 million from FY 2013 to FY 2022 when compared to prior law.

**FY 2012 and FY 2013 Normal Cost Percentages**

Retirement Group	FERS Non-RAE Employees			FERS RAE Employees		
	Normal Cost	Employee Contributions	Employing Agency Contribution	Normal Cost	Employee Contributions	Employing Agency Contribution
Regular	12.7%	0.8%	11.9%	12.7%	3.1%	9.6%

2. **Employee Contributions to Federal Employees Retirement System (FERS)** -- On February 22nd, 2012, President Obama signed into Public Law (112-96), the “*Middle Class Tax Relief and Job Creation Act of 2012*”. This Act included the Legislative Provision to “*Increase Contributions to the Federal Employees’ Retirement System (FERS) for new employees hired after December 31<sup>st</sup>, 2012*”. Starting in January 2013, new hires, new Members of Congress, and rehired employees with fewer than five years of creditable civilian service work will be affected by this legislation. New Federal employees and Members of Congress will fall into a new class of employees called “Revised Annuity Employees (RAE)”. The “Revised Annuity Employees (RAE)” will pay 3.1 percent of their annual salary towards their FERS pension plan beginning in January, 2013. That represents a 2.3 percent increase over the 0.8 percent currently paid by the existing Federal employees or Non-RAE Employees. Conversely, the employing agency will pay 2.3 percent less. Therefore the normal cost for “Regular Non-RAE Employees” and “Regular RAE Employees” will remain the same at 12.7 percent (see table with breakdown above).

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

### Employee Contributions

1. **Increase to existing employee (Non-RAE) contributions to the CSRS/FERS retirement systems.** The FY 2014 Budget contains a legislative proposal that impacts the financing and benefits payable under the Civil Service Retirement System. The Budget proposes to increase existing employee contributions to CSRS and FERS retirement systems by 1.2 percent of salaries will be phased in over three years. This proposal would increase the normal cost rate for FERS employees from 0.8 percent to 2.0 percent, for CSRS Employees from 7.0 percent to 8.2 percent, and maintain the employer’s share at its current respective contribution rates. This proposal is projected to save the Federal Government approximately \$20 billion over a ten year period (2014 – 2023).
2. **Eliminate the FERS annuity supplemental benefit for new hires (RAE).** The FY 2014 Budget contains a legislative proposal that impacts the financing and benefits payable under the Civil Service Retirement System. The Budget proposes to eliminate the FERS annuity supplemental benefit payment that current FERS retirees not yet eligible for Social Security receive. Eliminating the FERS supplemental for RAEs provides a benefit with a normal cost that is about 0.2 percent of pay lower for FERS employees. This proposal is projected to save the Federal Government approximately \$903 million over a ten year period (2014 – 2023).

### United States Postal Service

1. **Postal Service Refund.** The FY 2014 Budget proposes to return to the United States Postal Service (USPS) surplus amounts it has paid into its Office of Personnel Management (OPM) account for its share of FERS costs, and requires that OPM calculate these costs using factors specific to the demographics of the Postal Service workforce. OPM has determined this surplus, as of September 20, 2011, and based on government-wide demographic assumptions, is approximately \$2.6 billion. Given the amount of time necessary for OPM to re-calculate this surplus to account for Postal-specific factors, the Budget would provide the current OPM calculation in FY 2013, and the remainder of any re-calculated surplus in FY 2014 and FY 2015. Until OPM has re-calculated the surplus amount using postal-specific factors, the Budget assumes as a placeholder a total surplus of \$11.5 billion, as estimated by the Postal Service Office of Inspector General in December, FY 2012, and based on USPS investment returns, salary growth rates, cost of living adjustments granted to postal retirees, and Postal Service demographic trends.

### Postal Service Retiree Health Benefits Fund under Current Law (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Start of Year Balance	\$43,708	\$45,348	\$52,521	\$7,173
Receipts from the Public (Postal Service)	\$0	\$5,600	\$5,700	\$100
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$1,640	\$1,573	\$1,528	(\$45)
Program Obligations (Mandatory)	\$0	\$0	\$0	\$0
Administrative Obligations (Appropriated)	\$0	\$0	\$0	\$0
Administrative Obligations (Mandatory)	\$0	\$0	\$0	\$0
<b>End of Year Balance</b>	<b>\$45,348</b>	<b>\$52,521</b>	<b>\$59,749</b>	<b>\$7,228</b>

## Changes to Postal Service Retiree Health Benefits Fund from Budget Proposal (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Start of Year Balance	\$0	\$0	(\$5,173)	(\$5,173)
Receipts from the Public (Postal Service)	\$0	(\$2,261)	(\$2,179)	\$82
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0
Program Obligations (Mandatory)	\$0	\$2,912	\$3,199	\$287
Administrative Obligations (Appropriated)	\$0	\$0	\$0	\$0
Administrative Obligations (Mandatory)	\$0	\$0	\$0	\$0
<b>End of Year Balance</b>	<b>\$0</b>	<b>(\$5,173)</b>	<b>(\$10,551)</b>	<b>(\$5,378)</b>

The Postal Service Retiree Health Benefits Fund (PSRHBF) is a special trust fund established by the Postal Accountability and Enhancement Act of 2006 (P.L. 109-435). It was created to help fully fund the Postal Service's retiree health benefits liabilities, and requires annual payments (defined in the statute) from the Postal Service. Starting in 2017, the "employer" share of the health insurance premiums of Postal Service retirees will be paid from this fund instead of from direct remittances from the Postal Service. The Postal Service frequently attributes some of their current financial difficulties to their required payments to this fund. In FY 2009, Congress reduced the amount of the Postal Service's payment for FY 2009 from \$5.4 billion to \$1.4 billion. Congress also deferred payment of the \$5.5 billion required under P.L. 109-435 in FY 2011 to August 1, 2012. The Postal Service did not complete this required payment, or the payment required by September 30, 2012. This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108-18) that were held in escrow during 2006; 2) payments defined within P.L. 109-435, and modified by P.L. 111-68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service.

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

The President's Budget proposes legislation to provide financial relief to the Postal Service by restructuring payments to the fund, and to initiate obligations from the fund to pay the employer share of FEHB premiums for post-1971 annuitants in FY 2014 instead of FY 2017 as required under current law. Payments are restructured by eliminating the payments required by 5 USC 8909a(d)(3)(A) for FY 2013 and beyond, and accelerating payments for the actuarial cost of Postal Service contributions for post-retirement health benefits of current employees to FY 2014 instead of beginning in FY 2017 as required by current law.

## Federal Flexible Spending Risk Reserve Account (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Start of Year Balance	\$89	\$97	\$107	\$10
Receipts from the Public	\$8	\$29	\$30	\$1
Receipts from Federal Sources	\$4	\$4	\$4	\$0
Interest Earnings	\$0	\$0	\$0	\$0
Program Obligations (Mandatory)	\$4	\$23	\$24	\$1
Administrative Obligations (Appropriated)	\$0	\$0	\$0	\$0
Administrative Obligations (Mandatory)	\$0	\$0	\$0	\$0
<b>End of Year Balance</b>	<b>\$97</b>	<b>\$107</b>	<b>\$117</b>	<b>\$10</b>

Flexible Spending Accounts for Federal Employees (FSAFEDS) is a voluntary tax-advantaged benefit plan. This account also allows the Federal employees to pay for eligible out-of-pocket health care and dependent care expenses with their own pre-tax dollars. The average person will save about 30 percent with after-tax dollars each year.

There are three types of accounts under the FSA Feds Program:

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

The funds cannot be transferred between accounts. DCFSAs currently have a minimum annual election of \$250 and \$5,000 maximum. HCFSAs and LEX HCFSAs currently have a minimum annual election of \$250 and \$2,500 maximum. Starting in January 2013, the maximum annual election for HCFSAs and LEX HCFSAs decreased to \$2,500. There are currently about 323,000 individuals with HCFSAs, 2,000 individuals with LEX HCFSAs and 53,000 individuals with DCFSAs.

The Risk Reserve account contains the accumulated balance of fees collected from employing agencies whose employees participate in the FSAFEDS program, plus forfeited balances of Flexible Spending Accounts. The agency fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to the FSA program administrator when claims against FSA accounts exceed resources contributed to the accounts from participating employees (generally early in the program year). Once account contributions exceed benefits, the FSA program administrator reimburses the reserve account. Account resources are also used for program administration and systems. OPM's actuaries have determined that the current value of the risk reserve account is more than sufficient to indemnify the program administrator.

## Payment Accounts

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

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

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Budget Authority	\$10,683	\$10,698	\$11,163	\$465
Obligations	\$10,683	\$10,698	\$11,163	\$465
Outlays	\$10,759	\$10,683	\$11,238	\$555

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. This appropriation covers:

- The government's share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of title 5, United States Code;
- The government's share of the cost of health insurance for annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960, and
- The government's contribution for payment of administrative expenses incurred by OPM in administration of the Retired Federal Employees Health Benefits Act.

Estimates of budget authority for this account anticipate payments being remitted under current law by the U.S. Postal Service to finance a portion of its post-1971 annuitants' health benefits costs.

For FY 2014, budget authority and obligations will increase by \$465 million due to projected growth in the cost of health insurance, and in the number of annuitants with FEHB coverage.

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

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

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Budget Authority	\$47	\$46	\$45	(\$1)
Obligations	\$47	\$46	\$45	(\$1)
Outlays	\$47	\$52	\$45	(\$7)

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

For FY 2014, budget authority and obligations will decrease \$1 million, while outlays will decrease \$7 million, due to the number of annuitants under age 65 with FEGLI coverage.

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

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

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Budget Authority	\$33,023	\$32,374	\$33,174	\$800
Obligations	\$33,023	\$32,374	\$33,174	\$800
Outlays	\$33,023	\$32,374	\$33,174	\$800

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

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

### Detail of Payment Account under Current Law (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Current Appropriation	\$10,694	\$9,000	\$8,900	(\$100)
Permanent Indefinite Authorization	\$22,255	\$23,300	\$24,200	\$900
Payment for Spouse Equity	\$74	\$74	\$74	\$0
<b>Total</b>	<b>\$33,023</b>	<b>\$32,374</b>	<b>\$33,174</b>	<b>\$800</b>



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

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

## Permanent Indefinite Authorization: Transfers for Interest on Static Unfunded Liability and Payment of Military Service Annuities

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

For FY 2014, the Permanent Indefinite Authorization will increase \$900 million due to an increase in the amount of interest to be transferred from Treasury.

## Payment for Spouse Equity

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

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## Changes to Payment to the Civil Service Retirement and Disability Fund from Budget Proposals (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Budget Authority	\$0	\$0	(\$34)	(\$34)
Obligations	\$0	\$0	(\$34)	(\$34)
Outlays	\$0	\$0	(\$34)	(\$34)

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## Changes to Detail of Payment Account from Budget Proposals (millions)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate	FY 2013-2014 Variance
Current Appropriation	\$0	\$0	\$0	\$0
Permanent Indefinite Authorization	\$0	\$0	(\$34)	(\$34)
Payment for Spouse Equity	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$34)</b>	<b>(\$34)</b>

## **Payment to the Civil Service Retirement and Disability Fund – Legislative Proposal**

- **Excess Agency Contributions to be used for the purpose of reducing CSRS unfunded liabilities** -- The FY 2014 Budget contains a proposal that would reduce Treasury payments to the Civil Service Retirement and Disability Fund for benefits payable under the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS). The Budget proposes to increase the existing employee contributions to CSRS and FERS Retirement systems by 1.2 percent of salaries, phased in over three years, and maintain the employers' share at its current contribution rates. Because agency FERS contributions will exceed the amount necessary to satisfy the FERS normal cost percentage, those funds will be credited to the assets of the Civil Service Retirement System in the CSRDF, which in turn, will reduce the CSRS unfunded liability.





# Performance Budget by Strategic Goal

The Office of Personnel Management's (OPM) strategic vision is to provide the Federal government the resources necessary to become America's model employer for the 21<sup>st</sup> century. OPM's FY 2014 Performance Budget reflects how the agency will fulfill its mission to **Recruit, Retain, and Honor a World-Class Workforce to Serve the American People**. This section of the OPM budget describes how each OPM organization will use its requested budgetary resources to achieve our strategic goals. It is intended to meet the requirements of OMB Circular A-11, Part 6, and Section 240 – *Annual Performance Planning*.

## Strategic Goals

OPM's five strategic goals and corresponding strategies are designed to help other Federal agencies achieve their missions and produce superior results. The first four strategic goals are presented in an order that parallels the lifecycle of a Federal employee. The fifth strategic goal captures OPM's role in implementing the Affordable Care Act (ACA).

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

**Other Activities Supported by OPM** – OPM's administrative and executive leadership activities support all of the agency's goals. In addition, OPM performs certain functions as required by law or Executive Order that do not align directly with our strategic plan. The functions include administration of the Combined Federal Campaign, providing voting rights observations for the Justice Department, and operating the President's Commission on White House Fellows.

A detailed description of the strategies within the strategic goals and the resources budgeted for each strategy in FY 2014 is in this section of the following tables. The following tables provide funding level and fund type detail by strategic goal and strategy; and show a crosswalk between strategy and organizational elements.

## FY 2014 Performance Budget Request of Total Resources by Strategic Goal and Funding Source—All Sources (dollars)

Goal/Strategy	FY 2013 CR Annualized	FY 2014 Request	FY 2013 - FY 2014 Variance
<b>Hire the Best</b>	<b>\$1,200,135,611</b>	<b>\$1,217,492,022</b>	<b>\$17,356,411</b>
Salaries & Expenses Appropriation	\$13,461,000	\$12,793,515	(\$667,485)
Revolving Fund	\$1,186,674,611	\$1,204,698,507	\$18,023,896
<b>Respect the Workforce</b>	<b>\$40,986,000</b>	<b>\$43,522,046</b>	<b>\$2,536,046</b>
Salaries & Expenses Appropriation	\$4,297,000	\$7,577,545	\$3,280,545
Trust Fund Annual	\$17,069,000	\$16,324,500	(\$744,500)
Trust Fund-Dental/Vision	\$17,049,000	\$17,049,000	\$0
Trust Fund-LTC	\$2,048,000	\$2,048,001	\$1
Trust Fund-Title V	\$523,000	\$523,000	\$0
<b>Expect the Best</b>	<b>\$958,123,666</b>	<b>\$907,763,749</b>	<b>(\$50,359,917)</b>
Salaries & Expenses Appropriation	\$32,107,945	\$27,323,792	(\$4,784,153)
EHRI S&E - No-Year	\$6,040,744	\$5,703,800	(\$336,944)
Revolving Fund	\$909,440,715	\$866,489,429	(\$42,951,286)
Common Services	\$9,109,596	\$6,901,528	(\$2,208,068)
HR LOB S&E No - Year	\$1,424,666	\$1,345,200	(\$79,466)
<b>Honor Service</b>	<b>\$91,805,000</b>	<b>\$99,100,355</b>	<b>\$7,295,355</b>
Trust Fund Annual	\$55,800,000	\$57,895,355	\$2,095,355
Trust Fund - No Year	\$0	\$2,600,000	\$2,600,000
Trust Fund-FERCCA	\$2,109,000	\$2,109,000	\$0
Trust Fund-Title V	\$33,896,000	\$36,496,000	\$2,600,000
<b>Improve Access to Health Insurance</b>	<b>\$11,795,000</b>	<b>\$21,068,423</b>	<b>\$9,273,423</b>
Salaries & Expenses Appropriation	\$7,695,000	\$17,630,379	\$9,935,379
Trust Fund Annual	\$2,000,000	\$1,940,844	(\$59,156)
Advances & Reimbursements	\$2,100,000	\$1,497,200	(\$602,800)
<b>Additional Activities Supported by OPM</b>	<b>\$174,946,883</b>	<b>\$169,767,221</b>	<b>(\$5,179,662)</b>
Salaries & Expenses Appropriation	\$20,994,619	\$16,427,634	(\$4,566,985)
Trust Fund Annual	\$30,562,000	\$30,791,315	\$229,315
Trust Fund-Title V	\$2,003,000	\$1,902,850	(\$100,150)
Common Services	\$92,711,450	\$90,519,472	(\$2,191,978)
Advances & Reimbursements	\$4,211,000	\$4,101,950	(\$109,050)
Trust Fund Annual - OIG	\$21,303,585	\$21,340,000	\$36,415
Salaries & Expenses Appropriation - OIG	\$3,161,229	\$4,684,000	\$1,522,771
<b>Grand Total</b>	<b>\$2,477,792,160</b>	<b>\$2,458,713,816</b>	<b>(\$19,078,344)</b>
Revolving Fund Contribution to Common Services	(\$75,018,598)	(\$74,283,343)	\$735,255
<b>OPM Grand Total</b>	<b>\$2,402,773,562</b>	<b>\$2,384,430,473</b>	<b>(\$18,343,089)</b>

Note: Advances & Reimbursements reflects funding for PCIP under Improved Access to Health Insurance and funding for CHCO and Voting Rights under Activities Supported by OPM.

## Discretionary FY 2014 Discretionary Budget by Goal and Strategy (dollars)

STRATEGIC GOAL	STR_NO	STRATEGY	\$	FTE
<b>Hire the Best</b>	<b>1.01</b>	Implement Improvements to the Federal Hiring Process	\$6,321,962	43.0
	<b>1.02</b>	Promote Diversity and Inclusion in the Federal Workforce	\$1,058,976	7.0
	<b>1.04</b>	Reduce skills gaps in targeted mission critical occupations and/or competency areas across government	\$1,996,523	12.4
	<b>1.05</b>	Encourage increased manager involvement in the Federal hiring process	\$1,350,524	8.6
	<b>1.06</b>	Assist Veterans to Find a Place in the Federal Workforce	\$2,065,530	13.6
<b>Hire the Best Total</b>			<b>\$12,793,515</b>	<b>84.6</b>
<b>Respect the Workforce</b>	<b>2.01</b>	Improve Training Opportunities for Federal Employees	\$972,628	9.4
	<b>2.02</b>	Ensure that Available Benefits Align with Best Practices and Employee's Needs	\$16,576,509	104.9
	<b>2.03</b>	Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work-Life Flexibilities	\$2,760,796	9.0
	<b>2.04</b>	Improve Federal Labor-Management Relations Across the Government	\$2,201,148	18.2
	<b>2.06</b>	Create the 21st Century Flexible Workplace to Enhance Employee Engagement and Improve Satisfaction	\$1,390,964	0.0
<b>Respect the Workforce Total</b>			<b>\$23,902,045</b>	<b>141.5</b>
<b>Expect the Best</b>	<b>3.01</b>	<b>Help</b> Agencies Become High Performing Organizations with use of HR Tools	<b>\$8,532,222</b>	<b>20.6</b>
	<b>3.02</b>	Recognize, Select, and Sustain Individuals Who Provide Strong Leadership and Direction for Agencies	\$2,094,417	13.6
	<b>3.03</b>	Provide Leadership and Direction to Government-wide HR Programs	\$11,799,103	68.7
	<b>3.04</b>	Hold Agencies to Account for Improvements in Strategic Human Resources Management	\$11,697,050	90.3
	<b>3.05</b>	OPM will lead by example to implement human resources reforms and to reinvigorate our approach to individual and organizational performance management	\$250,000	2.0
<b>Expect the Best Total</b>			<b>\$34,372,792</b>	<b>195.2</b>
<b>Honor Service</b>	<b>4.01</b>	Develop a 21st Century Customer Focused Retirement Processing System that Adjudicates Claims in timely and accurate manner	\$58,554,091	649.0
	<b>4.02</b>	Improve OPM service to Federal agency benefit officers	\$1,941,264	14.0

STRATEGIC GOAL	STR_NO	STRATEGY	\$	FTE
<b>Honor Service Total</b>			<b>\$60,495,355</b>	<b>663.0</b>
<b>Improve Access to Health Insurance</b>	<b>5.01</b>	Contract with multi-state health plans to be offered on Affordable Care Act insurance exchanges	\$17,630,379	56.0
	<b>5.02</b>	Offer Federal Employee Health Benefits (FEHB) program benefits to employees of tribes and tribal organizations	\$1,940,844	3.5
<b>Improve Access to Health Insurance Total</b>			<b>\$19,571,223</b>	<b>59.5</b>
<b>Other Activities Unaligned</b>			<b>\$63,200,070</b>	<b>591.5</b>
<b>Grand Total</b>			<b>\$214,335,000</b>	<b>1,735.3</b>

Note: The following strategies 1.03, 2.05, and 5.03 are not included in this table; funding for these strategies is comprised of non-discretionary funding sources.

## FY 2014 Performance Budget Request by Strategic Goal and Organization--All Sources (dollars)

Organization/Activity	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Other Activities	Total Resources
<b>Employee Services</b>	\$15,644,590	\$4,564,740	\$19,609,386	\$0			\$39,818,716
<b>Retirement Services</b>		\$0		\$99,100,355		\$0	\$99,100,355
<b>HR Solutions</b>			\$800,170,000				\$800,170,000
<b>Federal Investigative Services</b>	\$1,189,120,738						\$1,189,120,738
<b>Healthcare &amp; Insurance</b>		\$27,311,506			\$14,973,231	\$0	\$42,284,737
<b>Merit System Audit &amp; Compliance</b>	\$0		\$11,697,050			\$6,091,338	\$17,788,388
<b>Chief Information Officer</b>	\$11,667,718		\$69,023,229	\$0		\$47,244,292	\$127,935,239
<b>Planning &amp; Policy Analysis</b>		\$11,645,800	\$7,264,084		\$6,095,192	\$0	\$25,005,076
<b>Office of the Chief Financial Officer</b>						\$31,165,768	\$31,165,768
<b>Office of Diversity and Inclusion</b>	\$1,058,976						\$1,058,976
<b>Facilities, Security &amp; Contracting</b>						\$12,523,288	\$12,523,288
Executive Services							
Office of the Director						\$3,376,112	\$3,376,112
Executive Secretariat & Ombudsman						\$1,693,489	\$1,693,489
Equal Employment Opportunity						\$976,667	\$976,667
Office of the General Counsel						\$6,500,425	\$6,500,425
Congressional & Legislative Affairs						\$2,579,103	\$2,579,103
Communications & Public Liaison						\$2,478,584	\$2,478,584
Federal Prevailing Rate Advisory Committee						\$236,531	\$236,531
<b>White House Fellows</b>						\$835,890	\$835,890
<b>Office of the Inspector General</b>						\$26,024,000	\$26,024,000
<b>Rent &amp; other CFI</b>						\$27,261,784	\$27,261,784
<b>Chief Human Capital Officer Council</b>						\$779,950	\$779,950
<b>Total Resources</b>	\$1,217,492,022	\$43,522,046	\$907,763,749	\$99,100,355	\$21,068,423	\$169,767,221	\$2,458,713,816
<b>Revolving Fund Contributions to Common Services</b>							(\$74,283,343)
<b>OPM Total Resources</b>	\$1,217,492,022	\$43,522,046	\$907,763,749	\$99,100,355	\$21,068,423	\$169,767,221	\$2,384,430,473

Note: Includes funds for Advances & Reimbursements

## Strategic Goal 1: Hire the Best

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

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

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

As OPM improves the hiring process, we want to reach the most diverse and qualified pool of candidates possible. *Strategy 1.02 – Promote Diversity and Inclusion in the Federal Workforce* and *Strategy 1.06 – Assist Veterans to Find a Place in the Federal Workforce* focus on expanding the possibility of Federal service to all aspects of American society.

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

## FY 2014 Request – Total Resources by Strategy and Funding Source (dollars)

Goal/Strategy	\$	FTE
<b>Hire the Best</b>		
<b>1.01</b>		
<b>Implement Improvements to the Federal Hiring Process</b>		
Salaries & Expenses Appropriation	\$6,321,962	43.0
Revolving Fund	\$15,577,769	24.5
<b>1.02</b>		
<b>Promote Diversity and Inclusion in the Federal Workforce</b>		
Salaries & Expenses Appropriation	\$1,058,976	7.0
<b>1.03</b>		
<b>Ensure Agencies Have Timely and Sufficient Information to Make Decisions such as Credentialing, Suitability, and /or Security Clearance Determinations</b>		
Revolving Fund	\$1,189,120,738	2,700.0
<b>1.04</b>		
<b>Reduce skills gaps in targeted mission critical occupations and/or competency areas across government</b>		
Salaries & Expenses Appropriation	\$1,996,523	12.4
<b>1.05</b>		
<b>Encourage increased manager involvement in the Federal hiring process</b>		
Salaries & Expenses Appropriation	\$1,350,524	8.6
<b>1.06</b>		
<b>Assist Veterans to Find a Place in the Federal Workforce</b>		
Salaries & Expenses Appropriation	\$2,065,530	13.6
<b>Grand Total</b>	<b>\$1,217,492,022</b>	<b>2,809.1</b>



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

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

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

In order for the Federal government to be as competitive as the private sector, efficient and effective processes must be in place to recruit, hire, and retain high performing employees. OPM leads the government-wide staffing effort to ensure that Federal agencies hire and retain employees with the specific competencies necessary for agencies to attain their goals and missions. OPM helps Federal agencies compete with other employers through the use of effective recruitment, assessment, hiring, and retention strategies.

Employee Services (ES) supports the continued implementation of the President’s hiring reforms as well as follow-on initiatives that will result in direct or indirect improvements to the Federal Hiring Process.

Technology is a key enabler of OPM’s human resource strategy. OPM’s Office of the Chief Information Officer (CIO) provides information technology services to OPM programs in support of agency human resource systems. The CIO maintains the Enterprise Human Resource Integration (EHRI) Program. EHRI is an e-Government initiative designed to leverage the benefits of information technology as required by the E-Government Act of 2002. The goal of EHRI is to streamline and automate the exchange of Federal Employee human resources (HR) information government-wide. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR community with access to employee HR data to improve workforce planning for hiring, skills development, and retention strategies.

Org/Fund	\$	FTE
<b>Chief Information Officer</b>		
RF - USAJOBS	\$11,667,718	17.0
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$6,321,962	43.0
RF Presidential Management Fellows (PMF)	\$3,910,051	7.5
<b>Grand Total</b>	<b>\$21,899,731</b>	<b>67.5</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Number of Chief Human Capital Officer (CHCO) agencies that improve upon their average number of days to hire new employees.**	*N/A	10	17	24	24	24
Percent of managers that respond to the Chief Human Capital Officer (CHCO) manager survey with a positive rating of applicant quality***	70%	72%	63%	64%	66%	68%
Percent of applicants that respond to the Chief Human Capital Officer (CHCO) survey with a positive rating indicating satisfaction with the job application process for CHCO agencies	70%	70%	****70%	72%	74%	76%
USAJOBS job site application availability	*N/A	*N/A	*N/A	99.7%	85%	90%

\* Not Applicable - no historical data available for this period.

\*\*OPM and OMB recently completed development of Hiring Reform measures; the original measure proposed was "Reduce the Time to Hire;" however the data required to calculate this measure was inconsistent across agencies.

\*\*\*Survey was revised and reformatted beginning first quarter Fiscal Year 2011; this measure was updated with OPM/OMB.

\*\*\*\*The FY 2011 result was previously reported as 69% in the FY 2013 CBJ.

## Anticipated FY 2014 Accomplishments

Employee Services will implement the following improvements to the Federal Hiring Process:

- Promote innovative and coordinated approaches to recruiting and hiring students, mid-career professionals, and retirees to meet agency talent needs;
- Streamlining the end-to-end hiring process to create a positive experience for applicants, managers, and HR specialists;
- Increasing manager engagement in the hiring process;
- Ensure the enhanced USAJOBS capacities are effectively aligned and integrated with all ES hiring improvement activities;
- Providing targeted and tailored assistance and direction on Federal hiring best practices, methodologies and emerging procedures to HR officials; and
- Promoting efficiency and effectiveness in hiring practices/ processes compliant with merit system principles.

ES will implement the hiring reform effort as it transitions from development to implementation and measure the effectiveness of program outcomes. ES will accomplish these outcomes by promulgating regulations and potential statutory changes as Federal hiring reform progresses. In addition, ES will continue to provide technical assistance and guidance to agencies related the implementation of Hiring Reform, Pathways Programs, implementation of The Veterans Opportunity to Work Act (The VOW Act), and the hiring of military spouses. ES also provides technical assistance and guidance to agencies and stakeholder groups to increase veterans' hiring and the employment of people with disabilities. ES will continue to identify and promote innovative outreach and recruiting practices in both Federal and private sector to hire students, recent graduates, and individuals with disabilities, veterans, mid-career professionals, and retirees to meet agency talent needs. Also, ES will provide tools for agency hiring officials to increase their engagement and participation in the recruitment process by offering targeted and

tailored assistance on recruiting and hiring best practices to HR officials. ES continues to increase outreach efforts and awareness of Federal employment opportunities in Mission Critical Occupations (MCOs) to targeted applicant pools such as student, recent graduates, individuals with disabilities, and veterans.

Employee Services anticipates the following outcomes for FY 2014:

- **HRStat** - HRStat is an agency data-driven review process, led by the Chief Human Capital Officer (CHCO) with a focus on the key Human Resource Management (HRM) metrics that drive agency performance and mission accomplishment. These data-driven reviews will include OPM and OMB participation. Agencies will identify measure, analyze, and use Human Resource Management performance data. Specifically, agencies will:
  - Identify what HRM questions to ask and what data is needed;
  - Create analytic capability within HR offices; and
  - Use data diagnostically to figure out how to improve outcomes.
- **Manager Satisfaction with Applicant Quality** - While speeding and easing the application process is critical; a well-functioning hiring process needs to find the best match for open positions in the Federal government. OPM will continue to work with agencies to increase the response rate on the manager satisfaction survey to gauge hiring manager satisfaction with applicant quality. Progress has been made across Federal agencies regarding manager satisfaction with applicant quality. Continued improvement in understanding by hiring managers and HR specialist's with the hiring reform initiatives has resulted in an increase in applicant quality and thereby has improved manager satisfaction of applicant quality. ES expects this progress to continue.
- **Improved Applicant Satisfaction** - Applicant satisfaction with the application process is about more than the just the speed of hiring. It also depends on a less-cumbersome process, whether the application questions appear relevant, and whether applicants are kept aware of their status during the process. ES will continue to focus improvement efforts on keeping the application process easy to understand and on communicating status to applicants during the application process as these are primary drivers of improved applicant satisfaction. ES expects this progress to continue.
- **Improved Time to Hire (T2H)** - As a result of OPM's continuing efforts to refine the methodology for measuring hiring time, OPM partnered with the Chief Human Capital Officers Council (CHCOC) to develop consistent guidelines for calculating time to hire within their agencies. OPM used these guidelines to validate agency calculations and to help agencies better examine their hiring process and associated metrics. Through OPM's and the CHCOC's efforts, agencies have achieved better data integrity and validation. Agencies will continue to integrate their hiring reform efforts via the Administration's Cross-Agency Priority (CAP) Goal of closing critical skills gaps. This integration will focus agencies on quickly hiring the talent necessary to close critical skill gaps while reduced the time to hire and without diminishing applicant quality.
- **Student Pathways** - The Pathways regulation became effective July 10, 2012. ES will focus on preparing agency human resource staffs, hiring managers, and stakeholders to implement the Pathways Program. ES will facilitate critical training and outreach through face-to-face contacts and webcasts. ES will collaborate and disseminate information via OPM's Pathways webpage, USAJOBSRecruit, HR University and other venues. ES anticipates increased efforts will result in a more diverse applicant pool and hiring officials will realize a decrease in the skill gap for certain occupations in the Federal government, to include Science, Technology, Engineering, and Mathematics (STEM). ES will support a wide-range of STEM outreach activities that reach students and educators from elementary school through college. Through its STEM education outreach initiative on Federal careers, ES will provide opportunities for Federal employees to interact with the next generation of STEM professionals by serving as mentors and career role

models for students in certain part of the country, especially metro areas. The anticipated outcome is to ease the looming technical talent shortfall in the Federal workforce.

- **Presidential Management Fellows (PMF) Program** – The PMF Program is a revolving fund entity. ES will identify new ways to more efficiently screen and manage the program; effectively market the PMF program to minority serving institutions, colleges and universities in order to increase the level of diversity in the program; and develop an innovative assessment process to support key Federal occupations that will include online tools.
- **College Recruitment Initiatives** – ES will develop a college recruitment program to help agencies recruit the next generation of Federal workers. ES’ efforts will result in a more diverse talent pool for the Pathways Programs, especially the Internship Program and the PMF program. Recruitment and Hiring will partner with colleges and universities to identify talent pools especially for government-wide mission-critical occupations.
- **Diversity Hiring** - ES anticipates efforts will result in a more diverse applicant pool and increased quality of hire as measured in manager satisfaction survey. ES also anticipates an increase in the hiring official engagement and participation in the recruitment process as measured in the manager satisfaction survey.
- **USAJOBSRecruit** – ES will provide training modules and technical support to agencies to increase hiring official engagement in the recruitment process as measured in the manager satisfaction survey.
- **Hiring-related Policy Legislation/Regulation** – ES will develop Federal Human Resource Management policies. The focus of the policies will be in creating a more transparent and seamless hiring system which produces high quality candidates for Federal employment; creating a more standardized, less cumbersome, more accurate Federal jobs announcement process; and increasing the number of veterans, military spouses, and people with disabilities hired by Federal agencies.
- **USAJOBS** – OPM’s Office of the Chief Information Officer (CIO) will continue to maintain USAJOBS, the official job site of the Federal government. It is the one-stop source for Federal jobs and employment information by which Federal agencies meet their legal obligation (5 USC 3327 and 5 USC 3330) to provide public notice of Federal employment opportunities to Federal employees and American citizens. The USAJOBS.gov website has emerged over the last decade as the face of Federal hiring. USAJOBS 3.0 yields alignment of Federal recruiting and hiring. A key element to this strategy is that the product is government-hosted, with key enterprise components brought under full government control, while the Federal government leverages innovation from the private sector. CIO will continue to provide a centralized secure platform that helps to streamline the Federal government’s overall hiring process; it acts as a portal for Federal recruitment for all government positions, whether competitively or non-competitively sourced. USAJOBS will continue as a job board and a resume and document repository for candidate information. It will continue to provide extensive Federal employment information to the Public, coordinates recruitment information across agencies and interact with job seekers through the use of Social Media.

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

Promoting diversity and inclusion in the Federal workforce helps agencies create an environment that values diversity and leverages talent to achieve results. It also encourages development and use of policies that ensure all segments of society, including people with disabilities, have the opportunity for employment and advancement. To further these efforts, OPM helps agencies become high-performing organizations by creating fair and credible diversity and inclusion policies, fostering accountability, and providing Federal managers and employees with educational opportunities regarding how to maintain diverse, inclusive, and sustainable culture.

In support of this strategy, OPM’s Office of Diversity and Inclusion (ODI) examines policy options, government-wide data trends, and employee survey findings to develop, drive, and monitor government-wide strategies and initiatives designed to create a more diverse, inclusive, and innovative Federal workforce. Specifically, ODI assists agencies in the implementation of two Executive orders, 13583 and 13548; coordinates efforts to recruit the best and the brightest from every community; conducts studies where challenges to equity and fairness in the workplace exist; and collaborates with agencies to employ organizational strategies that help engage and retain employees to increase productivity.

Org/Fund	Budgetary Resources	
	\$	FTE
<b>Office of Diversity and Inclusion</b>		
Salaries & Expenses Appropriation	\$1,058,976	7.0
<b>Grand Total</b>	<b>\$1,058,976</b>	<b>7.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percentage of employees in the Federal government with disabilities	*N/A	7.07%	7.41%	7.75%	8.0%	9.0%
Percentage of employees in the Federal government with targeted disabilities	*N/A	0.95%	0.96%	1.25%	1.50%	2.0%
Percentage of Federal employees and managers who report satisfaction in the area of diversity and inclusion	*N/A	60.6%	61.4%	63.0%	65.0%	70.0%

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

ODI will focus on the following four initiatives in FY 2014:

- Initiative #1** -- Coordinating government-wide outreach and recruitment efforts for students, veterans, people with disabilities, Hispanics and other underrepresented groups for entry-level, mid-level, and senior level positions. Specifically, ODI will, in coordination with various agencies, conduct recruitment with people with disabilities (supporting the shared list), Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Asian-American and Pacific Islander Serving Institutions (AAPISIs), underrepresented veterans groups, community organizations, and affinity associations.

- **Initiative #2** -- Training agencies in an array of organizational leadership practices that connect each employee to the agency mission; encourage collaboration, flexibility, and fairness within the workplace; and enable employees to participate and contribute to their full potential. Specifically, ODI will plan and execute classroom training, computerized training, symposiums, and one conference that will cover a range of issues including: Schedule A hiring of people with disabilities, work-life programs, mentoring, telework, unconscious bias, succession planning, leading practices from academia and the private sector, leadership development, and diversity management.
- **Initiative #3** -- Assisting agencies with implementation of their agency-specific Diversity and Inclusion (D&I) Strategic Plans to assist with human capital management. Specifically, ODI will continue to work with agencies in clusters of three, as well as through the small, medium and large D&I agency workgroups. ODI will also strive to promote innovative practices and address challenges through human centered design facilitation and provide agencies with metrics on their progress in D&I implementation in their workplaces.
- **Initiative #4** -- Developing policy that ensures equity and fairness throughout the Federal workforce. ODI, in coordination with other OPM programs, will develop policies related to family friendly workplaces, domestic partner benefits, sexual orientation complaint processing, and pregnancy. This work will be based on workforce analytics and studies conducted based on workplace demographics.

As a result of these initiatives, ODI expects the following outcomes to be achieved:

- The percentages of employees who have targeted disabilities and other disabilities will increase, as well as the percentages of underrepresented groups like Hispanics government-wide and women and minorities in the Senior Executive Service;
- The overall perception of diversity and inclusion within the workplace will increase, as reflected in the Federal Employee Viewpoint Survey (EVS) scores;
- A more engaged workforce will be more productive and have higher retention rates;
- Agencies will share successful practices, save resources, and drive innovation within their own organization as they learn new management techniques; and
- Agencies will receive clear guidance based on empirical evidence from OPM on how to ensure equity and fairness in the workplace.



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

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

Key contributions to OPM’s development of a comprehensive Federal government end-to-end security clearance process are:

- Increased user accessibility of the Central Verification System (CVS);
- Revised e-QIP functionality to improve quality of data;
- Implementation of the revised SF-86 form;
- Expanded customer suitability training;
- Enhanced case and investigative issue coding to optimize eAdjudication and continued availability of eDelivery of investigative files to agencies;
- Implementation of the enhanced subject interview; and
- Deployed quality assessment tool for all OPM customer agencies.

Org/Fund	\$	FTE
<b>Federal Investigative Services</b>		
RF Investigative Services	\$1,189,120,738	2,700.0
<b>Grand Total</b>	<b>\$1,189,120,738</b>	<b>2,700.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Average number of days to complete the fastest 90% of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act	*N/A	39	40	40	40	40
Investigations determined to be deficient due to errors in investigation processing	0.08%	0.16%	0.15%	≤ 0.30%	≤ 0.30%	≤ 0.30%

\* Not Applicable - no historical data available for this period.

### **Anticipated FY 2014 Accomplishments:**

During FY 2014, FIS will continue to meet and exceed security clearance timeframes established in IRTPA and assigned by the Security Executive Agent. FIS continues to complete background investigations within the target of 90 percent completed in an average of 40 days or less, with a specific focus on completing initial Top Secret clearances in less than 80 days and overall initial clearance investigations in less than 40 days, to the extent practical as required by IRTPA. To continually meet this standard, OPM will allocate resources to support personnel needs, modernize the information technology infrastructure, offer expanded internal and external investigative and adjudicative training, and provide continuous monitoring of the investigative process to streamline standards and procedures.

During FY 2014, FIS will continue to support major initiatives that increase the quality and timeliness of the investigative process. These initiatives include the continued transformation of key information technology (IT) systems, the continued development of a world-class investigative and suitability training program, and revised investigative standards and Federal Regulations pertaining to security clearance and suitability determinations.

In FY 2014, FIS will also redesign investigative processes and procedures, laying the groundwork for implementation of Federal investigative standards. FIS will expand the automation and streamlining of many aspects of the investigative process to provide a high-quality clearance process for the Federal government, including revisions to standard forms and reports.

Also, OPM will further the implementation of major IT transformation initiatives in support of the joint reform goal to streamline the investigative and adjudicative process. OPM's IT transformation project seeks to further enhance the OPM mission and key goals to meet the ever-changing requirements and deliver the best customer value through the effective use of technology and processes. Resources will be utilized to revamp the core software and hardware infrastructure of all core case processing systems and tools, commencing with the transformation and modernization of the Case Processing and Customer Interfaces, providing agency access and investigative requests that will be easier to submit, process and deliver. OPM's IT transformation project is continuing the project releases for enhancements to support the timeliness goals set forth by IRTPA and allow FIS to continue to provide timely and quality services to Federal agencies.



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

Federal agencies require a comprehensive strategic human capital plan to successfully carry out assigned missions. An important dimension of each agency’s human capital (HC) plan is the ability to identify and close current and emerging skill gaps. OPM’s Employee Services (ES) organization developed a comprehensive Federal Agency-wide plan to remove “Strategic Human Capital Management” from the Government Accountability Office (GAO) High Risk List. ES’ efforts helped agencies reduce skills gaps in targeted mission critical occupations and skills areas at both the Federal-wide and agency-specific level.

ES has been fulfilling its responsibility to assess strategic management of human capital across government and better articulate its strategy to identify current and future skills gaps. ES will continue recruitment, hiring, and development of agency human capital officers so that they will have the knowledge and experience needed to guide agencies in improving effectiveness and efficiency of agency HC management. In measuring the effects of key initiatives to address critical skills gaps, ES will fulfill its evaluation and oversight role consistent with the Human Capital Assessment and Accountability Framework (HCAAF).

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$1,996,523	12.4
<b>Grand Total</b>	<b>\$1,996,523</b>	<b>12.4</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of CHCO agencies that have reduced the skill gaps in targeted mission critical occupations	*N/A	*N/A	*N/A	**TBD	50%	50%

\*Not Applicable - no historical data available for this period.

\*\*The new HCOs have yet to be identified. However, agencies will be expected to close 50% of gaps by the end of FY 2013.

### Anticipated FY 2014 Accomplishments

In September 2011, the Chief Human Capital Officer (CHCO) Council established a working group dedicated to developing a methodology for identifying current and emerging agency-specific and government-wide high-risk skills gaps, plans to close identified skills gaps, and a process for evaluating success in identifying and closing skills gaps. The working groups included an executive steering committee co-chaired by OPM and the Department of Defense and comprised of other CHCO agencies. The working group has developed a systematic, transparent, and replicable process to close mission critical high risk occupations and is on track to gather data on existing skill gaps.

ES has begun Phase II which focuses on implementation of action plans to close staffing gaps. Continuing through FY 2014, ES will manage a government-wide competency assessment survey addressing mission critical competencies to gauge which are high risk. ES continues to work with the CHCO working group and agencies to:

- Assist agencies to develop and refine strategic, multi-year workforce plans that inventory high-risk mission-critical occupations and competencies, define the root causes of skills gaps and identify solutions;
- Assist agencies to develop, refine and execute action plans with strategies to substantially reduce high-risk skills gaps (i.e., hiring, retention, and training strategies) with targets; and
- Assist agencies to revise (as needed) the monitoring and evaluation process based on continuous feedback.

The Federal government must hire highly qualified employees in occupations with the competencies necessary to achieve agency missions. Employee Services anticipates the following outcomes for FY 2014:

- Agencies achieve specific short-term (annual) targets associated with reducing selected agency-specific and government-wide skills gaps through hiring, retention, and training for designated occupations or competencies; and
- Agencies achieve specific long-term (multi-year) targets associated with reducing selected agency-specific and government-wide skills gaps through hiring, retention, and training for designated occupations or competencies.

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

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

As a result of focused attention on hiring reform, agency managers’ involvement with the Federal hiring process has increased substantially. Since managers have been the primary stumbling block in timely hiring processes, and since they are the ultimate decision-makers on hiring, their involvement is critical to selecting high performers into government positions.

OPM administers the Managers Satisfaction Survey, gathers data and provides quarterly updates to agencies, which include data to monitor managers’ involvement in the Federal Hiring Process. OPM facilitates discussion groups with HR to understand the challenges and develop strategies to promote manager involvement. As part of agency progress reviews on hiring reform, OPM discusses with agency representatives their strategies and actions to increase manager involvement in the hiring process.

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$1,350,524	8.6
<b>Grand Total</b>	<b>\$1,350,524</b>	<b>8.6</b>

Milestone	Date
Provide agencies with quarterly reports on the Manager Satisfaction Survey results.	09/30/2014

### Anticipated FY 2014 Accomplishments

During FY 2014, ES will continue to educate managers on their roles and responsibilities associated with the hiring process starting with workforce planning. Data shows that hiring managers who are involved in the hiring process are more satisfied with the hiring decision. Consequently, as managers continue to be part of the process, it is expected that their involvement will promote better decisions, which will reinforce the necessity of their participation.

Employee Services will implement the following improvements to help managers become more involved in the Federal Hiring Process:

- Gather data and provide quarterly updates to agencies in an effort to monitor managers’ involvement in the Federal Hiring Process;
- Provide guidance to hiring officials on the importance of on-boarding and inclusion;
- Educate hiring managers on the importance of their engagement in the recruiting process; and
- Educate hiring managers on their accountability to recruit and retain the best, diverse talent.

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

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

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

OPM has identified five key barriers to increasing the number of Veterans employed in the Federal government. These barriers include a lack of clear leadership regarding the value and importance of hiring Veterans; infrastructure that does not support advocacy of Veterans' employment within Federal agencies; insufficient understanding of Veterans' Preference and utilization of special hiring authorities by human resources (HR) professionals and hiring officials; inadequate understanding of Veterans' Preference and the Federal hiring process by our Veterans and transitioning service members; and an absence of systems to match Veterans' skills and education to positions within the Federal government.

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

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$2,065,530	13.6
<b>Grand Total</b>	<b>\$2,065,530</b>	<b>13.6</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of agencies that meet or exceed their baseline goals for hiring veterans	*N/A	*N/A	91%	83%	80%	77%

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

ES, with the continued support of the Council on Veterans Employment, the CHCO Council and our strategic partners: Labor, Defense, Veterans Affairs, Homeland Security, and agency Veteran Employment Program Offices will achieve the following goals:

- Implement recommendations on the Disabled Veterans Affirmative Action Program (DVAAP);
- Increase the number of disabled Veterans hired;
- Modify the [www.FedsHireVets.gov](http://www.FedsHireVets.gov) website to increase user satisfaction;

- Increase efforts to raise the number of military spouses appointed to Federal positions;
- Increase emphasis on women and homeless Veterans for Federal positions;
- Increase emphasis on underrepresented groups of Veterans such as Hispanics and Native Americans;
- Evaluate and provide recommendations on the pilot “Formerly Homeless Vets to Work” Program; and
- Increase the percentage of Veteran new hires into EO 13518 agencies over previous year’s results.

## Strategic Goal 2: Respect the Workforce

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

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

OPM developed the strategies associated with the Respect the Workforce strategic goal in order to ensure that adequate attention and investment are directed toward the government's most important resource. *Strategy 2.01 – Improve Training Opportunities for Federal Employees* is designed to ensure that sufficient training opportunities exist so that an employee's skill set matches the requirements of the position. To provide employees an opportunity to balance the competing requirements of the workplace with family responsibilities. *Strategy 2.02 - Ensure that Available Benefits Align with Best Practices and Employee Needs* focuses on ensuring that the benefits offered to Federal employees are competitive with other employers and that they meet the changing needs of our employees. *Strategy 2.03 – Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work/Life flexibilities* and *Strategy 2.06 - Create the 21st Century Flexible Workplace to Enhance Employee Engagement and Improve Satisfaction* provide options to employees regarding work schedules and methods, as well as increasing access to health information/options for improving their health and wellness. *Strategy 2.04 – Improve Federal Labor-Management Relations Across the Government* promotes a cooperative and productive work environment in which employees can excel. *Strategy 2.05 – Promote the Safety of the Federal Workforce Through Emergency Preparedness* emphasizes coordinated planning and actions in the event of an emergency.

## FY 2014 Request – Total Resources by Strategy and Funding Source (dollars)

Goal/Strategy	\$	FTE
<b>Respect the Workforce</b>		
<b>2.01</b>		
<b>Improve Training Opportunities for Federal Employees</b>		
Salaries & Expenses Appropriation	\$972,628	9.4
<b>2.02</b>		
<b>Ensure that Available Benefits Align with Best Practices and Employee's Needs</b>		
Salaries & Expenses Appropriation	\$252,009	1.9
Trust Fund Annual	\$16,324,500	103.0
Trust Fund-Dental/Vision	\$17,049,000	6.1
Trust Fund-LTC	\$2,048,001	5.2
Trust Fund-Title V	\$523,000	5.0
<b>2.03</b>		
<b>Improve Federal Employee Engagement and Satisfaction with Health, Wellness, and Work-Life Flexibilities</b>		
Salaries & Expenses Appropriation	\$2,760,796	9.0
<b>2.04</b>		
<b>Improve Federal Labor-Management Relations Across the Government</b>		
Salaries & Expenses Appropriation	\$2,201,148	18.2
<b>2.06</b>		
<b>Create the 21st Century Flexible Workplace to Enhance Employee Engagement and Improve Satisfaction</b>		
Salaries & Expenses Appropriation	\$1,390,964	0.0
<b>Grand Total</b>	<b>\$43,522,046</b>	<b>157.8</b>

## Strategy 2.01 – Improve Training Opportunities for Federal Employees

Employee Services (ES) is responsible for providing human capital policy, products, services, and oversight to the government-wide management of: Senior Executive Service (SES) and senior-level (SL) and scientific and professional (ST) employees; leadership training and development; general performance appraisal systems and implementation; and general awards programs.

With respect to leadership training and development, operational responsibilities include:

- Review of legislation, development of regulations, and issuance of operational guidance;
- Approval and oversight of agency SES Candidate Development Programs (CDPs), including the review and approval of these programs; and
- Continued support of the President’s Management Council (PMC) initiatives to improve the SES in a number of areas, including executive on-boarding, leadership development framework, and best practices for executive development.

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$972,628	9.4
<b>Grand Total</b>	<b>\$972,628</b>	<b>9.4</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Number of registered users of HR University	*N/A	*N/A	*N/A	4,000	8,000	12,000

\* Not Applicable – no historical data available for this period.

### Anticipated FY 2014 Accomplishments

Through the use of guidance and draft regulations, use of technology, outreach efforts and partnerships with other Federal agencies and Federal Executive Boards (FEBs), ES will continue to focus on improving training opportunities for Federal employees. ES will review draft and proposed legislation and provide comments for those related to training and executive development. Building on the efforts from FY 2013, ES will continue to build on course offerings and track the increased number of users of the online HR University training portal.

As a result of these efforts, ES expects the following outcomes to be achieved:

- Approved agency Candidate Development Programs (CDP);
- Government-wide cost savings as a result of collaborating and sharing resources across agencies;
- Increased placement rates of SES CDP participants into SES positions; and
- Agency implementation of executive on-boarding programs.



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

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

The offices of Planning, Policy and Analysis (PPA) and Healthcare and Insurance (HI) collaborate to ensure employees’ needs are met and available benefits align with best practices. Specifically, PPA provides actuarial support by reviewing the cost of contracts under Federal benefits programs, conducts rate negotiations with carriers, and determines the amount the government contributes towards employees’ benefits. PPA also provides policy guidance, which includes conducting evaluations of public and private sector organization’s benefit survey results to ensure Federal benefits are competitive. HI oversees Federal benefits programs, which include contracting with insurance carriers as well as operating an annual open season for Federal employees and retirees to review and consider changing their current health, dental and vision benefit choices.

Also, PPA is assessing the impact of the 2011 tobacco cessation guidelines to FEHB plans to cover prescription drugs and counseling services for all enrollees for up to two quit attempts per year with no cost-share. Data is being collected and will be used to determine the costs and benefits due to this change in the benefit, compared to previous utilization and coverage offered by each of the plans. OPM will use this information to conduct long term impact analyses, including averted costs and savings due to increased cessation services.

Org/Fund	\$	FTE
<b>Healthcare &amp; Insurance</b>		
Salaries & Expenses Appropriation	\$252,009	1.9
TF Dental and Vision Benefits	\$16,778,000	3.8
TF Limit - Annual	\$8,504,496	76.0
Trust Fund Title V - Long Term Care	\$1,777,001	2.9
<b>Planning &amp; Policy Analysis</b>		
TF Dental and Vision Benefits	\$271,000	2.3
TF Limit - Annual	\$7,820,004	27.0
Trust Fund Title V - Long Term Care	\$271,000	2.3
Trust Fund-Title V	\$523,000	5.0
<b>Grand Total</b>	<b>\$36,196,510</b>	<b>121.2</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of FEHB customers satisfied with OPM's Open Season Website	67%	79%	70%	70%	70%	70%
Percent of health claims processed within 30 working days	98%	99%	98%	97%	98%	98%

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of health benefits claims processed accurately	98%	98%	98%	96%	96%	96%
Rate of improper payments in FEHBP	0.30%	0.15%	0.38%	0.28%	0.28%	0.28%
Percent of FEHBP enrollees satisfied versus health industry standard	FEHBP 77% Industry 62%	FEHBP 77% Industry 63%	FEHBP 76% Industry 64%	FEHBP 78% Industry 66%	FEHBP ≥ Industry Standard	FEHBP ≥ Industry Standard
Percent increase in FEHB premiums less than or equal to the private sector premium increases for comparable benefits	*N/A	7.3%	3.8%	3.4%	FEHBP ≤ Private Sector	FEHBP ≤ Private Sector
FEHB prescription drug cost growth is below private sector industry average	*N/A	*N/A	*N/A	2.5%	FEHBP ≤ Industry Standard	FEHBP ≤ Industry Standard
Average number of days to pay Federal Employees Group Life Insurance Claims	5.5	4.3	4.4	4.2	FEHBP < 10 day Industry Standard	FEHBP < 10 day Industry Standard
Percent of Federal Long Term Care Insurance program customers satisfied with overall customer service	99%	93%	92%	91%	90%	90%

### Anticipated FY 2014 Accomplishments

PPA will collect, maintain and analyze healthcare data on an ongoing basis. This data will be derived from health claims under the Federal Employees Health Benefits (FEHB) Program and will include drug utilization from pharmacy benefit managers. Additionally, PPA will conduct a benchmark analysis of Federal benefits programs compared to private sector and other public sector organizations to determine if Federal benefits remain competitive for Federal agencies to use in recruitment and retention. Additionally, a survey will be conducted of Federal employees to evaluate employee perceptions on the value and importance of benefit programs and whether they meet their needs.

The following activities will be completed by HI in support of this strategy:

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

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

PPA provides support for wellness programs by conducting an analysis of the impact of the worksite wellness programs at Federal agencies including, OPM’s Wellness Works program and HHS’s FedStrive program. OPM is also working to conduct comprehensive and rigorous evaluations of Federal Worksite Wellness Programs. Worksite wellness program evaluations are designed to cover all aspects of worksite wellness including the effectiveness and efficiency of health and wellness interventions, benefits, costs, outreach, absenteeism, employee morale, and other outcomes, including the impact of improved health on productivity.

Org/Fund	\$	FTE
<b>Planning &amp; Policy Analysis</b>		
Salaries & Expenses Appropriation	\$2,760,796	9.0
<b>Grand Total</b>	<b>\$2,760,796</b>	<b>9.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Improvement of satisfaction with work/life programs as measured by Employee Viewpoint Survey	*N/A	*N/A	*N/A	Baseline	5% increase over FY 2012	5% increase over FY 2013

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

During FY 2014, PPA will conduct the following activities:

- PPA will conduct the Employee Viewpoint Survey and solicit feedback from employees across the Federal government on a wide variety of work life improvements;
- OPM will conduct rigorous evaluations of health-related issues affecting Federal employees and retirees;
- Conduct a benchmark study of Federal benefits programs compared to private sector and other public sector programs;
- Conduct Federal employee benefits survey; and
- Assess OPM’s overall health and wellness strategy.

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

Executive Order No. 13522 promotes a cooperative and productive form of labor-management relations with the ultimate goal of improving the productivity and effectiveness of the Federal government and delivering the highest quality services to the American people.

OPM’s Employee Services (ES) organization manages the daily activities of the National Council on Federal Labor Management Relations and provides on-going policy guidance to agencies working to establish labor management forums. The work of the National Council is critical to implementing the goals of the President regarding cooperative labor management relations in the Federal government. The National Council relies on ES to coordinate the work of the Council which is comprised of senior leaders from cabinet level agencies, national labor unions, and other organizations with an interest in labor management relations in the Federal government. Federal agencies rely on ES to provide advice and guidance as they encounter challenges in reforming the way they conduct labor management relations in support of improving government operations.

In addition, ES supports the continued implementation of the President’s Executive Order on labor management forums as well as other related initiatives for enhancing labor-management relations across the Federal government. ES routinely carries out the following activities in support of this strategy:

- Meets regularly with national and local leadership of organizations which represent employees and management;
- Facilitates opportunities for labor and management to meet regularly across the government;
- Encourages Federal agencies to adopt policies reflecting that collective bargaining is in the public interest and contributes to the effective conduct of public business;
- Helps agencies develop best practices, training, and metrics on labor-management relations and dispute resolution; and
- Promotes collaboration as a means of achieving organizational objectives.

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$2,201,148	18.2
<b>Grand Total</b>	<b>\$2,201,148</b>	<b>18.2</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of Executive Order 13522 forums that hold at least quarterly meetings between labor and management	*N/A	*N/A	*N/A	Baseline	5% increase over baseline	5% increase over FY 2013
Number of government-wide bargaining unit employees represented by a union in a labor management forum	*N/A	*N/A	765,757	825,000	907,000	950,000

\*Not Applicable – no historical data available for this period.

### **Anticipated FY 2014 Accomplishments**

ES will continue its efforts to enhance labor management relations across the Federal government under Executive Order 13522 by:

- Providing comprehensive and extensive support to the National Council on Federal Labor Management Relations;
- Conducting regular outreach to national unions on policy issues;
- Providing comprehensive and expert advice and guidance to agency practitioners on labor and employee relations matters, including matters related to implementation of E.O. 13522;
- Reviewing over 6,000 decisions of the Merit Systems Protection Board and providing advice and recommendations to the Director;
- Providing expert review and guidance on numerous legislative proposals impacting Federal employees;
- Publishing an annual report on labor union official time usage; and
- Developing skills of practitioners by offering training opportunities through a variety of delivery methods.

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

OPM’s Employee Services (ES) organization helps promote the safety of the Federal workforce through Emergency Preparedness via the Federal Executive Boards (FEBs). ES develops and implements policies and procedures to help departments and agencies prepare and respond to emergency situations. ES provides oversight and direction of the nationwide FEB program. Federal Executive Boards disseminate OPM guidance in their role of communication and coordination to assist local agencies’ responses to all hazardous events. The FEBs serve 28 geographic areas of the United States by bringing together senior officials of Federal agencies represented in that area to address all matters of interagency communication, coordination and collaboration. A major area of emphasis for the FEBs is to improve local agencies’ preparedness for emergency events.

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$0	0.0
<b>Grand Total</b>	<b>\$0</b>	<b>0.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of FEBs reporting on annual compliance with the FEB Network Strategic Plan.	100%	100%	100%	100%	100%	None

### Anticipated FY 2014 Accomplishments

No OPM activity is planned for FY 2014 associated with this strategy.

## **Strategy 2.06 - Create the 21st Century Flexible Workplace to Enhance Employee Engagement and Improve Satisfaction**

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

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

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

Telework is implemented in Federal agencies to: (1) improve continuity of operations, (2) promote management effectiveness, and (3) enhance work/life balance. The Telework Enhancement Act (the Act) supports achievement of these goals and includes OPM among agencies that are assigned responsibilities to support agencies as they work to achieve the goals of the Act. OPM's Employee Services (ES) organization has taken a lead role and offers support to agencies, with a focus on these key areas:

- Giving agencies the tools to promote health and wellness among employees;
- Evaluating and revising agency telework and other work schedule policies;
- Helping agencies to address employee satisfaction with work-life flexibilities and benefits; and
- Encouraging agencies use of telework to reduce management costs and improve continuity of operations.

ES has taken a three-tiered approach to providing guidance on the Act: (1) disseminate policy guidance covering broad issues and specific agency questions in priority order via email messages to Telework Managing Officers (TMOs) and coordinators, (2) maintain the [www.telework.gov](http://www.telework.gov) website to include web-based telework training, dedicated to information on the Act; and (3) publish and maintain a detailed Guide to telework in the Federal government.

The Act places particular emphasis on OPM's role in supporting government-wide telework measurement and consequent reporting activities. Agencies are required to set goals for participation to advance telework. Importantly, it encourages agencies to think beyond participation to assess telework's impact on other strategically important outcomes like retention, employee attitudes, performance, and energy use. OPM has worked with the Federal Shared Service Centers to automate the collection of telework data via the Enterprise Human Resources Integration (EHRI) Human Resource and Payroll data feeds. An employee's telework eligibility and usage will be collected, summarized and reported to OPM via the monthly EHRI HR-Status data feed and bi-weekly EHRI payroll data feed. Once implemented, payroll data will provide the foundation for future agency telework goal setting efforts.

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$1,390,964	0.0
<b>Grand Total</b>	<b>\$1,390,964</b>	<b>0.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Wellness inclusion opportunities-- Weighted average number of wellness program opportunities per work location; weighted by the employee population of the work location	*N/A	55	60	70	80	TBD

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

During FY 2014, ES will conduct the following activities:

- Providing a suite of flexible benefits and promoting a healthy work/life balance across the Federal government;
- Provide agencies tools to help them promote health and wellness, evaluate their programs and address employee satisfaction;
- Encourage Federal agencies to expand and improve their wellness programs;
- Give agencies the tools to promote health and wellness among employees;
- Evaluate and revise agency telework and other work schedule policies;
- Help agencies to address employee satisfaction with work-life flexibilities and benefits;
- Encourage agencies use of telework to reduce management costs and improve continuity of operations;
- Disseminate policy guidance covering broad issues and specific agency questions in priority order via email messages to Telework Managing Officers (TMOs) and coordinators;
- Maintain the [www.telework.gov](http://www.telework.gov) website to include web-based telework training, dedicated to information on the Act; and
- Publish and maintain a detailed Guide to telework in the Federal government.
- Guide agencies in developing government-wide telework measurement and consequent reporting activities.



## Strategic Goal 3: Expect the Best

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

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

OPM developed the strategies associated with the Expect the Best Strategic Goal in order to hold the Federal workforce and its leaders accountable for results. But in order to do that, OPM recognizes that it must lead this effort across the Federal government. *Strategy 3.03 – Provide Leadership and Direction to Government-wide HR Programs* focuses the government’s efforts at a strategic level. For this effort to be a success, however, OPM must also provide assistance to agencies and does so under *Strategy 3.01 – Help Agencies Become High Performing Organizations with the Use of HR Tools*. In order to sustain and institutionalize an expectation of performance and accountability, the Federal government must support its strongest leaders. *Strategy 3.02 – Recognize, Select, and Sustain Individuals who Provide Strong Leadership and Direction for Agencies* recognizes this requirement. Another facet of sustaining both the workforce and leadership is to provide tools and flexibilities to accomplish their jobs. Once OPM has provided the leadership and tools necessary for agencies to achieve superior performance, *Strategy 3.04 – Hold Agencies to Account for Improvements in Strategic Human Resources Management* holds Federal agencies accountable for their human resources efforts and actions. OPM realizes that holding others accountable is meaningless unless OPM, as an agency, holds itself to those same standards; and does so through *Strategy 3.05 - OPM Will Lead by Example to Implement Human Resources Reforms and Reinvigorate our Approach to Individual and Organizational Performance Management. Strategy*

**FY 2014 Request – Total Resources by Strategy and Funding Source (dollars)**

<b>Goal/Strategy</b>	<b>\$</b>	<b>FTE</b>
<b>Expect the Best</b>		
<b>3.01</b>		
<b>Help Agencies Become High Performing Organizations with use of HR Tools</b>		
Revolving Fund	\$63,319,429	110.5
Salaries & Expenses	\$2,828,422	18.1
EHRI S&E No-Year	\$5,703,800	2.5
<b>3.02</b>		
<b>Recognize, Select, and Sustain Individuals Who Provide Strong Leadership and Direction for Agencies</b>		
Salaries & Expenses	\$2,094,417	13.6
<b>3.03</b>		
<b>Provide Leadership and Direction to Government-wide HR Programs</b>		
Revolving Fund	\$803,170,000	510.0
Salaries & Expenses	\$10,453,903	64.7
HRLOB S&E No - Year	\$1,345,200	4.0
<b>3.04</b>		
<b>Hold Agencies to Account for Improvements in Strategic Human Resources Management</b>		
Salaries & Expenses	\$11,697,050	90.3
<b>3.05</b>		
<b>OPM will lead by example to implement human resources reforms and to reinvigorate our approach to individual and organizational performance management</b>		
Common Services	\$6,901,528	52.7
Revolving Fund	\$0	19.0
<b>Grand Total</b>	<b>\$907,763,749</b>	<b>887.4</b>

Note: Strategy 3.05 reflects Direct Funded FTE from Revolving Fund programs; while dollars for Direct Funded positions are contained within FIS and HRS programs.

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

Employee Services (ES) and the Office of Chief Information Officer (OCIO) work together to help agencies become high performing organizations. As the OCIO provides the necessary information technology (IT) infrastructure to facilitate the exchange of human resources (HR) data and information government-wide, ES can efficiently evaluate agency performance management systems using various tools, including the Performance Appraisal Assessment Tool (PAAT), and provide feedback to agencies in a timely manner. ES also provides agencies performance management workshops and in-depth technical assistance on system design and implementation. In addition, ES hosts interagency forums that foster an environment for sharing human resource best practices.

Agencies are also reviewed to determine their level of performance through the use of Human Capital Management Reports (HCMRs). The HCMRs serve as an evaluative tool to ensure agencies are achieving results in their human capital management programs that contribute to mission accomplishment. Agencies are also assisted with reaching their optimal performance through performance management workshops, forums, and in-depth technical assistance on system design and implantation. ES also hosts interagency forums that foster an environment for sharing human resources best practices.

Org/Fund	\$	FTE
<b>Chief Information Officer</b>		
RF Enterprise Human Resources Integration	\$32,617,856	9.5
RF Employment Services (HRTT)	\$30,701,573	101.0
EHRI Salaries and Expenses - No - Year	\$5,703,800	2.5
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$2,828,422	18.1
<b>Grand Total</b>	<b>\$71,851,651</b>	<b>131.1</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of agencies requesting system certification that receive full credit for Alignment and Measurable Results	*N/A	*N/A	90%	92%	93%	95%
Number of days after Employment Viewpoint Survey completion that data is provided to the OPM Director and other Federal agencies	*N/A	*N/A	95	95	95	95
Percent of customers agreeing that HRTT products and services contribute to government effectiveness.	*N/A	*N/A	92%	100%	92%	92%
Index score of customer satisfaction with HRTT products and services (American Customer Satisfaction Equivalent - ACSI score)	*N/A	*N/A	88	89	80	80

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Data Warehouse Availability (percent of time application available divided by total available time per service agreement)	*N/A	*N/A	99.9%	99.2%	99.6%	99.7%
Percentage of converted hard copy official personnel folders government-wide	*N/A	*N/A	88.9%	**100%	99%	100%
Number of Folders on eOPF created	1,285,137	1,440,000	1,620,000	2,003,377	1,800,000	2,100,000
Number of Scorecard Agencies on eOPF	21	26	26	26	26	26
eOPF Customer Satisfaction percentage	87%	90%	88.4%	90%	91%	90%

\*Not Applicable - no historical data available for this period.

\*\*Previously reported as 95% in FY 2013 Budget

### Anticipated FY 2014 Accomplishments

ES will provide human capital policy, products, services, and oversight to the government-wide management of: Senior Executive Service (SES) and senior-level (SL) and scientific and professional (ST) employees; leadership training and development; general performance appraisal systems and implementation; and general awards programs. Operational activities that support this strategy include:

- Preparation of reports on SES, performance ratings, and performance awards;
- Review, approval, and certification of agency performance appraisal systems; and
- Policy, guidance, and oversight of non-SES performance management and government-wide award programs.

The OCIO provides the IT infrastructure through the Enterprise Human Resources Integration (EHRI) program. The goal of EHRI is to streamline and automate the exchange of Federal Employee human resources (HR) information government-wide. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR community with access to employee HR data to improve workforce planning for hiring, skills development, and retention strategies.

In support of this strategy, the OCIO will provide basic infrastructure maintenance for EHRI; disaster backup and recovery; database and systems maintenance; and up-to-date, secure, and efficient underlying operating systems and data storage systems. In addition, OCIO will provide: EHRI hosting and help desk services through the National Business Center (NBC); technical support on EHRI data warehouse interfaces, agency data transmissions, and data quality; and minor system enhancements and fixes approved through the EHRI Change Control Board.

HRTT will continue to deliver products and services to Federal customers, allowing agencies to become high-performing organizations. HRTT will recover costs of operations by managing dozens of individual reimbursable agreements with its customers. Costs and associated pricing models are determined through a rigorous assessment of direct costs of service delivery, indirect costs of program administration, and the OPM common services assessment, in order to maintain the lowest possible price for service delivery. By leveraging its strong reputation and expert knowledge in information technology, HRTT will continue to support the vision to build the Federal Government as America's model employer for the 21st century.

As a result of these combined efforts, the following outcomes will be achieved:

- Agency implementation of the basic SES appraisal system;
- Use of streamlined certification process by agencies adopting the basic SES appraisal system;
- Agencies successfully implementing performance plans aligned with organization goals and based on results; and
- Agencies properly evaluating their appraisal programs through the administration of the Performance Appraisal Assessment Tool (PAAT).

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

Employee Services (ES) is responsible for providing human capital policy, products, services, and oversight to the government-wide management of: Senior Executive Service (SES) and senior-level (SL) and scientific and professional (ST) employees; leadership training and development; general performance appraisal systems and implementation; and general awards programs.

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$2,094,417	13.6
<b>Grand Total</b>	<b>\$2,094,417</b>	<b>13.6</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
The percentage of agencies that score a full 10 points on the SES-PAAT for the section on Alignment, and also score a full 15 points on the SES-PAAT section evaluating measurable results	*N/A	*N/A	54%	92%	93%	95%
Average number of business days from receipt of complete qualifications review board packages to complete review of qualifications of new government-wide SES candidates	*N/A	*N/A	*N/A	15	15	15

\*Not Applicable – no historical data available for this period.

### Anticipated FY 2014 Accomplishments

ES will continue the SES appraisal system certification process and ensure that agencies' executive performance plans align to organizational goals. ES will provide agencies extensive feedback on the quality and results of their systems. ES will also issue updated certification guidance as needed and complete future action plans resulting from the agency survey on the certification process. In addition, ES will accomplish the following activities in support of this strategy:

- Administration of the Qualifications Review Board;
- Administration of the Presidential Rank Awards program;
- Review and approval of agency requests for limited term and limited emergency SES appointments, and out-of-cycle SES/SL/ST allocations;
- Review and processing of requests for non-career SES and Schedule C appointments;
- Coordination and approval of biennial allocations; and
- Preparation and publication of Federal Register notices for Schedule A, B, C, appointments and career reserve positions.

OPM's will continue to collaborate with and lead agencies through the initial development of Federal-wide Goals-Engagement-Accountability-Results (GEAR) policy processes and implementation efforts. During FY 2013, OPM began a GEAR pilot at three agencies, OPM, Energy, and HUD. OPM will identify best practices and OPM will facilitate adoption of those practices to other agencies. The best practices are a set of interrelated processes that will improve employee and organizational performance.

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

OPM provides leadership and direction to government-wide human resources (HR) programs. OPM designs innovative strategies that will enable Federal agencies to shape their workforce and desired products and services. OPM partners with agencies on strategic and operational issues that can include but are not limited to evaluating HR programs ability to drive agency results, workforce supply, pay, benefits, diversity, and involves a variety of analytical tools, including actuarial analysis, surveys, economic analysis, and policy analysis. OPM accomplishes this strategy through the support of four organizations: Employee Services (ES), Human Resource Solutions (HRS), Planning & Policy Analysis (PPA) and the Office of the Chief Information Officer (CIO).

ES provides leadership and direction to government-wide HR programs through strategic and tactical support to agencies. This includes responding to human resources management (HRM) requests of agencies and other key stakeholders with timely and accurate decisions and information. ES assesses the HRM performance of Federal agencies based on OPM priorities and key human resources/human capital metrics and measures.

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

ES provides day-to-day support for personnel demonstration projects that fall under OPM's oversight authority. Demonstration projects are authorized under chapter 47 of title 5, United States Code. Under this authority, OPM establishes and evaluates demonstration projects designed to test whether certain changes in personnel management practices, such as a change to performance-based pay from a longevity-based system, would improve Federal personnel management.

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

PPA examines policy options, legislative changes, and the management of HR policy, specifically including insurance and employee health and wellness benefits for Federal employees. PPA ensures that the benefits provide maximum value and are secure. PPA also conducts actuaries' analysis, statistical tests using large data bases and analysis of results from surveys of Federal employees. PPA's overall mission is to analyze program trends and policy issues that affect OPM and the Federal workforce. PPA also provides critical assessments to OPM management on compliance with strategic goals and performance improvement.

Technology is a key enabler of OPM's human resource strategy. OPM's CIO provides information technology services to OPM programs in support of agency human resource systems. OPM Human Resources Line of Business (HRLOB) leads the government-wide transformation of HR Information Technology by focusing on modernization, integration, and performance assessment. The HRLOB is one of the most successful government-wide initiatives and is a model for its cross-agency collaboration. The HRLOB has achieved significant HR service delivery improvements and cost savings results. The HRLOB initiative generates benefits through Human Resources Information Technology (HRIT) consolidation, standardization, and modernization. The initiative's recently updated cost benefit analysis



shows that the HRLOB is on track to save the government \$1.6 billion through FY 2015 and \$184 million annually after that.

Org/Fund	Budgetary Resources	
	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$7,535,019	49.7
<b>HR Solutions</b>		
RF Employment Services	\$800,170,000	510.0
<b>Planning &amp; Policy Analysis</b>		
RF HRLOB Activities	\$3,000,000	0.0
Salaries & Expenses Appropriation	\$2,918,884	15.0
HRLOB S&E No - Year	\$1,345,200	4.0
<b>Grand Total</b>	<b>\$814,969,103</b>	<b>578.7</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of customers agreeing that HR Solutions products and services contribute to government effectiveness	99%	93%	87%	90%	90%	87%
Index score of customer satisfaction with HR Solutions products and services (ACSI Equivalent Index)	84	80	75	80	80	75
Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	27%	28%	28%	33%	29%	29%
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more.	*N/A	52%	56%	38%	42%	42%
Number of governance meetings to engage stakeholders	12	12	12	12	12	12

\* Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

During FY 2014, OPM will continue assisting agencies across the Federal government in their pursuit to provide leadership and direction on human resources programs through the activities identified below.

ES will continue the SES appraisal system certification process and ensure that agencies' executive performance plans align to organizational goals. ES will provide agencies extensive feedback on the quality and results of their systems. ES will also issue updated certification guidance as needed and complete future action plans resulting from the agency survey on the certification process.

ES will accomplish the following activities in support of this strategy:

- Workforce Planning/Restructuring – increasing efficiencies and a restructuring of the Human Capital Assessment and Accountability Framework (HCAAF) strategic workforce planning system and all related processes and procedures;
- HRStat – conducting data driven reviews of agency performance and mission accomplishment;
- Improve manager satisfaction with applicant quality;
- Improve applicant satisfaction and hiring time by making the process easy to understand and communicating status to applicants during the application process; and
- Hiring Reform Phase II.

During FY 2014, HRS will continue to provide assisted acquisition services and project management to client agencies in the areas of HR Strategy, Learning Management, Recruitment & Branding, and Training. HRS will serve as the program office for USA Staffing and OPM's Talent Acquisition System for Federal agencies. Also, HRS will continue to partner with agencies to meet their missions by providing effective staff acquisition solutions that attract, assess, and build a high-quality public sector workforce and transform agencies into high performing organizations.

HRS will accomplish the following activities in support of this strategy:

- Training centers will focus on gaining access to state-of-art technology focused on delivering leadership and management educational programming through social media and technological pathways;
- Training centers will streamline their ability to provide more efficient customer service through improving integrated operational systems;
- Develop and deliver five new educational programs for the Federal workforce to improve their ability to develop and implement public policy;
- Conduct Federal market research and needs assessment to better align educational offerings with current needs of a 21st century government;
- Invest the ASF to continuously improve human capital and training services provided to federal agencies through the Vendor Management Branch; and
- Invest the ASF to continuously improve human capital and training services provided to federal agencies through the Vendor Management Branch.

During FY 2014, PPA will continue conducting strategic analysis that spans the full range of human resources management issues facing Federal agencies. PPA will continue to providing workforce planning information focused on workforce supply, pay, benefits, and diversity. In addition, PPA will maintain key human resource data on more than two million Federal employees.

PPA will accomplish the following activities in support of this strategy:

- Manage the Statistical Data Mart and FedScope databases which are used to support Federal agency workforce planning;
- Work with Federal agencies to improve the timeliness and quality of their data and to ensure that the reports on governmental statistics are provided on an accelerated cycle; and
- Provide key statistical data on Federal government employment and trends on the OPM.gov website, and assist agencies with specific data needs for their workforce planning, including making more information and analysis available help them better understand issues facing the Federal workforce, and increase transparency.

The HRLOB has established public and private Shared Service Centers (SSCs) to provide technology solutions to support multiple agencies with HR information technology, HR management, and back office activities. Six Federal and four private sector SSCs have been selected and established to leverage economies of scale, reduce costs, and increase the quality and consistency of services provided. The HRLOB supports agencies in their selection of and migration to SSCs consistent with the business model determined by the agency. This service delivery model frees up agency HR resources to provide valuable strategic and consultative support to agency missions. In FY 2014, the HRLOB will:

- **Planning and Strategy Formulation** -- Develop and execute the HRLOB strategy to achieve the initiative goals and objectives. Promote effective and efficient collaboration across partner agencies and other stakeholders through the HRLOB governance structure. Coordinate integration and interoperability governance by working with OPM government-wide system owners. Manage the HRLOB Cost Benefit Analysis to provide a strong financial justification for moving to shared services.
- **Performance Management Framework** – Conduct an assessment of Federal HR and payroll providers based on program improvement recommendations. Work with agencies and providers to identify and pursue opportunities to become more efficient, customer service-oriented, cost effective, and more strategically focused. Collect and analyze performance measures from all HRLOB SSCs.
- **Migration Oversight and Support** – Support and monitor agencies and SSCs in the process of selecting and migrating HR services to the SSC environment. Work with OMB to obtain flexible funding mechanisms for SSCs. Work with HRLOB stakeholders to optimize the number and structure of approved Federal SSCs.
- **HRIT Transformation** – Provide and manage a government-wide Human Resources Information Technology (HRIT) strategy that promotes interoperability and integration across the Federal government; put into place the standards, guidelines, architectural specifications, and governance to achieve integration; and establish government-wide HR data and data exchange models. Maintain HRIT inventory of agency systems to support the sharing of information between agencies and SSCs.
- **Agency HR Transformation** – Conduct annual agency HR Benchmarking studies and collect and analyze results to gain insight into agency HR services. Design target HR and HRIT operating models for agencies to consider in determining own operating strategy and environment.

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

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

To implement this strategy, Merit System Audit and Compliance (MSAC) carries out OPM's statutory oversight responsibilities by ensuring agency human resources programs adhere to merit system principles, operate effectively, and meet requirements set by law, regulation, and government-wide policy. MSAC oversight responsibilities include the following:

- Ensure agency compliance with merit systems principles by conducting audits of Federal agencies' HR programs;
- Identify high-risk vulnerabilities and areas of non-compliance in agency human resources programs and take corrective actions;
- Train and certify agency staff to conduct delegated examining operations;
- Train agency staff in agency-led human resources evaluations as required by 5 CFR 250.203;
- Audit agencies' implementation of hiring reform as required by the President's May 11, 2010 memorandum: *Improving the Federal Recruitment and Hiring Process*;
- Ensure hiring of current or former political appointees into the competitive service, excepted service and career senior executive service is fair, open, and free from political influence, year-round;
- Evaluate agencies' accountability systems for effectiveness and compliance with the law; and
- Manage and adjudicate Fair Labor Standards Act claims, classification appeals, and pay claims.

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

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

Org/Fund	\$	FTE
<b>Merit System Audit &amp; Compliance</b>	<b>\$11,697,050</b>	<b>90.3</b>
Salaries & Expenses Appropriation	\$11,697,050	90.3
<b>Grand Total</b>	<b>\$11,697,050</b>	<b>90.3</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of delegated examining units found to have severe problems demonstrate satisfactory level of competence or cease to operate independently within 1 year following completion of an audit.	*N/A	*N/A	100%	91%	85%	85%
Average number of business days to issue final HR management evaluation reports identifying required corrective actions to ensure agency compliance with applicable laws, rules and regulations.	90 days	90 days	110 days	80 days	110 days	110 days
Percentage of participants assess the quality of MSAC delegated examining and evaluator training at no less than 4 out of 5 points on a scale of 1 to 5.	*N/A	*N/A	94%	93%	80%	80%
Percentage of delegated examining units with systemic veterans' preference violations that take corrective action within 60 business days of agency notification.	*N/A	*N/A	*N/A	100%	85%	85%
Average number of business days to follow up with agencies on progress addressing action items in the final HR management evaluation report.	*N/A	*N/A	*N/A	29 days	60 days	60 days
Percentage of classification and job-grading appeal decisions that exceed timeliness standards.	9%	0%	0%	4%	<8%	<8%
Percentage of evaluator time spent engaging with (advising, assisting, training, evaluating, and reporting on) CHCO agencies with accountability systems considered less than effective and Delegated Examining Units with severe deficiencies.	*N/A	*N/A	*N/A	*N/A	60%	60%
Percentage of required actions cited in reports that are addressed by agencies within MSAC prescribed timeframes.	*N/A	*N/A	*N/A	*N/A	80%	80%

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of agency human capital or human resources (HR) offices evaluated by OPM that demonstrate progress in improving their human capital programs.	*N/A	*N/A	*N/A	*N/A	*N/A	70%

\*Not Applicable--no historical data available for this period.

### Anticipated FY 2014 Accomplishments

MSAC will conduct evaluations of agency delegated examining operations to assess compliance with merit system principles, law, and regulations, including veteran's preference requirement.

- There are 450 delegated examining units government-wide. Completing at least 150 delegated examining audits per year ensures agency delegated examining units are audited on a three-year cycle and allows MSAC to re-audit delegated examining units with severe compliance issues frequently to maintain oversight of corrective actions. Based on evaluator staff level and to reduce travel costs in FY 2014, MSAC would conduct or participate in a maximum of 133 delegated examining audits, at least 30 of which would be "virtual" (i.e., staff would conduct the audits from their workstations) rather than onsite at the agency being audited. This would ensure agency delegated examining units are audited every 3.38 years and allow MSAC to re-audit severe delegated examining units slightly more frequently.

MSAC will oversee and participate in agency-led HR management evaluations and help agencies build/maintain effective accountability systems.

- In FY 2014, based on evaluator staff level and to reduce travel costs, MSAC will participate in a maximum of 90 agency-led evaluations and 12 CHCO agencies' accountability system audits.

MSAC will conduct independent evaluations of small agencies to determine if their human capital programs support the mission and meet merit system principles and related civil service laws.

- In FY 2014, MSAC will conduct a maximum of 16 OPM-led Human Capital Management Evaluations (HCME) and Small Agency Compliance Review (SACR) audits based on expected evaluator staff levels.

MSAC will evaluate agency human resources Shared Service Providers.

- MSAC's statutory oversight responsibility extends to the work performed by human resources service providers and contractors that provide human resources services to client agencies. A growing number of CHCO agency components and small agencies are shifting to this shared service center delivery model. MSAC will conduct audits of selected shared service providers in FY 2014 as funding permits.

The reduced number of MSAC evaluations (as compared to previous years) outlined above could leave some agencies vulnerable to committing more frequent violations of law and merit system principles, as their accountability staff would be less prepared to conduct effective audits of their HR programs without OPM participation and training.

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

OPM's Employee Services (ES) organization provides a wide variety of strategic and operational Human Resources services to the OPM workforce. ES ensures OPM hires the right people, with the right skills and competencies, at the right time, in a manner that is cost-effective and efficient. The office's recruitment practices also help cultivate a diverse workforce that is reflective of the public and ensures that staffing and recruitment processes are carried out in accordance with legal and regulatory requirements and in concert with government-wide hiring reform initiatives. ES assists managers in maximizing employee performance by providing them with support and technical assistance on how to provide feedback and develop rigorous performance standards, as well as by administering a supervisory selection process that focuses on the key leadership competencies needed for successful supervision. ES also administers a variety of wellness and work/life programs that help OPM employees balance work and family.

Org/Fund	\$	FTE
<b>Employee Services</b>		
Salaries & Expenses Appropriation	\$250,000	2.0
RF - Revolving Fund Direct	\$0	19.0
Common Services	\$6,901,528	52.7
<b>Grand Total</b>	<b>\$7,151,528</b>	<b>73.7</b>

Note: Strategy 3.05 reflects Direct Funded FTE from Revolving Fund programs; while dollars for Direct Funded positions are contained within FIS and HRS programs.

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of (OPM internal) jobs announced within 10 days of receipt of SF-52 and certificates are issued within 15 days (Hiring timeframes against 80-day model standards)	*N/A	75%	81%	80%	80%	70%
Percent of (OPM internal) jobs certificates issued within 15 days (Hiring timeframes against 80-day model standards)	*N/A	75%	87%	80%	80%	70%

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

ES administers a variety of wellness and work/life programs that help employees balance work and family. In addition, the office manages retirement and benefits program administration, Employee Assistance Program services, and employee recognition and support programs and policies. These programs and policies create an environment within the Agency that fosters employees' commitment to the organization. ES will:

- Provide timely and high-quality staffing services and enable OPM managers to meet hiring needs;
- Provide supervisory support and assistance to help supervisors and managers maximize employee performance;
- Complete an annual, mandatory Agency-wide program assessment/review and Delegated Examining Unit review;



- Administer work/life program and benefits programs that contribute to improved employee satisfaction;
- Provide a wide variety of operational human resources services in accordance with law, regulation, and Agency policy to ensure compliance with human resource laws and regulations; and
- Coordinate the development of action plans to address the results of the FY 2013 Employee Viewpoint Survey.

Employee Services anticipates the following outcomes for FY 2014:

- Hiring managers are able to recruit and retain the talent needed to deliver their organizational mission;
- OPM “walks the talk” in modeling effective performance appraisal and employee accountability practices;
- Employee satisfaction with performance culture and engagement improves;
- Diversity of the OPM workforce improves, including veterans and people with disabilities;
- Managers are satisfied with HR services;
- Increased OPM employee satisfaction with telework; and
- Improved employee satisfaction with wellness/work-life/retirement/benefits.



## Strategic Goal 4: Honor Service

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

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

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

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

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

### FY 2014 Request – Total Resources by Strategy and Funding Source (dollars)

Goal/Strategy	\$	FTE
<b>Honor Service</b>		
<b>4.01</b>		
<b>Develop a 21st Century Customer Focused Retirement Processing System that Adjudicates Claims in timely and accurate manner</b>		
Trust Fund Annual	\$55,954,091	649.0
Trust Fund - No Year	\$2,600,000	0.0
Trust Fund-FERCCA	\$1,065,000	6.0
Trust Fund-Title V	\$36,496,000	295.0
<b>4.02</b>		
<b>Improve OPM service to Federal agency benefit officers</b>		
Trust Fund Annual	\$1,941,264	14.0
Trust Fund-FERCCA	\$1,044,000	6.0
<b>Grand Total</b>	<b>\$99,100,355</b>	<b>970.0</b>

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

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

Org/Fund	\$	FTE
<b>Retirement &amp; Benefits</b>	<b>\$96,115,091</b>	<b>950.0</b>
TF Limit - Annual	\$55,954,091	649.0
Trust Fund Limitation - No Year	\$2,600,000	0.0
Trust Fund Title V - FERCCA	\$1,065,000	6.0
Trust Fund-Title V	\$36,496,000	295.0
<b>Grand Total</b>	<b>\$96,115,091</b>	<b>950.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Average unit cost (direct labor only) for processing retirement claims	\$81.97	\$105.94	\$107.62	\$101.89	\$108.29	\$104.73
Percent of retirement and survivor claims processed accurately	98%	98%	94%	92%	95%	95%
Percent of retirement claims processed within 60 days	*N/A	*N/A	*N/A	*N/A	90%	90%
Relative ratio of complete retirement submissions versus incomplete cases	*N/A	77%	82%	85%	88%	88%
Percent of customers satisfied with overall retirement services	85%	81%	76%	73%	75%	70%
Rate of improper payments in the retirement program	0.32%	0.35%	0.34%	0.36%	0.33%	0.32%
Average unit cost for processing customer service requests	\$4.01	\$2.87	\$3.05	\$4.66	\$4.78	\$5.01
Percent of retirement program customer calls handled	80%	83%	83%	81%	82%	78%

\*Not applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

In FY 2014, OPM will continue to build on the goal - reached in FY 2013 - to eliminate our backlog. RS will process 90 percent of all new incoming claims to ensure they are finalized within 60 days of receipt from the agencies. Additionally, OPM will continue to work with agencies to ensure cases received are complete. This will be accomplished by:

- Developing Case Management System to facilitate benefits payments;
- Developing policy and implementing Phased Retirement by incorporating calculations in retirement systems;
- Using performance measures to ensure quality customer service;
- Strengthening quality assurance processes, policies and procedures;
- Delivering optimal customer service experiences by improving processes; and
- Advising and providing technical assistance to all OPM offices and Congress on Federal retirement policy matters.

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

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

Org/Fund	\$	FTE
<b>Retirement &amp; Benefits</b>	<b>\$2,985,264</b>	<b>20.0</b>
TF Limit - Annual	\$1,941,264	14.0
Trust Fund Title V - FERCCA	\$1,044,000	6.0
<b>Grand Total</b>	<b>\$2,985,264</b>	<b>20.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of benefits officers trained per year	52%	61%	60%	55%	52%	52%
Percent of customers who rate satisfaction with guidance material as very good or better	85%	87%	84%	100%	90%	90%
Percent of customers who rate benefits conferences as very good or excellent	*N/A	100%	95%	96%	96%	96%

\*Not applicable -- no historical data available for this period.

#### Anticipated FY 2014 Accomplishments

Retirement Services will improve service to Federal Agency Benefits Officers. This will be accomplished by using the Benefits Scorecard developed for agency benefit officer’s service delivery model as well as develop an award/recognition program for exceptional service.

To improve service to Federal Agency Benefits Officers, RS will complete the following activities:

- Conduct ongoing audits and feedback to agencies on the accuracy and completeness of claims;
- Define standards for agency benefit officers, measure their results, and recognize them for exceptional service;
- Help agencies improve their internal financial education programs; and
- Develop speakers and resources to leverage agencies' resources.

## **Strategic Goal 5: Improve Access to Health Insurance**

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

OPM will administer the Multi-State Plan Program (MSPP) to provide high quality and affordable health insurance for uninsured Americans who are seeking coverage through Affordable Insurance Exchanges (Exchanges), as provided by the Affordable Care Act (ACA). Under the ACA, OPM is responsible for contracting with health insurance issuers to provide at least two multi-State plans offerings high quality and affordable health insurance for individuals and small groups seeking coverage through exchanges. The MSPs will be among a variety of health plan options available when shopping on the exchanges.

Additionally, OPM developed and is administering the purchase of Federal Employees Health Benefits Program (FEHBP) coverage, for certain Indian tribes, tribal organizations, and urban Indian organizations as provided by the Affordable Care Act. Under ACA, OPM is responsible for providing high quality and affordable health insurance for employees of eligible tribes and tribal organizations through the FEHBP. PPA and HI are currently working on the administration of FEGLI for eligible tribes and tribal organizations.

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

## FY 2014 Request – Total Resources by Strategy and Funding Source (dollars)

Goal/Strategy	\$	FTE
<b>Improve Access to Health Insurance</b>		
<b>5.01</b>		
<b>Contract with multi-state health plans to be offered on Affordable Care Act insurance exchanges</b>		
Salaries & Expenses	\$17,630,379	56.0
<b>5.02</b>		
<b>Offer Federal Employee Health Benefits (FEHB) program benefits to employees of tribes and tribal organizations</b>		
Trust Fund Annual	\$1,940,844	3.5
<b>5.03</b>		
<b>Manage a Contract with a Health Insurer to Provide Health Insurance Coverage to People with Pre-Existing Medical Conditions</b>		
Advances & Reimbursements (PCIP)	\$1,497,200	7.7
<b>Grand Total</b>	<b>\$21,068,423</b>	<b>67.2</b>

Note: Advances & Reimbursements reflects funding for PCIP

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

Under the Affordable Care Act (ACA), OPM is responsible for contracting with health insurance issuers to offer at least two MSPs on Exchanges in all 50 States and the District of Columbia. In each State and DC, each MSP must offer a minimum of at least two plan options: a gold level option and a silver level option. The benefits and rates for each MSP option will vary State by State. When fully implemented, the MSP program will include at least 204 plan options, which exceeds the number of plan options currently offered by the FEHBP.

MSP is a new type of insurance product that has never been offered before in the private insurance market or through public programs. MSPs will be subject to many Federal and State laws and regulations in addition to OPM regulations, guidance, and contract provisions. Unlike the FEHBP, the MSP program does not include a pre-emption of State law and MSPs will generally be subject to State insurance laws and regulations. For the MSP program to be successful, OPM will need to work closely and on a continuing basis with State Departments of Insurance and Exchanges. This is a new program and OPM is incurring significant start-up costs. The inter-agency effort to implement Exchanges is continually evolving and program and IT system requirements are still under development.

The offices of Planning and Policy Analysis (PPA) and Healthcare and Insurance (HI) are collaborating to implement the ACA. PPA provides policy and actuarial support for ACA, while HI manages the Multi-State Plan program.

Org/Fund	\$	FTE
<b>Healthcare &amp; Insurance</b>		
Salaries & Expenses Appropriation	\$12,204,618	46.0
<b>Planning &amp; Policy Analysis</b>		
Salaries & Expenses Appropriation	\$5,425,761	10.0
<b>Grand Total</b>	<b>\$17,630,379</b>	<b>56.0</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Number of Multi-State plans certified by OPM	*N/A	*N/A	*N/A	*N/A	*N/A	2

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

With funding at the budget level of \$17.6 million, OPM will be able to perform the activities that are vital to the successful implementation of the Multi-State Plan Program. These activities include:

- Working closely with State Departments of Insurance and Affordable Insurance Exchanges in all 50 States and the District of Columbia to monitor MSP compliance with State laws and regulations in order to ensure that MSPs offer coverage through Exchanges in a manner that ensures a level playing field among all health plans;
- Researching and maintaining detailed knowledge of State rating laws for all 50 States and the District of Columbia in order to accurately negotiate premiums for MSPs on a State-by-State basis, also ensuring a level playing field;
- Engaging with State-level stakeholders in the health care community in all 50 States and the District of Columbia;
- Conducting outreach to consumers in all 50 States and the District of Columbia;
- Performing detailed contract oversight and management using automated systems, ensuring timeliness of corrective actions;
- Developing and operating an automated system to handle consumer and issuer appeals;
- Conducting audits of MSP performance and quality;
- Developing and implementing automated systems for MSP reporting of financial and quality data to OPM, HHS, and Exchanges; and
- Beginning data feeds from Multi-State Plans into the Health Claims Data Warehouse.

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

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

The offices of Planning, Policy and Analysis and Healthcare and Insurance continue to work collaboratively to implement this strategy. PPA will continue to support this goal by providing policy and analytical support, including regulatory oversight. Moreover, PPA will ensure premiums adequately reflect the cost of benefits in the health plan options available in the program. HI will develop and administer the Tribal program. Together, PPA and HI will continue efforts to reach out to tribes interested in enrolling in the Federal Employees Health Benefit program. HI will ensure the administrative costs incurred by tribes for their enrollment are reasonable and responsible. Additionally, PPA and HI are working collaboratively to implement the FEGLI program.

Org/Fund	\$	FTE
<b>Healthcare &amp; Insurance</b>		
TF Limit - Annual	\$1,271,413	2.0
<b>Planning &amp; Policy Analysis</b>		
TF Limit - Annual	\$669,431	1.5
<b>Grand Total</b>	<b>\$1,940,844</b>	<b>3.5</b>

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Number of tribal enrollees in the Federal Employees Health Benefits Program	*N/A	*N/A	*N/A	3,323	10,000	12,500

\*Not Applicable - no historical data available for this period.

\*\* Target will be determined based on the actual results in FY 2012.

### Anticipated FY 2014 Accomplishments

PPA and HI work collaboratively to implement this strategy. Operational activities that have been and are ongoing to support this strategy include:

- Evaluating the impact of tribal enrollment on the program to ensure there is an equitable distribution of claims cost experience reflected in FEHB premiums;
- Developing and implementing a Tribal Enrollment Assessment Survey to evaluate enrollee's perception on the ease and satisfaction of the tribal health benefits enrollment process;
- Providing actuarial, demographic, economic or statistical analysis as well as responses to information request from Health and Human Services; and
- Continue building out the Health Claims Data Warehouse for the purpose of gathering enrollment data. The data will be used to conduct evaluations of health conditions, especially chronic conditions, across health plans. The data will also be used to support PPA's actuarial, demographic, economic and statistical analyses.

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

The Pre-Existing Conditions Insurance Plan Program (PCIP) program makes health insurance available to individuals who have serious health conditions who otherwise cannot obtain insurance. OPM helps administer the Federally-run Pre-Existing Condition Insurance Plan (PCIP) program in 23 States and DC that do not establish PCIP programs themselves. Currently, OPM administers PCIP on behalf of HHS' Center for Medicare and Medicaid Services (CMS) which fully reimburses OPM for costs of the PCIP program.

Org/Fund	\$	FTE
<b>Healthcare &amp; Insurance</b>		
Advances & Reimbursements (PCIP)	\$1,497,200	7.7
<b>Grand Total</b>	<b>\$1,497,200</b>	<b>7.7</b>

Note: Advances & Reimbursements reflects funding for PCIP

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Achieve a Pre-Existing Condition Insurance Plan customer satisfaction level equivalent to the top-ten Federal Employee Health Benefit Program plans	*N/A	*N/A	*N/A	74%	Under Review	Under Review

Milestone	Date
PCIP program conclusion	31 December 2013

### Anticipated FY 2014 Accomplishments

The program ends on December 31, 2013, and PCIP enrollees will be transitioned to health plans offered through Exchanges. In addition to the substantial work required to wind-down the PCIP program, the PCIP team will become the Multi-State Plan Program (MSPP) contracting team and will have the responsibility for managing the MSPP contracts. OPM will accomplish the following activities in FY 2014:

- Complete activities to conclude the PCIP program;
- Manage existing contract with Third Party Administrator (TPA) through claims run-out period, and close-out of contract;
- Coordinate with NFC and HHS to ensure continuity of care and customer service to PCIP enrollees as they transition to health plans offered through Affordable Insurance Exchanges;
- Provide actuarial, demographic, economic or statistical analyses as well as responses to information requests from HHS;
- Support review of MSPP issuer applications (including financial condition and solvency, health plan management, healthcare delivery systems, administration and systems);
- Negotiate all aspects of the contracts with the MSPP issuers including benefits and rates;
- Ensure all agreed upon contractual provisions are adhered to; and
- Monitor performance of critical contract requirements against performance standards.



## Other Activities Supported by OPM

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

### FY 2014 Request – Total Resources by Other Activities Supported and Funding Source (dollars)

Org/Fund	FY 2013 CR Annualized		FY 2014 Request		Variance FY 2013-14	
	\$	FTE	\$	FTE	\$	FTE
Advances & Reimbursements	\$4,211,000	2.5	\$4,101,950	4.5	(\$109,050)	2.0
Common Services	\$92,711,450	423.4	\$90,519,472	410.6	(\$2,191,978)	(12.8)
Salaries & Expenses	\$24,155,848	47.1	\$21,111,634	55.1	(\$3,044,214)	(3.0)
Trust Fund Mandatory	\$2,003,000	2.0	\$1,902,850	3.0	(\$100,150)	1.0
Trust Fund Annual	\$51,865,585	210.1	\$52,131,315	218.1	\$265,730	19.0
<b>Grand Total</b>	<b>\$174,946,883</b>	<b>685.1</b>	<b>\$169,767,221</b>	<b>691.3</b>	<b>(\$5,179,662)</b>	<b>6.2</b>

Note: Salary & Expenses (includes No-year)

Note: Advances & Reimbursements reflects funding for CHCO, Voting Rights, and PCIP

### Chief Information Officer

The Office of the Chief Information Officer (CIO) provides strategic information technology (IT) leadership within OPM and provides OPM program offices with the full range of infrastructure and information management services that enable OPM to build mission capacity. The CIO maintains the agency IT infrastructure that is the backbone of OPM's business and management applications. The OCIO mission also includes providing leadership to government-wide HR systems and support for eGovernment initiatives. CIO services provide solutions to all of OPM's programs and OCIO partners with internal and external stakeholders to ensure mission success.

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

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of time computer network (Network Core Infrastructure) is available during agreed-upon service hours	99.3%	100%	100%	100%	99.8%	99.8%
Desktop Availability	*N/A	*N/A	100%	100%	100%	100%
Email Availability	*N/A	*N/A	100%	**99.75%	100%	100%
Blackberry Availability	*N/A	*N/A	100%	99.75%	100%	100%
Internet Availability	*N/A	*N/A	100%	100%	100%	100%
Percent ISP Bandwidth Utilized (DC)	*N/A	*N/A	61%	***72%	< 53%	<30%
Percent ISP Bandwidth Utilized (Macon)	*N/A	*N/A	42%	****26%	< 29%	< 29%
Percent of OPM employees with workstations 4 years old or newer	*N/A	*N/A	49%	*****29%	75%	75%
Percent of answered Help Desk calls	*N/A	*N/A	89%	89.56%	100%	100%
Percent of Help Desk tickets closed first time	*N/A	*N/A	84%	*****89.46%	90.0%	91%

\*Not Applicable - no historical data available for this period.

\*\*\* Previously reported as 99.9%

\*\*\* Target of 72% is above out-year targets

\*\*\*\* Target of 29% is above previous year target and well below out-year targets

\*\*\*\*\* Previously reported as 99.9%

### Anticipated FY 2014 Accomplishments

CIO will continue to execute several key areas of IT and information resource management (IRM) that are required by law. As a result, CIO ensures that OPM remains compliant with Federal mandates in the following areas:

- **IT Strategic Planning:**  
Mandated by: Paperwork Reduction Act (44 USC 3501).  
Description: Plan strategically for all IT management functions.
- **IT Workforce Planning**  
Mandated by: Clinger-Cohen Act (40 USC 1401).  
Description: Assess agency IT workforce needs and develop strategies and plans to meet those needs.
- **Capital Planning and Investment Management**  
Mandated by: Paperwork Reduction Act, Clinger-Cohen Act.  
Description: Select, control, and evaluate IT investments to produce business value, reduce investment-related risks, and increase accountability and transparency in the investment decision-making process.

- **Information Security**  
Mandated by: Paperwork Reduction Act, Federal Information Security Management Act (44 USC 3541), Clinger-Cohen Act.  
Description: Ensure agency compliance with requirements to protect information and systems.
- **Enterprise Architecture**  
Mandated by: Clinger-Cohen Act.  
Description: Develop and maintain the business and technology blueprint that links an agency's strategic plan to IT programs and supporting system implementations.
- **E-government Initiatives**  
Mandated by: Paperwork Reduction Act, Clinger-Cohen Act, E-Government Act (44 USC 101).  
Description: Promote the use of IT, including the Internet and emerging technologies, to improve the productivity, efficiency and effectiveness of agency operations, programs and services.
- **Information Collection**  
Mandated by: Paperwork Reduction Act.  
Description: Review agency information collection proposals to maximize utility and minimize public paperwork burdens.
- **Information Dissemination**  
Mandated by: Paperwork Reduction Act.  
Description: Ensure the agency's information dissemination activities meet policy goals, such as timely and equitable access to information.
- **Information Disclosure**  
Mandated by: Paperwork Reduction Act.  
Description: Ensure appropriate information disclosure under the Freedom of Information Act (5 USC 552).
- **Records Management**  
Mandated by: Paperwork Reduction Act.  
Description: Ensure that the agency implements and enforces the records management policies and procedures required by the Federal Records Act (44 USC 31).
- **Privacy**  
Mandated by: Paperwork Reduction Act.  
Description: Ensure agency compliance with the Privacy Act (5 USC 552a) and related laws.

In addition to the above, OCIO is responsible for the day-to-day operations of OPM's technology infrastructure including: data centers, enterprise applications, data and voice communications, data networks, computer support, mobile device support, and server and mainframe computers. OCIO runs the systems that handled 215.1 million emails, processed \$72 billion in annual payment transactions, prevented 60 million network security intrusions, and managed 4.456 million Federal investigations in FY 2011.

## Communications and Public Liaison

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

Milestone	Date
Produce and distribute 12 OPM newsletters monthly	09/30/2014
Distribute 160 daily news clippings	09/30/2014

### Anticipated FY 2014 Accomplishments

CPL will accomplish the following:

- Increase ability to interact and communicate in real time with stakeholders and/or Federal employees through the use of new technology and social media;
- Utilize innovative media technology to support the President's initiative to stimulate interest in Federal employment;
- Customize OPM media digital assets for all OPM on-line media types; and
- Improve intranet presence and communication with OPM employees.

## Congressional and Legislative Affairs

Congressional and Legislative Affairs (CLA) serve as the principal liaison with Congressional Committees, Members of Congress, and their staffs. CLA also works with the White House Legislative Affairs and the Office of Management and Budget to coordinate the Administration's position on matters under OPM's jurisdiction. CLA is responsible for staffing Congressional hearings, meetings, and briefings; commenting on legislative documents; drafting testimony and legislation; responding to Congressional inquiries in a timely fashion, and developing outreach activities to educate Congressional staff on OPM programs.

Milestone	Date
Address Congressional interest in the Federal government's hiring, compensation and benefits, retirement processing, diversity, student pathways, labor relations, performance management, and emergency operations programs and policies.	09/30/2014
Monitor legislation and work with OPM's Program Offices to keep Congressional offices updated on proposals that impact OPM and Federal government employees.	09/30/2014
Advocate for OPM's current legislative priorities that are still pending in Congress, including: Hiring Modernization; Benefits for Federal Employees in Zones of Armed Conflict; Domestic Partnership Benefits & Obligations; and improvements to Federal Employees Health Benefits pharmacy benefit contracting.	09/30/2014
Ensure OPM's priorities and views are taken into account as Congress and other agencies develop legislation affecting Federal government employees.	09/30/2014

### Anticipated FY 2014 Accomplishments

- CLA will continue to address Congressional interest in the Federal government's hiring, compensation and benefits, retirement processing, diversity, student pathways, labor relations, performance management, and emergency operations programs and policies.

- CLA will continue to monitor legislation and work with OPM’s Program Offices to keep Congressional offices updated on proposals that impact OPM and Federal government employees.
- CLA will continue to advocate for OPM’s current legislative priorities that are still pending in Congress, including: Hiring Modernization; Benefits for Federal Employees in Zones of Armed Conflict; Domestic Partnership Benefits & Obligations; and improvements to Federal Employees Health Benefits pharmacy benefit contracting. CLA has worked diligently to ensure that OPM’s priorities and views are taken into account as Congress and other agencies develop legislation affecting Federal government employees.
- In addition, CLA publishes the CLA Quarterly, the Constituent Services Bulletin, and other documents to educate various audiences on what services CLA provides, and legislative and Congressional activities.

### Equal Employment Opportunity

The Equal Employment Opportunity (EEO) Office is responsible for providing agency employees with a fair, legally correct and expedient EEO Complaints processing program; and management and coordination of OPM’s Affirmative Employment and Diversity Program. The office is measured by its ability to provide quality services according to timelines established by Federal EEO statues and regulations and by documenting OPM’s efforts and accomplishments in achieving a model EEO Program.

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Percent of EEO counseling completed within 30 days	*N/A	*N/A	*N/A	*N/A	*N/A	95%
Percent of EEO investigations completed within 180 days	*N/A	*N/A	*N/A	*N/A	*N/A	95%

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

During FY 2014, the EEO Office will achieve the following:

- Process EEO counseling and EEO investigations in a timely manner;
- Provide prompt customer service for OPM employees;
- Complete timely submission of EEO and Diversity Reports;
- Continue the implementation and management of OPM’s Affirmative Employment Program; and
- Provide OPM-wide EEO training.

### Executive Secretariat and Ombudsman

Executive Secretariat and Ombudsman (ESO) serves as OPM’s interface with OMB and ensures timely submission of Federal Register notices. Executive correspondence, policy and decision packages are coordinated with program offices and senior staff to ensure appropriate approval, posting and handling. Additionally, ESO provides essential resource management and administrative support to executive program offices. ESO’s international affairs program addresses requests from the State Department and foreign governments.

The Ombudsman’s office provides prompt and professional customer service to complainants by working with the appropriate program office to expedite cases as appropriate and/or provide current status to complainants.

Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Result	FY 2012 Result	FY 2013 Target	FY 2014 Target
Answer Congressional correspondence in a timely manner	*N/A	*N/A	*N/A	*N/A	*N/A	14 days
Answer White House correspondence in a timely manner	*N/A	*N/A	*N/A	*N/A	*N/A	5 days

\*Not Applicable - no historical data available for this period.

### Anticipated FY 2014 Accomplishments

The Executive Secretariat and Ombudsman office will accomplish the following:

- Coordinate and review OPM policy and regulations;
- Coordinate OPM international affairs activities;
- Provide administrative and resource management support to eight executive-level offices;
- Provide neutral, independent and confidential guidance to customers and employees of OPM; and
- Assist with the planning, coordination and preparation of OPM's Semi-Annual Regulatory Unified Agenda.

### Facilities, Security and Contracting

Facilities, Security and Contracting (FSC) provide a broad range of support services to help the Agency achieve its mission and is made up of three components including the: Facilities Division, Security Division and Contracting Division. The Facilities Division operates and maintains the OPM headquarters building under the authority delegated by the General Services Administration and provides policy and administrative guidance for OPM's other Federally owned and leased facilities nationwide. The Security Division is responsible for OPM's Continuity of Operations activity and Occupant Emergency Programs. Lastly, the Contracting Division performs all pre-award and post-award procurement actions in support of OPM's mission and goals.

Milestone	Date
Host Annual Acquisition Planning Training Conference at OPM Headquarters	05/30/2014
Complete 15 physical security assessments of OPM owned and leased facilities	09/30/2014

### Anticipated FY 2014 Accomplishments

During FY 2014, FSC will continue to provide support services including the following:

- Provide armed security guard service, x-ray machine and magnetometers screening;
- Provide personal identity credential services;
- Conduct security clearance briefings and de-briefings;
- Implement and maintain an efficient and respected Personnel Security Program;
- Maintain 24/7 Situation Room to monitor and report worldwide events;
- Provide contract management that supports the OPM mission;
- Manage OPM's real property; and
- Administer OPM's small business program.

## Internal Oversight & Compliance

The Office of Internal Oversight and Compliance (IOC) drives the resolution of audit recommendations, conducts program evaluations, and oversees the review of capital investments to strengthen OPM's risk management and operational performance. IOC staff focuses a significant amount of time on closing existing audit recommendations to strengthen OPM programs and reduce the backlog. OPM programs need our advice and assistance in responding to audit requirements, developing corrective action plans, and in working with oversight organizations to resolve issues and clarify expectations. The Director relies on IOC to alert him to operational weaknesses or failures that could impact OPM's ability to meet its mission, goals, and objectives.

Milestone	Date
Demonstrate commitment to efficient and effective program operations by ensuring that 80% of all audit reports have IOC approved corrective action plans within 90 days of issuance, and no more than 10% of all open recommendations are more than 3 years old.	09/30/2014
Identify and correct program weaknesses as a result of the completion of 2 to 3 program reviews through the final report.	09/30/2014
Effectively partner with OIG and GAO to ensure external audits of OPM programs are efficient and fully informed, as measured by a 75% satisfaction rating on the annual IOC customer service survey.	09/30/2014

## Anticipated FY 2014 Accomplishments

In FY 2014, Internal Oversight and will accomplish the following:

- Collaborate with program office executives and managers to improve the efficiency and effectiveness of OPM operations;
- Review programs to ensure compliance with laws, regulations and policies;
- Facilitate OPM's timely response to audit inquiries, findings and recommendations;
- Track and report on the status of OPM's audits and open recommendations; and
- Coordinate with OPM capital investment review process.

## Combined Federal Campaign

The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. CFC is the largest and most successful annual workplace charity campaign, with approximately 187 CFC campaigns throughout the country and internationally to help raise millions of dollars each year. Pledges made by Federal civilian, postal and military donors during the campaign season (September 1st to December 15th) support eligible non-profit organizations that provide health and human service benefits throughout the world.

The CFC staff reviews all new applicants wishing to participate as a national or international charity or as part of a federation and reviews a sample of nearly 2,800 national or international charities who reapply each year.

OPM received legislative permission to finance the CFC program via an administrative fee charged to each participating charity; and will begin collecting the fee during FY 2015.

In 2011, the CFC celebrated its 50<sup>th</sup> anniversary. This landmark provided a unique opportunity to develop a strategy for strengthening and ensuring the continued success of the CFC for the next 50 years. As a result, the OPM Director formed a Federal Advisory Committee called the *CFC-50 Commission*. The Commission studied ways to strengthen and improve the program and issued recommendations advising the Director on these matters. The Commission is composed of Federal employees, private campaign administrators, charitable organizations and "watchdog" groups.



Milestone	Date
Conduct CFC campaign oversight to ensure efficient and effective operations by working with LFCCs to develop corrective action plans and resolve OIG recommendations. Resolve 50% of OIG recommendations within 9 months of report issuance.	09/30/2014
Manage the CFC Program effectively and efficiently. Provide guidance and support local and regional campaign efforts to merge at least 3 inefficient campaign operations.	0/6/06/2014
Strengthen the CFC program by leading a Federal Advisory Committee's effort in developing recommendations designed to improve the program. Complete initiatives outlined in the advisory committee's implementation plan.	09/30/2014
Collaborate with campaigns to allow credit card giving to be offered to at least 5 new campaigns.	04/30/2014

### Anticipated FY 2014 Accomplishments

- In addition to implementing the CFC-50 Commission recommendations, the CFC has a number of pilot projects designed to expand employee pledge options, make more employee-friendly the paper-based process for giving, and streamline the overall campaign.
- CFC will develop policy to implement administrative fee from participating strategies as a funding source to begin in FY 2015.
- The CFC will expand Electronic giving (e-Giving). This will reduce errors and virtually eliminate the use of paper pledge forms which contain personally identifiable information and can be abused. The Department of Agriculture payroll processing center function of the National Finance Center (NFC) is developing a module which will allow its customers to process CFC pledges online using the Employee Personal Page (EPP). The Department of Defense (DOD) is also developing a module which will allow its customers to process CFC pledges online using MyPay.
- Currently, Federal, postal, and military personnel can only give to charities within the boundaries of their official duty station. A limited number of campaigns were given permission to allow employees to give to any charity in any campaign. OPM will assess the success of this strategy and could open up the process to all campaigns.
- CFC will consolidate campaigns where it makes sense. It is important to merge less efficient and costly campaigns with those that are managed more effectively.
- CFC will review reports completed by independent audit firms reporting on Principal Combined Fund Organizations (PCFO) activity as well as the OPM IG. OPM must ensure all issues and recommendations identified in the audits are captured and track corrective actions to completion. When the OPM IG audits or investigates Local Federal Coordinating Committee (LFCC) and PCFO CFC activity, CFC staff develops a risk analysis to determine if additional reviews should be conducted.



## Federal Voting Rights

The Voting Rights Program, as authorized by the Voting Rights Act of 1965, requires OPM to provide trained Federal observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General. The Act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language. The Act's framers assigned the observer function to OPM because DOJ must rely on a neutral third-party witness when litigating against non-compliant jurisdictions. Currently, DOJ reimburses OPM for direct costs associated with the deployment of observers (ranging from \$1 million to \$4 million annually). OPM funds essential program management functions carried out by 5 full-time staff members and indirect costs associated with observer deployment program through direct S&E appropriations.

Milestone	Date
Deploy observers to monitor elections to DOJ's satisfaction, with ratings of 90% of "satisfied" or better on the Customer Satisfaction Survey (CSS). Survey DOJ after each election and assess the results.	09/30/2014
Provide quality observer reports to DOJ for each election, with ratings of 85% of "good" or better on the CSS. Survey DOJ after each election and assess the quality of observer reports.	09/30/2014
Provide quality products/services to DOJ, with ratings of 90% "good" or better on the CSS. Survey DOJ after each election and assess the quality of products provided.	09/30/2014

## Anticipated FY 2014 Accomplishments

In FY 2014, the Voting Rights Program within MSAC will accomplish the following:

- Support the U.S. Department of Justice (DOJ) in ensuring all Americans—regardless of race or membership in a language minority—are treated equally when exercising their right to vote. OPM will continue to manage and oversee the Voting Rights observers, providing appropriate coverage at polling sites as requested by DOJ; and
- Provide leadership training for 50 field leaders, administration of online learning tools, recruitment and testing of new observers with minority language skills, and other administrative functions associated with the standing observer cadre of 850 observers.

## Chief Financial Officer

The Chief Financial Officer (CFO) manages all OPM financial activities and provides OPM program offices with a full range of financial management services and support in the following major areas: accounting, budget, and financial systems. Moreover, CFO ensures continued stewardship over OPM's financial resources and executes activities and processes that support efforts to maintain a clean audit opinion. With an integrated effort from CFO organizations including: Financial Services, Budget & Performance, Financial Systems Management, Projects & Initiatives, Policy & Internal Control, and Travel Operations, CFO leads OPM program offices in the effective management of Agency resources and delivers services and tools that allow our customers the ability to make well informed financial business decisions.

Milestone	Date
Complete OPM's Annual Financial Report	11/15/2013
Complete OPM's Annual Performance Report	02/10/2014
Obtain unqualified statement of assurance for internal control over financial reporting	09/15/2014
Transition the Mass Transit Benefit Program from DOT to OPM	09/30/2014
Obtain unqualified statement of assurance for FMFIA	09/30/2014

## Anticipated FY 2014 Accomplishments

In FY 2014, the CFO will comply with Federal reporting requirements and perform the following financial activities, services, and support:

- Complete activities related to the annual financial audit;
- Provide guidance and audit guidelines to Federal agencies regarding their delegated responsibilities for administering the Federal benefits programs, and to carriers participating in the health benefits and life insurance programs;
- Support the preparation and completion of OPM quarterly and annual financial statements;
- Coordinate efforts for OPM's Agency Priority Goals and support the preparation of the Agency Financial Report;
- Produce the President's Budget and the Congressional Budget Justification;
- Enhance data quality to ensure that OPM program offices' labor and project codes are correct;
- Provide operations and maintenance of OPM financial, trust fund and procurement systems; and
- Transition the Mass Transit Benefit Program from the Department of Transportation to the OPM Travel Office.

## Office of the General Counsel

The Office of the General Counsel (OGC) provides legal advice and representation to OPM managers and leaders to ensure the Federal government has an effective civilian workforce. OGC carries out several program-related, substantive functions that benefit other OPM offices. OGC renders legal opinions, reviews proposed policies, regulations, legislative initiatives, executive orders, and other work products such as.

- Develops government-wide Hatch Act regulations.
- OGC plays a policy and legal role in the government-wide function of determining which Merit Systems Protection Board or arbitral decisions are erroneous and have a substantial impact on civil service law and accordingly, that merit judicial review.

- Responsible for OPM’s ethics program.
- Renders opinions on the disposition of certain claims and garnishment issues.
- Renders opinions on the disposition of appeals from initial OPM decisions concerning requests under the Freedom of Information and Privacy Acts.
- OGC serves as agency representative in administrative litigation, and supports the Department of Justice in its representation of the government on matters concerning the civilian workforce.

Milestone	Date
Enable publication of final regulations establishing Student Pathways Program and launching of that program	09/30/2014
Enable publication of proposed regulations implementing the Affordable Care Act, including regulations relating to tribal coverage under FEHB and establishment of multi-state programs	09/30/2014

### Anticipated FY 2014 Accomplishments

In FY 2014, OGC plans to accomplish the following the activities:

- Support and promote the President’s Initiatives in conjunction with the Director and OPM’s goals to ensure Federal agencies adapt responsible and effective human resources management systems that improve the ability to build successful and high performance organizations within the Federal Government.
- Provide legal advice and assistance to ensure compliance with meeting their merit principle roles when recruiting and hiring highly-qualified candidates for Federal employment.
- Participate in Director initiatives such as implementing improvements for recruitment and hiring; advancing diversity, inclusion, and equality in the Federal workforce, advancing the veterans hiring initiative; development of a collaborative approach to improve the Federal –sectors labor-management relations; advancing the improvement of reforming performance management, and classification and Federal pay systems.
- Participate in OPM’s efforts to bring persons with disabilities into the Federal workforce.
- Train and advise OPM employees on the provisions of the Hatch Act so that they will be knowledgeable about the permissible and non-permissible political activities for Federal employees as well as continue to pursue partial exemption of municipalities.
- Participate in shaping the Administration’s new health care program; and provide legal advice to Healthcare & Insurance in administering the new health care program.
- Represent OPM in challenges to personnel actions or decisions concerning compensation and benefits before the Merit Systems Protection Board (MSPB) and Equal Employment Opportunity Commission (EEOC).
- Provide advice and counsel on internal and government-wide labor-management issues, and when necessary, represent OPM in litigation involving these issues before the Federal Labor Relations Authority and Federal courts.
- Adjudicate and settle claims involving employees’ personal property and personal injury which is mandated by law.
- Resolve appeals of denials of information or refusals to amend documents under the Freedom of Information Act (FOIA) and Privacy Acts; provide legal assistance to OPM officials and officials from other agencies on FOIA/Privacy Act matters.

- Review and approve procurement matters to strengthen OPM’s procurement process, minimize the risk of contract-related litigation and successfully defend procurement actions.
- Defend claims made by Federal Employee Health Benefits Program (FEHBP) carriers.
- Provide legal advice to Retirement Services in administering the employee benefits trust funds; represent OPM in significant retirement appeals at MSPB; support the DOJ in representing OPM in Federal court cases in which Federal employees dispute OPM’s decisions regarding FEHBP coverage and retirement appeals before the U.S. Court of Appeals for the Federal Circuit.
- Advise Federal agencies concerning structuring of settlements to avoid inappropriate impact upon OPM trust funds.

### **Federal Prevailing Rate Advisory Committee**

The Federal Prevailing Rate Advisory Committee (FPRAC) studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of title 5, United States Code, and advises the Director of OPM on the government-wide administration of the pay system for blue-collar Federal employees. Moreover, FPRAC is the statutory (5 U.S.C.5347) labor-management committee responsible for advising the Director of OPM about the pay system that covers approximately 230,000 blue collar Federal workers.

<b>Milestone</b>	<b>Date</b>
Review and evaluate all aspects of the pay system that covers approximately 230,000 blue-collar Federal workers.	09/30/2014
Review policies of the pay system to ensure that OPM regulations are applied properly and that the regulations are updated as needed.	09/30/2014
Review and update appropriated funds and non-appropriated funds Federal Wage System operating manuals.	09/30/2014
Review and evaluate all aspect of the Federal Wage System wage survey process.	09/30/2014

### **Anticipated FY 2014 Accomplishments**

The Federal Prevailing Rate Advisory Committee will accomplish the following:

- Analyze Federal Wage System (FWS) wage area boundaries, pay practices and regulatory criteria to administer the pay system covering the Federal government’s 230,000 hourly employees;
- Examine and update FWS Appropriated Fund and Non-appropriated Fund operating manuals;
- Access FWS wage survey methods and practices; and
- Evaluate training for Local Wage Survey Committee members and data collectors.

### **President’s Commission on White House Fellows**

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

Milestone	Date
Modify the on-line application used by WHF applicants	09/30/2014
Review and update "Reading Criteria" used to evaluate and grade applications	02/28/2014
Review and update the "Voting Criteria" required to make preliminary WHF selections	03/31/2014
Hold orientation for new WHF participants	08/27/2014
Conduct leadership training	08/28/2014

### **Anticipated FY 2014 Accomplishments**

During FY 2014, the following activities will be completed in support of the White House Fellows program:

- Submit Fellows' applications to OPM for minimum background investigations;
- Submit list of potential Fellows to the President of the United States;
- Develop interview grids to schedule Fellows' interviews with multiple agencies; and
- Solicit agencies for placement of WHF participants

# Evidence and Evaluations

OMB's Memorandum *M-12-14-Use of Evidence and Evaluation in the 2014 Budget* outlines the administration's desire to use evidence and rigorous evaluation to shape resource allocation and to improve performance. OPM has embarked upon several initiatives to help build and act on evidence of what is working and what is not. In 2009 OPM launched a systemic program evaluation strategy that was designed to help leadership determine whether OPM programs contribute to specific benefits and directly translate to desired program impact. Unfortunately, the agency did not realize the full benefits of this approach because it was not funded.

Currently, OPM employs a systemic approach to results-oriented evaluation that includes several foundational components:

- Understanding of a program and its context;
- Early and continuing involvement of stakeholders;
- Logical links between program activities and expected outcomes;
- Consistency of program implementation (or careful consideration of implementation variations);
- Creation of specific, measurable research questions; and
- Careful balancing and prioritization of research questions and budgetary constraints.

OPM is committed to using evidence and evaluation to inform the allocation of scarce resources and to improve agency performance. To achieve this end OPM is building evidence of what works and what does not while we are also strengthening our evaluation capacity. We highlight four projects that are currently underway which illustrate this focus.

- Building Agency Capacity: OPM Federal Worksite Wellness Evaluations;
- Building Evidence: Re-Design of FEHB Plan Choice;
- Building Evidence: Office of the Inspector General (OIG) Internal Audit; and
- Building Evidence: HRstat Pilot.

## **Building agency capacity: OPM Federal Worksite Wellness Evaluations**

In FY 2011, OPM began working with the Human Resources Research Organization (HumRRO) to conduct comprehensive, rigorous evaluations of Federal Worksite Wellness Programs. HumRRO is an independent non-profit organization that conducts research and provides products and services to improve public sector organizational performance. The project includes developing a specific methodology for worksite wellness program evaluations; the goal of the evaluation is to develop a common evaluation plan, protocol, and metrics that will be employed in all wellness evaluations. All aspects of worksite wellness shall be reviewed, including the effectiveness and efficiency of health and wellness interventions, operations, programs, finances, costs, benefits, outreach, absenteeism, employee morale, and other outcomes including the impact of improved health on productivity. Evaluation procedures shall be developed, formally documented, and utilized during the evaluations. The evaluation design will include before and after comparisons of data, including control or comparison groups and locations.

The current evaluations focus on OPM's WellnessWorks worksite wellness pilot program and also the FedStrive program at the Department of Health and Human Services. To date, the HumRRO team has focused on acquiring baseline data of both programs and conducting primary data collection on site. The project timeline enables the HumRRO team to conduct risk/cost and return-on-investment (ROI) projections for wellness programs by using baseline data on employee health and costs to project ROI.

The ROI model results provide projected savings (both in terms of medical costs and productivity) and projected program costs for the time period specified, including one to three-year periods. The model uses changes in health risks and demographics of employee populations to estimate medical cost savings and productivity savings which are subsequently translated into dollar amounts. The goal of this effort is the production of an overall ROI for both programs after three years of program establishment.

Additionally, OPM worked with HumRRO on the administration of the Leading By Example (LBE) survey. This 2011 survey focused on WellnessWorks and was conducted to determine the role management and executives have played in supporting the worksite wellness program. The LBE survey questions asked employees whether they agreed or disagreed with several statements regarding management and executive communication regarding the WellnessWorks program. The results of the survey will be used to increase understanding of the worksite wellness culture and to identify areas where management support can be increased in order to drive engagement and participation.

### **Building Evidence: Re-Design of FEHB Plan Choice**

Each year, four million Federal employees and retirees choose a health plan from among the more than 200 health plan options available under the Federal Employees Health Benefits program. While the number of health plan choices in any geographic area is far fewer than 200 (typically about 10 – 15), the exercise can be daunting. Faced with a complex choice and inadequate information, the overall consumer response is one of inertia; in any given year only between 5 and 7 percent of employees and retirees change health plans.

Research that examined employee and retiree views of decision-making indicates that: 1) choosing a health plan is difficult task for many people; 2) consumers overweigh the impact of deductible/cost-share; 3) various plan dimensions matter to different people; and, 4) doctor/practice choice matters to many.

OPM has assembled a cross-agency team to undertake the re-design of Open Season and evaluate its impact, including operational staff from Healthcare and Insurance, Policy and Planning Analysis, and behavioral economist consultants. OPM's Deputy Performance Improvement Office and OPM's Chief Medical Officer also provide advice on the development of this project.

In June, 2012, the team convened in OPM's Innovation Center and employed human centered design facilitation techniques to further define the problem statement and develop a plan of action. The work plan for FY 2013 and FY 2014 calls for learning more about health plan choice through additional consumer engagement, developing targeted approaches of informing consumers of health plan choices (to be rolled out in the 2013 Open Season), and collecting data on health plan choices made by the various target groups. Later in FY 2014, OPM will evaluate the data on health plan choice and follow up with the target groups to better understand the choice process.

Improving health plan choice is fundamental to the FEHB program, which derives efficiency gains from a competitive marketplace model. If consumers are able to make well-informed choices, health plans will respond with products tailored to consumer needs.

### **Building evidence: Office of the Inspector General (OIG) Internal Audit**

OPM's Office of the Inspector General Internal Audits Group is currently conducting an audit to assess the relevance and reliability of OPM's FY 2011 performance reporting. Specifically, the Internal Audit Group is auditing the accuracy of the Annual Performance Report (APR) measures for Retirement Services (RS) and Federal Investigative Services (FIS). This internal audit is the first formal attempt to assess OPM's GPRA performance metrics/indicators signifying OPM's commitment to the use of evidence to make better business decisions and cases for our investments.

Moving forward, the Internal Audit Group will continue to review OPM's internal performance framework to gain a better understanding of OPM's performance management process



These efforts will help OPM assess where performance evidence is strong and identify areas where the data provides suggestive platforms for modification or changes in our initial approach to how evidence and evaluations are utilized.

### **Building Evidence: Closing Skills Gaps for Mission Critical Occupations**

OPM is intimately involved in the government-wide effort to close skills gaps for mission critical occupations. In partnership with the Department of Defense, OPM co-chairs the Chief Human Capital Officer (CHCO) Council, and co-chairs the Integrated Product Team (IPT) of action officers working group. This group has worked to define government-wide competencies including the establishment of a clear, transparent, replicable process for institutionalization in the future. OPM has actively engaged the Chief Management Officer Councils and the Office of Management & Budget (OMB) to collaborate on the IPT findings and the proposed strategies to close skills gaps either by closing staffing gaps or by closing competency gaps.

Additionally, OPM conducted a government-wide census survey in the fall of 2012 to determine existing competency gaps for the seven mission critical competencies. The survey will target all employees who are GS-12 through GS-15, will be the first of its type in assessing competencies since the population is not limited to particular positions. OPM has developed comprehensive short-term and long-term strategies to close staffing gaps as well as to address priority competences. OPM has worked closely with the Government Accountability Office (GAO) in its strategy development and implementation activities designed to increase agency performance through recruiting, hiring, developing and retaining a workforce with the needed competencies to meet mission objectives.

### **Building Evidence: HRstat Pilot**

OPM is spearheading the government-wide efforts to deliver an efficient, effective and accountable government based on OMB's guidance to agencies via Memorandum M-11-31. Per the GPRA Modernization Act and OMB guidance, agencies are required to begin performance reviews at least quarterly to monitor progress on the Agency Priority Goals published in the FY 2011 President's Budget.

HRstat pilot is the vehicle proposed to adhere to these requirements. HRstats' are data-driven reviews, led by the Chief Human Capital Officer (CHCO) with a focus on key Human Resource Management (HRM) metrics that drive agency performance and mission accomplishment with OPM and OMB participation.

OPM sought the participation of agencies with the following characteristics:

- A committed and engaged leadership;
- Interest in developing improved performance and HRM analytics methods;
- Interest in developing improved data systems; and
- Interest in collaborating with other councils, program managers, and goal leaders on developing HRstat.

The goal of the HRstat pilot is to assist agencies in developing a process to use HRM goals, measurement, analysis, and data-driven reviews in order to improve the results of HRM and programs while enhancing the effectiveness and efficiency of agency operations. In addition, OPM seeks to develop an alternative evaluation mechanism to replace the Human Capital Management Report (HCMR) with a vehicle that better demonstrates the integration between HRM results and mission accomplishment. In addition, OPM seeks to develop recommendations for the Chief Human Capital Officers Council and the Performance Improvement Council on the government-wide implementation of HRstat.

Moving forward, OPM will coordinate and undertake evidence and evaluation efforts commensurate with available resources.





# OPM Participation in E-Gov Activities

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

## OPM Participation by E-Gov Project

Initiative	FY12 Agency Contributions (Includes In-Kind)	FY12 Agency Service Fees*	FY13 Agency Contributions (Includes In-Kind)	FY13 Agency Service Fees*	FY14 Agency Contributions (Includes In-Kind)	FY14 Agency Service Fees*
Budget Formulation and Execution LOB	\$105,000	\$0	\$105,000	\$0	\$105,000	\$0
E-Rulemaking	\$0	\$78,789	\$0	\$15,536	\$0	\$15,536
E-Travel	\$0	\$260,884	\$0	\$308,392	\$0	\$308,392
Recruitment One-Stop (USAJOBS)	\$0	\$30,499	\$0	\$41,709	\$0	\$41,709
EHRI	\$0	\$202,464	\$0	\$208,230	\$0	\$208,230
Financial Management LOB	\$44,444	\$0	\$44,444	\$0	\$44,444	\$0
Human Resources Management LOB- OPM agency contribution	\$65,217	\$0	\$65,217	\$0	\$65,217	\$0
Integrated Acquisition Environment	\$0	\$36,132	\$0	\$40,477	\$0	\$40,477
Disaster Assistance Improvement Program	\$29,815	\$0	\$30,858	\$0	\$30,858	\$0
Performance Management LOB	\$0	\$0	\$0	\$0	\$0	\$0
<b>OPM Total</b>	<b>\$244,476</b>	<b>\$608,768</b>	<b>\$245,519</b>	<b>\$614,344</b>	<b>\$245,519</b>	<b>\$614,344</b>

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

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

**Budget Formulation and Execution (BFE) LOB (Managing Partners -- Department of Energy and Department of Education)** BFE LOB is a collaborative interagency effort to devise strategies that will enable agency and OMB budget personnel to reduce manual processes, improve efficiency and effectiveness, and redirect limited time to a backlog of high-priority analytical activities. BFE LOB has provided invaluable knowledge that has been utilized in considering a budget formulation system for OPM's current financial management and procurement system implementation, known as CBIS (Consolidated Business Information System). OPM's current financial system implementation will provide helpful lessons learned to BFE LOB that will contribute to its decisional matrix that agencies can use in assessing budgeting systems. Additionally, it provides agencies the ability to share lessons learned for budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government. In FY 2011, the BFE LOB will provide all agencies with more information about collaboration tools and technologies that can ease communications in the Federal budget environment.

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

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

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

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

**Integrated Acquisition Environment (Managing Partner: General Services Administration)** -- Integrated Acquisition Environment will support a common, secure business environment, which facilitates and supports cost effective acquisition of goods and services. This Initiative benefits OPM by

providing integrated business processes and increased data sharing within OPM and among the participating agencies.

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

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

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

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

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

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

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

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



# Table of Abbreviations

<b>Abbreviation</b>	<b>Description</b>
ACA	Affordable Care Act
ACSI	American Customer Satisfaction Index
ACWA	Administrative Careers With America
ALJ	Administrative Law Judges
APR	Agency Performance Report
ASF	Acquisition and Systems Fee
BFE	Budget Formulation and Execution
BS	Benefits Systems
CAU	Competency Assessment Upgrade
CBIS	Consolidated Business Information System
CBO	Congressional Budget Office
CDP	Candidate Development Programs
CFC	Combined Federal Campaign
CFI	Centrally Funded Items
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officer Council
CIO	Chief Information Officer
CLA	Congressional and Legislative Affairs
CMS	Center for Medicare and Medicaid Services
COG	Continuity of Government
COLA	Cost-of-living Adjustment
COOP	Continuity of Operations Program
CPL	Communications and Public Liaison
CR	Continuing Resolution
CS	Constituent Services
CSRDF	Civil Service Retirement and Disability Fund
CSRS	Civil Service Retirement System
CSS	Customer Satisfaction Survey
CVS	Central Verification System
DAIP	Disaster Assistance Improvement Program
DCFSA	Dependent Care Flexible Spending Account
DEU	Delegated Examining Unit
DHHS	Department of Health & Human Services
DHS	Department of Homeland Security
DI	Diversity and Inclusion
DOD	Department of Defense
DOJ	Department of Justice
DOT	Department of Transportation
DVAAP	Disabled Veterans Affirmative Action Program
EEO	Equal Employment Opportunity

<b>Abbreviation</b>	<b>Description</b>
EEOC	Equal Employment Opportunity Commission
e-Gov	Electronic Government
EHRI	Enterprise Human Resources Integration
EHRI-SDM	Enterprise Human Resources Integration – Statistical Data Mart
EO	Executive Order
eOPF	Electronic Official Personnel Folders
EPP	Employee Personal Page
e-QIP	Electronic Questionnaires for Investigations Processing
ES	Employee Services
ESO	Executive Secretariat & Ombudsman
EVS	Employee Viewpoint Survey
FAA	Federal Aviation Administration
FCAT	Federal Competency Assessment Tool
FEBs	Federal Executive Boards
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees Group Life Insurance
FEHB	Federal Employees Health Benefits
FEHBP	Federal Employees Health Benefits Program
FEIO	Federal Employee Insurance Operations
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FERS	Federal Employees Retirement System
FIS	Federal Investigative Services
FLSA	Fair Labor Standards Act
FLTCIP	Federal Long-Term Care Insurance Program
FMFIA	Federal Managers Financial Integrity Act
FMLoB	Financial Management Line of Business
FOIA	Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FSA	Flexible Spending Account
FSAFEDS	Flexible Spending Accounts for Federal Employees Program
FSC	Facilities, Security & Contracting
FTE	Full-time Equivalent
FWS	Federal Wage System
FY	Fiscal Year
GAO	Government Accountability Office
GEAR	Goals Engagement Accountability Results
GPO	Government Printing Office
GPRA	Government Performance and Results Act
GS	General Schedule
GSA	General Services Administration
HC	Human Capital
HCAAF	Human Capital Assessment and Accountability Framework
HCDW	Health Claims Data Warehouse
HCFSA	Health Care Flexible Spending Account
HCME	Human Capital Management Evaluations
HCMR	Human Capital Management Report

<b>Abbreviation</b>	<b>Description</b>
HHS	Health and Human Services
HI	Healthcare & Insurance
HR	Human Resources
HR IT	Human Resources Information Technology
HRA	Health Risk Appraisal
HRLOB	Human Resources Line of Business
HRM	Human Resources Management
HRS	Human Resources Solutions
HRTT	HR Tools and Technology
HRU	Human Resources University
HSPD	Homeland Security Presidential Directive
HUD	Housing and Urban Development
HUMRRO	Human Resources Research Organization
IA	Intergovernmental Affairs
IHCIREA	Indian Health Care Improvement Reauthorization and Extension Act
IOC	Office of Internal Oversight & Compliance
IPT	Integrated Product Team
IRB	Investment Review Board
IRM	Information Resources Management
IRTPA	Intelligence Reform and Terrorism Prevention Act
ISP	Internet Service Provider
IT	Information Technology
JRE	Joint Reform Effort
LA	Legislative Affairs
LEAD	Leadership Education and Development
LEX HCFS A	Limited Expense Health Care Flexible Spending Account
LEX HCFS A	Limited Expense Health Care Flexible Spending Account
LFCC	Local Federal Coordinating Committee
LOB	Line of Business
LTC	Long Term Care
MAP	Move Ahead for Progress
MCO	Mission Critical Occupations
MSAC	Merit System Audit & Compliance
MSPB	Merit Systems Protection Board
MSPP	Multi-State Plan Program
MSPs	Multi-State qualified health Plans
NBC	National Business Center
NFC	National Finance Center
OASDI	Old Age, Survivors and Disability Insurance
OCIO	Office of the Chief Information Officer
OD	Office of the Director
ODC	Other Direct Costs
ODI	Office of Diversity and Inclusion
OEP	Occupant Emergency Programs
OGC	Office of the General Counsel
OIG	Office of the Inspector General



<b>Abbreviation</b>	<b>Description</b>
OMB	Office of Management and Budget
OPM	Office of Personnel Management
P&L	Pay and Leave
P.L.	Public Law
PAAT	Performance Appraisal Assessment Tool
PCFO	Principal Combined Fund Organization
PCI	Performance Culture Index
PCIP	Pre-existing Condition Insurance Plan
PIO	Performance Improvement Officer
PIPS	Personnel Investigations Processing System
PIV	Personal Identity Verification
PIV	Personal Identity Verification
PLR	Partnership and Labor Relations
PMC	President's Management Council
PMF	Presidential Management Fellows
PMLOB	Performance Management Line of Business
PPA	Planning and Policy Analysis
PSRHBF	Postal Service Retiree Health Benefits Fund
PTO	Patent and Trademark Office
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RF	Revolving Fund
ROI	Return on Investment
RS	Retirement Services
S&E	Salaries & Expenses
SES	Senior Executive Service
SF	Standard Form
SL	Senior Level
SSC	Shared Service Centers
SSM	Systems/Standards/Metrics
ST	Scientific and Technical
STEM	Science Technology Engineering and Mathematics
TBD	To Be Determined
TF	Trust Fund
TFA	Trust Fund Annual
TMO	Telework Management Officer
TPA	Third Party Administrator
TRB	Theodore Roosevelt Building
USC	United States Code
USERRA	Uniformed Services Employment and Reemployment Rights Act
VA	Veterans Affairs
VERA	Voluntary Early Retirement Authority
VOW	Veterans Opportunity to Work
VR	Voting Rights
VSIP	Voluntary Separation Incentive Payment
WHF	White House Fellows





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