

FY 2010

**Office of Personnel Management
Congressional Budget Justification
Performance Budget**

CBJ Submission
May 2009

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Abbreviations

BFE	Budget Formulation and Execution
CBIS	Consolidated Business Information System
CFI	Centrally Funded Items
CHCO	Chief Human Capital Officers
CLCS	Center for Leadership Capacity Services
COLA	Cost-of-living Adjustment
CR	Continuing Resolution
CRIS	Center for Retirement & Insurance Services
CSRS	Civil Service Retirement System
CTS	Center for Talent Services
DSS	Defense Security Service (Department of Defense)
e-Gov	Electronic Government
E2E	End-To-End Hiring Process
EHRI	Enterprise Human Resources Integration
FEHBP	Federal Employees Health Benefits Program
FEGLI	Federal Employees Group Life Insurance
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FISD	Federal Investigative Services Division
FLTCIP	Federal Long-Term Care Insurance Program
FSAFEDS	Flexible Savings Account Program
FTE	Full-time Equivalent
FY	Fiscal Year
GSA	General Services Administration
HCLMSA	Human Capital Leadership and Merit System Accountability Division
HMO	Health Maintenance Organization
HR LOB	Human Resources Line of Business
HRPS	Human Resources Products and Services Division
HSPD	Homeland Security Presidential Directive
IT	Information Technology
LOB	Line of Business
MSD	Management Services Division

OCFO	Office of the Chief Financial Officer
OCPL	Office of Communications and Public Liaison
OCR	Office of Congressional Relations
OD	Office of the Director
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAAT	Performance Assessment Accountability Tool
P.L.	Public Law
SES	Senior Executive Service
SHRP	Strategic Human Resources Policy Division

Part 1 – Executive Summary

Overview

The Office of Personnel Management's (OPM) FY 2010 Performance Budget reflects how the agency will continue to fulfill its mission to ensure the Federal Government has an effective civilian workforce while also exercising the fiscal discipline outlined in the Presidents Budget.

To carry out this mission, OPM ensures agencies comply with the Merit System Principles and protection from prohibited personnel practices. OPM provides advice and support on human resources (HR) issues to the President and Federal agencies, supports these with human resources policies, and holds agencies accountable for their human resources management practices. In addition, OPM delivers human resources products and services to agencies, current and prospective Federal employees, retirees and beneficiaries.

For FY 2010, OPM is requesting **\$230,772,000** in discretionary resources, a decrease of **\$722,000** (or .31%) below its FY 2009 appropriation. These resources will enable OPM to carry out its core business and also accomplish the following:

- Strengthen existing and undertake new human resources policy initiatives such as End to End Hiring (E2E);
- Maintain the Merit System Accountability (Compliance) Program;
- Continue implementing the new financial system; and
- Continue maintaining the retirement program, while exploring ways to improve its processes and technologies.

The specific elements of this request are described in the pages that follow.

OPM FY 2010 Appropriations Request

Accounts Requiring Congressional Action

Fund	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Salaries & Expenses Annual	\$85,627,000	\$87,698,000	\$2,071,000
Salaries & Expenses No-year – Enterprise Human Resource Initiative (EHRI)	\$5,851,000	\$5,908,000	\$57,000
Salaries & Expenses No-year – Human Resources Line of Business (HR LOB)	\$1,351,000	\$1,364,000	\$13,000
Salaries & Expenses total	\$92,829,000	\$94,970,000	\$2,141,000
Trust Fund Annual	\$102,882,000	\$99,626,000	(\$3,256,000)
Trust Fund No-year (retirement modernization)	\$15,200,000	\$4,248,000	(\$10,952,000)
Trust Fund No-year (CBIS)	\$0	\$9,364,000	\$9,364,000
Trust Fund limitation total	\$118,082,000	\$113,238,000	(\$4,844,000)
OPM Total Discretionary Appropriated	\$210,911,000	\$208,208,000	(\$2,703,000)
OIG Salaries & Expenses	\$1,828,000	\$2,136,000	\$308,000
OIG Trust Fund	\$18,755,000	\$20,428,000	\$1,673,000
OIG Total Discretionary Appropriated	\$20,583,000	\$22,564,000	\$1,981,000
Total Discretionary Appropriated	\$231,494,000	\$230,772,000	(\$722,000)
Mandatory Payments: (estimated)	\$19,608,000,000	\$20,404,000,000	\$796,000,000
Civil Service Retirement and Disability Fund*	\$10,300,000,000	\$10,272,000,000	(\$28,000,000)
Federal Employees Health Benefits Fund	\$9,262,000,000	\$10,084,000,000	\$822,000,000
Federal Employees Group Life Insurance Fund	\$46,000,000	\$48,000,000	\$2,000,000

Major Changes from 2009

- Transfers from Trust Fund Changes:
 - Reduction of costs as retirement modernization is re-formulated (No-year authority)
 - Increase in CBIS (new financial system) as Phase 2 is implemented (No-year authority)

* In addition to the appropriation to the Civil Service Retirement and Disability Fund, there is a permanent indefinite authorization that provides for an annual transfer representing interest on the unfunded liability of the Civil Service Retirement system. Please see Part 4, Payment Accounts for additional details.

OPM's Mission, Strategic Objectives, and Operational Goals

OPM's current Strategic and Operational Plan 2006–2010 was developed and released during FY 2006 as the agency reassessed its external and internal challenges as well as its mission, guiding principles, and priorities to create a more transparent and accountable agency. The Strategic and Operational Plan begins with a concise mission statement and continues with seven strategic objectives (see OPM's Mission and Strategic Objectives table below), each of which is supported by a series of operational goals. These operational goals are the means and strategy through which the agency fulfills its mission and improves program performance. We've issued two addendums to the Strategic and Operational Plan (in 2007 and 2008) to add operational goals.

OPM's mission is simple and direct: to ensure the Federal Government has an effective civilian workforce. This mission is accomplished by achieving seven strategic objectives. Objectives A and B focus on the Federal workforce, Objectives C and D focus on what OPM needs to achieve through Federal agencies, and Objectives E, F, and G, describe what OPM should accomplish internally. The Strategic and Operational Plan 2006–2010, and both addendums, are available on the OPM website at www.opm.gov/strategicplan. OPM also regularly updates progress in achieving its operational goals at the same site.

OPM has recently kicked off its 2009 – 2014 strategic planning effort. The agency will use both a top-down and bottom-up approach to develop the plan. Overall strategic direction will be provided by Executive Leadership, while strategy formulation and implementation will occur deeper in the organization. The plan will include strategic goals, strategies to meet those goals, and high level milestones to gauge progress over the six year planning period.

OPM's Mission and Strategic Objectives

OPM's Mission	
Our mission is to ensure the Federal Government has an effective civilian workforce.	
Strategic Objective A	The Federal civilian workforce will be focused on achieving agency goals.
Strategic Objective B	The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.
Strategic Objective C	Federal agencies will be employers of choice.
Strategic Objective D	Federal agencies will be recognized as leaders in having exemplary human resources practices.
Strategic Objective E	OPM will be a model of performance for other Federal agencies.
Strategic Objective F	OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.
Strategic Objective G	OPM will have constructive and productive relationships with external stakeholders.

Additional detail on OPM's strategic objectives can be found in Part 2 – Budget Tables and in Part 3 – Performance Budget by Organization.

OPM's Organizational Structure

OPM's organizational structure reflects the agency's primary business lines: developing Federal human resources management policy, supporting agencies in the implementation of the policy while adhering to the Merit System Principles, and supporting these with human resources products and services. Through these business lines, OPM implements its programs and achieves its strategic objectives. As shown in Figure 1 on page 12, OPM is composed of the following organizational components:

Executive Offices

- The **Office of the Director** (OD) includes the Deputy Director, Chief of Staff and Director of External Affairs, the Office of the Combined Federal Campaign, and Executive Director of the Chief Human Capital Officers Council.
- The **Office of Communications and Public Liaison** (OCPL) is responsible for coordinating and communicating the official internal and external messages concerning the agency's mission and actions, as well as HR issues which impact the Federal workforce. The office networks with Federal employee groups and stakeholders to further the mission of the agency.
- The **Office of Congressional Relations** (OCR) oversees and coordinates all of OPM's Congressional relations; provides strategic advice and legislative analysis to OPM's Director and program offices; and responds to Congressional initiatives that affect Federal human resources management issues.
- The **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.

Program Divisions

- The **Strategic Human Resources Policy Division** (SHRP) designs, develops, and leads the implementation of innovative, flexible, merit-based human resources policies and strategies enabling Federal agencies to meet their missions and achieve their goals. The majority of SHRP's activities support the Human Capital Program, but the division also provides policy leadership to the employee benefits programs (retirement, health benefits, life insurance, long term care, and other insurance programs).
- The **Human Capital Leadership and Merit System Accountability Division** (HCLMSA) supports the Human Capital Program by leading the transformation of human resources capital management across Government by proactively engaging agencies in the implementation of the Human Capital Standards for Success and providing them with technical advice and assistance. HCLMSA also supports the Merit System Compliance Program by assessing and reporting agencies' adherence to the Merit System Principles, veterans' preference, and other Government-wide standards.
- The **Office of Modernization and Human Resources Line of Business** (OM & HR LOB) is driving consolidation and integration of HR technology and services across Federal agencies by

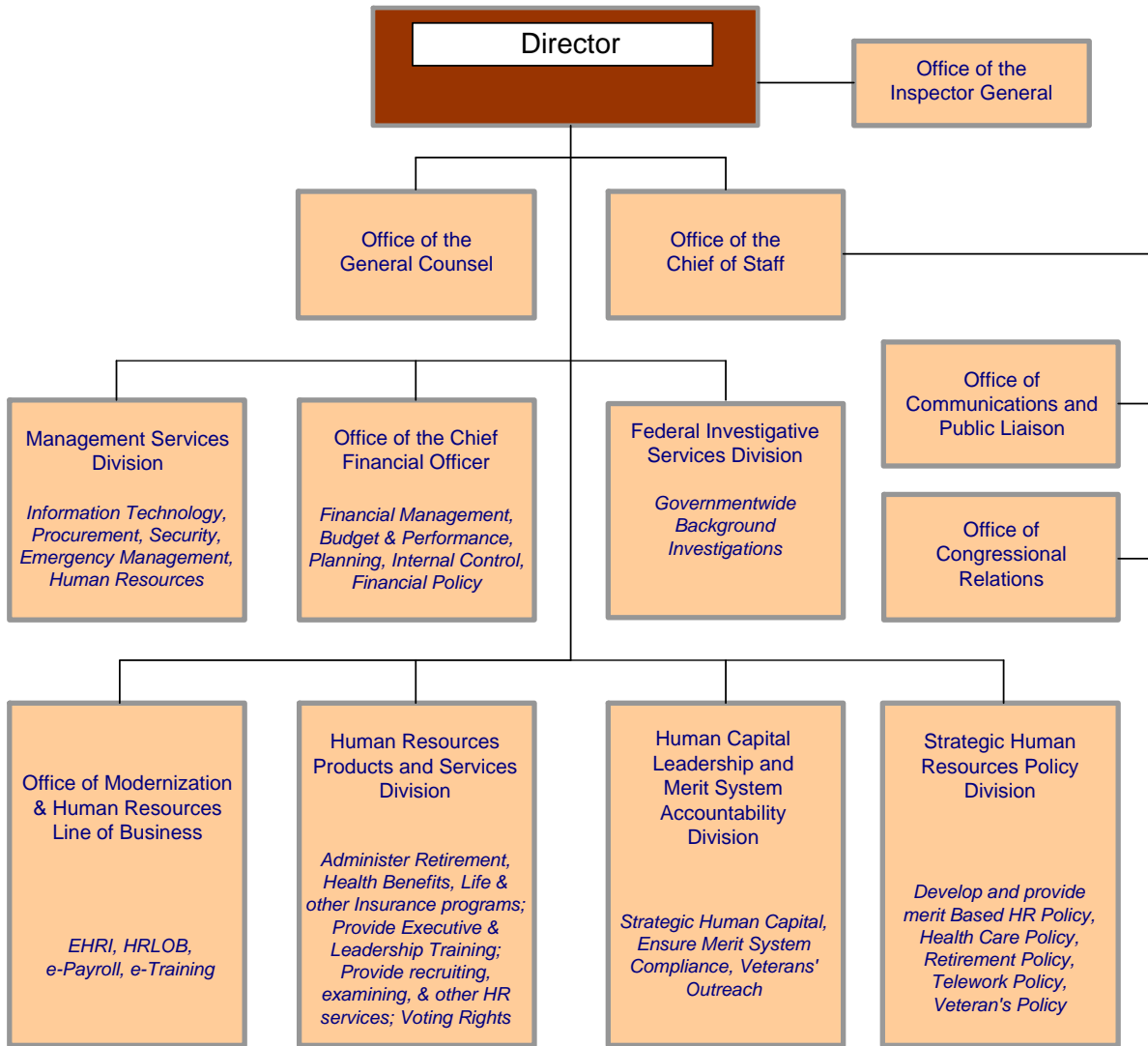
implementing a service delivery model that moves certain HR functions to shared service centers (SSCs) while preserving other HR functions at the agency level. The initiative is modernizing human resources business processes and has established providers who offer shared common solutions. These solutions will provide more efficient management of the automated information systems that support human resource activities thus allowing Federal agencies to transform their internal human resource focus from an emphasis on administrative processing to strategic planning support for agency leadership and improved customer service.

- The **Human Resources Products and Services Division** (HRPS) is OPM's integrated provider of human resources products and services. HRPS provides benefits (retirement and insurance), develops leaders, and creates workforce solutions in order to attract, retain, develop, and sustain the workforce needed to accomplish the public sector mission. HRPS' reimbursable products services include executive and leadership development programs, core mission and customized training, learning management systems, recruitment and selection tools and strategies, testing services, individual and organizational competency assessment, workforce planning, succession planning, and selective Human Resource information technology tools. HRPS also provides federal observers to assist the Department of Justice in ensuring that there are no voting rights irregularities in federal, state and local elections.
- The **Federal Investigative Services Division** (FISD) houses the Investigations Program through which it provides Federal agencies personnel background investigative and employment suitability services on a reimbursable basis to ensure Federal employees meet critical personnel security standards. FISD strives to provide these services within the timeframes mandated by the Intelligence Reform and Terrorism Prevention Act of 2004.
- The **Management Services Division** (MSD) provides OPM offices with the full range of administrative services, including human resources and equal employment opportunity management, contracting and administrative management, information technology, and security and emergency services. These services enable OPM to build mission capacity and maintain a high-quality and diverse workforce.
- The **Office of the Chief Financial Officer** (OCFO) is responsible for providing OPM offices with the full range of financial management services from the preparation of the agency strategic plan, monitoring agency operating goals, preparation of the agency annual budget, tracking of all agency receipts and disbursements and issuance of the agency annual financial statements. OCFO also performs OPM's oversight of internal controls and risk assessments.

Office of the Inspector General

- The **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 sanctionable offenses with respect to the Federal Employees Health Benefits Program (FEHBP) or other Federal programs. The OIG keeps the Director and Congress fully informed about problems and deficiencies in the administration of agency programs and operations, and the necessity for corrective action.

Figure 1 – OPM Organizational Structure



The budget request and related discussion for individual organizations can be found in Part 3.

Overview of FY 2010 Request

OPM's total FY 2010 discretionary request of **\$230,772,000** represents a net decrease of **\$722,000** from the FY 2009 enacted amount.

OPM's budget request consists of two appropriations accounts, the Office of Personnel Management Salaries and Expenses account, and the Office of the Inspector General Salaries and Expenses account. Both contain general funds and limitations on transfers from the earned benefit trust funds under OPM management. These trust funds are the Civil Service Retirement and Disability Fund, the Federal Employees Health Benefits Fund, and the Federal Employees Group Life Insurance Fund. OPM's three mandatory payment appropriations provide resources from the general fund to the three earned benefit trust funds, and finance benefits for Federal employees and annuitants. These payment accounts are discussed in Part 4, beginning on page 117.

In FY 2010, OPM's administrative accounts will support **5,020** full-time-equivalent employees (FTE) as compared to **4,954** FTE in FY 2009. Of these, the discretionary appropriations and mandatory Trust Fund transfers will support **1,856** FTE, a decrease from **1,839** FTE in FY 2009. The remaining allocation of **3,164** FTE is in the Revolving Fund Discretionary Appropriations.

Salaries & Expenses

General Funds. OPM's General Funds request for basic operating expenses totals **\$94,970,000**. The FY 2010 request includes **\$87,698,000** in annual funds and **\$7,272,000** in no-year funds for Human Resources Line of Business projects. This reflects an increase of **\$2,141,000** above the FY 2009 budget level.

Transfers from Trust Funds. For the administration of the civil service retirement and insurance programs, OPM requests a total of **\$113,238,000** in transfers from the Trust Funds. The FY2010 request includes **\$99,626,000** in annual funds and **\$13,612,000** in no-year funds, a net decrease of **\$4,844,000** below the FY 2009 limitation.

This FY 2010 request includes new no-year funding for the implementation of the Trust Funds management piece of OPM's new consolidated financial system, the Consolidated Business Information System (CBIS). No-year funding will also be used to continue activities related to scanning documents and improving the availability of electronic retirement data for the retirement program. The Annual Trust Fund resources will be used to maintain timely processing of retirement benefits claims, responding to retirement program customer inquiries, and maintain and adjust benefit payment accounts for retirees and survivor annuitants.

Continuing activities include insurance program funds dedicated to administering the contracts for the Federal Employees Health Benefits (FEHB) Program and the Federal Employees Group Life Insurance (FEGLI) Program.

Advances and Reimbursements. This account includes activity to be financed by reimbursements from other agencies for the provision of human resources management technical assistance and from OPM programs for the provision of agency-wide services.

Office of the Inspector General

Salaries & Expenses

The FY 2010 request for the Office of the Inspector General totals **\$22,564,000** and **156** FTE, and includes **\$2,136,000** and **17** FTE in General Funds and **\$20,428,000** and **139** FTE in transfers from the Trust Funds to enable the OIG to carry out its audit, investigative, and oversight responsibilities. This request, which is **\$1,981,000** above the 2009 appropriation, goes beyond current services. In addition to enabling the OIG to continue its investigative oversight of the FEHBP and Civil Service Retirement System/Federal Employees Retirement System programs, to audit FEHBP plans and carrier information systems, and to continue its prescription drug audit plan, the requested amount will allow the OIG to address critical oversight deficiencies.

Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2010 budget includes an estimated **\$1,543,938,000** in new budget authority and **3,164** FTE to be financed by other agencies' payments for OPM services. These services, provided through a mix of Federal staff and pre-qualified private sector vendors, include providing professional development and continuous learning for Federal managers and executives; providing one-stop access to high-quality e-Government products and services; testing potential military personnel for the Department of Defense in those locations where it is cost effective for OPM to do so; providing employment information, recruitment and applicant assessment services; providing 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.

Through a mix of Federal staff and the use of contracts with private companies, OPM conducts more than 90 percent of the Federal Government's background investigations of Federal employees, contractors, and military members for various Federal agencies. OPM conducts national agency check and inquiry cases and background security/suitability investigations for Federal agencies on a reimbursable basis through the Revolving Fund. OPM is using its resources to implement strategies to improve the timeliness of pending investigations while also improving the timeliness of completing investigations.

Agency contributions through the Revolving Fund for the HR LOB in FY 2010 are expected to be approximately **\$3,000,000**. These funds will be used to further develop the HR LOB including enterprise architecture and requirements development, planning and governance support, and assistance with the set-up and operation of Shared Service Centers and agency migration to established centers. Details on these contributions from other agencies to develop OPM's e-Government programs can be found in Part 3, starting on page 75.

Appropriations Language

Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$94,970,000, of which \$5,908,000 shall remain available until expended for the Enterprise Human Resources Integration project; \$1,364,000 shall remain available until expended for the Human Resources Line of Business project; and in addition \$113,238,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of \$13,612,000 shall remain available until expended for the cost of implementing the new integrated financial system as well as automating the retirement recordkeeping systems: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2010, 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 the Inspector General in carrying out the provisions of the Inspector General Act, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$2,136,000, and in addition, not to exceed \$20,428,000 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.

Highlighted Activities

The following pages provide at-a-glance summaries of certain OPM activities. With the exception of the e-Gov activities, the list is in alphabetical order. Responsibility for some of these activities spans multiple OPM organizations, and some are financed by both appropriated and non-appropriated resources. Generally, each of these activities can be mapped to a single OPM strategic objective.

OPM's Activities

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CBIS

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$100	0.0	\$0	0.0	(\$100)	0.0
Trust Fund Annual	\$0	0.0	\$3,552	0.0	\$3,552	0.0
No-year Trust Fund Limitation	\$0	0.0	\$9,364	0.0	\$9,364	0.0
Subtotal – Discretionary Resources	\$100	0.0	\$12,916	0.0	\$12,816	0.0
Revolving Fund Contribution	\$15,600	0.0	\$5,500	0.0	(\$10,100)	0.0
OPM total	\$15,700	0.0	\$18,416	0.0	\$2,716	0.0

Description

The CBIS (Consolidated Business Information System) Project began in April 2005 to move OPM's financial management and procurement systems, collectively referred to as the Government Financial Information System/Procurement Desktop (GFIS/PD), to a current and stable platform to better meet the needs of its internal and external customers. In conjunction with the Office of Management and Budget (OMB) and the Financial Management Line of Business (FMLoB) Migration Planning Guidance, OPM selected a Commercial Off-The-Shelf (COTS) solution through a competitive procurement to acquire all required integration services, application hosting services, and software. After a thorough evaluation period, CBIS project activities began in August 2008. The new accounting system will integrate and standardize administrative funds, trust funds, and procurement business processes to address regulatory and compliance deficiencies and implement in two phases. Phase I will address OPM's Salary and Expense (S&E) and Revolving Fund (RF) accounts. Phase II will address the Trust Fund processes. The implementation date for the new accounting system is October 1, 2009, with additional functionality for Phase 1 being deployed in FY 2010.

The CBIS Project Office provides project management expertise, ownership, and accountability for CBIS implementation efforts. The CBIS Project is guided by an Executive Steering Committee comprised of OPM senior executives and principal stakeholders who are responsible for the feasibility, business case, monitoring, and the achievement of outcomes of the project. In addition, the project follows OMB's Earned Value Management (EVM) guidance to evaluate project performance in an effort to measure cost, schedule, and scope impacts. The project continues to make steady progress in modernizing our financial systems since it kicked off at the end of August 2008.

2010 Issues and Challenges

During FY 2010, OPM will initiate the second phase of the project while continuing to implement and deploy remaining releases related to Phase 1. OPM's Federal Financial System (FFS) will be replaced by integrating trust fund accounting processes to the new system that was implemented in Phase 1, resulting in a single integrated system that supports the General Funds, the revolving fund, reimbursable agreements, and the Trust Funds.

CBIS is critical to OPM's continued ability to produce timely annual financial statements, receive an unqualified audit opinion from independent auditors, maintain the financial systems free of material weaknesses, and meet the guidelines for the Prompt Pay and Improper Payment Information Acts. CBIS is also critical for supporting labor cost accounting robust enough to fully support the agency's financial information and budget planning needs.

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Government-wide Training

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund (Center for Leadership Capacity Services)	\$51,000	107.0	\$55,600	111.0	\$4,600	4.0
Revolving Fund (CTS - GoLearn)	\$35,000	3.0	\$38,000	4.0	\$3,000	1.0
Revolving Fund (TMA)	\$300,000	23.0	\$310,000	27.0	\$10,000	4.0
OPM total	\$386,000	133.0	\$403,600	142.0	\$17,600	9.0

Workloads / Performance Information

Workload / Performance	FY 2008	FY 2009 Estimate	FY 2010 Estimate
CLCS Programs - # of Training Participants	14,096	14,874	15,172
# of GoLearn courses completed annually (all Learning Management Systems)	3,827,638	2,300,000	2,500,000
# of eligible (registered) users of GoLearn sites	1,371,165	1,200,000	1,300,000
Satisfaction with quality of TMA training	100%	100%	100%

Description

The Center for Leadership and Capacity Services (CLCS) provides high quality and cost-effective products and services that help agencies build successful, high performance organizations. CLCS products and services include executive, management, supervisory and leadership development along with organizational development consulting and services. CLCS is strategically organized into the following business lines: Leadership and Management Programs; Executive Programs; and Succession Planning and Custom Solutions. Each line of business fulfills a specific need ranging from executive training to a wide array of leadership courses to custom-designed solutions. Included in the solutions are a variety of instructional formats such as residential leadership and management programs, onsite leadership programs, blended and online programs.

OPM provides Government-wide centralized online training and distributed learning management system implementation through the Center for Talent Services (CTS) GoLearn program and a cadre of pre-competed GoLearn E-Training vendors. GoLearn's availability to all Federal agencies and employees make it the optimal choice for cost effectively addressing a wide range of training needs. E-Training courses are available on a variety of subjects, including legislatively mandated and agency required topics (e.g., Computer Security Awareness and Prevention of Sexual Harassment), high-interest training topics (e.g., supervisory and managerial training, homeland security), and IT courses. For larger agencies, GoLearn facilitates the implementation of learning management systems, enabling more effective management of human resources and helping to develop a more effective and productive Federal workforce.

CTS' Training and Management Assistance (TMA) program provides core mission and customized training to Federal agencies through a mix of Federal staff and prequalified private sector vendors. Through the use of vendors, OPM is able to offer a broad array of training and develop customized training offerings for individual agencies. Training topics provided through TMA have included: National Security Personnel System (NSPS), Lean Six Sigma, and Defense Civilian Intelligence Personnel System (DCIPS) training programs that cut across multiple organizations within DOD. Others, such as Emergency Preparedness Training (FEMA), Border Patrol Training (CBP), Air Traffic Controller

Training (FAA), and Anti-Terrorism Training (State ATA), focused on training required to support the missions of component organizations within DHS, DOT, and the State Department.

2010 Issues and Challenges

In FY 2010, the Center for Leadership Capacity Services will increase custom tailored programs, implement a certificate of education program for Federal managers, and maintain its ongoing core executive and managerial development programs. In FY 2009 and FY 2010, OPM will continue to monitor the performance of CTS-GoLearn contract vendors' performance and conduct a customer satisfaction survey to assess the value and delivery of CTS-GoLearn products and services.

Government is facing a potential shortage in the number of qualified employees ready to assume leadership roles. Retirements and separations are widening the gap between leadership positions and those prepared to move into them. CLCS will meet this challenge through a variety of programs. These include: the Leadership Education and Development (LEAD) Certificate Program - a pathway for Federal employee achievement; the Executive Master of Public Administration Program (Executive MPA); and a partnership program with leading universities. Along with the Presidential Management Fellows Program, CLCS' customized programs will help agencies develop future leaders.

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Health Care

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Annual Trust Fund Limitation (OPM)	\$14,968	87.0	\$14,316	85.0	(\$652)	(2.0)
Annual Trust Fund Limitation (OIG)	\$14,544	96.0	\$15,842	96.0	\$1,298	0.0
Salaries and Expenses	\$109	1.0	\$109	1.0	\$0	0.0
Subtotal, Discretionary Authority	\$29,621	184.0	\$30,267	182.0	\$646	(2.0)
Mandatory Authority, Dental & Vision Benefits (5 USC 8958 (f)(2)(A) & 5 USC 8988(f)(2)(A))	\$4,800	7.0	\$4,941	6.5	\$141	(0.5)
OPM total	\$34,421	191.0	\$35,208	188.5	\$787	(2.5)

Workloads / Performance Information

Workload / Performance	FY 2008	FY 2009 Estimate	FY 2010 Estimate
Amount of FEHB Benefit Payments (\$ millions)	\$35,586	\$37,481	\$40,474
Number of FEHB Enrollments	4,012,319	4,034,000	4,086,000

Description

OPM administers three major programs that address the health care needs of Federal employees, annuitants, and their dependents. Since 1959, the Federal Employees Health Benefits Program (FEHBP) has offered group health insurance to Federal employees. Federal retirees were added to the program in the 1960's. The FEHBP currently offers 269 health plan options which cover nearly 8 million Federal employees, annuitants, and their dependents. In 2006, OPM initiated the Federal Employees Dental and Vision Program which established group dental and vision care benefits. OPM also administers a flexible spending account program, FSAFEDS, which permits Federal employees to set aside money on a pre-tax basis to pay for non-reimbursed health and dependent care expenses.

On average, the Government contributes approximately 70% of the total premium cost of enrollments within the FEHBP. Federal agencies, as employers, pay their share of premiums out of the same resources appropriated or otherwise available for the payment of employee salaries. The government's share of retiree premiums is paid from the General Fund via "such sums as necessary" annual appropriations.

2010 Issues and Challenges

The ever-increasing cost of health care is a national challenge. OPM, through tough contract negotiations and extensive program oversight, has had remarkable success. Annual average premium increases were only about 2 % in both 2007 and 2008 contracts but the 2009 contract increase was 7.0%.

OPM is committed to expanding the use of health information technology (HIT) within the FEHBP. Included among these initiatives are electronic personnel health records, e-Prescriptions, and disease management programs. OPM believes that these and other HIT initiatives will improve the quality of care and reduce the cost of health care by eliminating manual tasks, improving the coordinated quality of care and reducing medical errors. OPM's major challenges to expanding the use of HIT within the FEHBP will be managing considerable implementation costs and ensuring that participant data is secure and safe from unauthorized access.

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Retirement modernization

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
No-year Trust Fund Limitation	\$15,200	6.0	\$4,248	5.0	(\$10,952)	(1.0)
Subtotal	\$15,200	6.0	\$4,248	5.0	(\$10,952)	(1.0)
OPM total	\$15,200	6.0	\$4,248	5.0	(\$10,952)	(1.0)

Performance/Program Timelines

Performance/Project Area	FY 2009	FY 2010	Target
Implement Earned Value Management	August 1	Ongoing	Ongoing
Develop business case	July 1	July 1	Annually
Perform detailed requirements review	Ongoing	Ongoing	Ongoing
Perform investment review	Quarterly	Quarterly	Ongoing
Risk Management	Ongoing	Ongoing	Ongoing
Program Review	Ongoing	Ongoing	Ongoing

Description

OPM's retirement modernization efforts are intended to improve the processes and technologies used to process Federal retirements and provide better customer service to annuitants and survivors. OPM aims to enhance and modernize the administration of the retirement program by implementing technology and data enhancements and by partnering with Federal agencies. The objectives of this end-to-end business transformation are to migrate from a paper-based environment to an electronic system of retirement data management; improve retirement processing and post-retirement processing efficiency; and enhance customer service.

2010 Issues and Challenges

Retirement modernization efforts have faced many challenges over the past year. With the Defined Benefits Technology Solution (DBTS) contract no longer in place, OPM is reviewing its long term strategic objectives and requirements for retirement modernization. OPM is also updating critical program documentation including the Program Management Plan, Concept of Operations, and Integrated Master Schedule to ensure the project is managed according to sound management principles. Beginning in early 2009, OPM began developing a business case that will lead to a comprehensive cost estimate and capital asset plan for 2011.

While this comprehensive re-planning exercise is underway, OPM continues to make progress on the fundamental elements of data collection and storage, basic data integration and data cleansing work, and imaging of paper records, while exploring options for technology solutions. When the documentation updates currently underway are completed, we are confident that the retirement modernization program will have a solid foundation on which to build its future efforts.

Requested appropriated resources for retirement modernization in FY 2010 will be over \$10.5 million less than in FY 2009. OPM plans to continue moving forward with its data collection, storage, integration and cleansing work and imaging of paper records while re-planning the program. OPM also continues to look at opportunities to leverage other initiatives, EHRI for example, for improvements to the retirement program.

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Retirement Programs

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Annual Trust Fund Limitation (OPM)*	\$84,449	477.7	\$84,074	464.1	(\$375)	(13.6)
Annual Trust Fund Limitation (OIG)	\$3,886	19.0	\$4,233	19.0	\$347	0.0
Subtotal – Discretionary Resources	\$88,335	496.7	\$88,307	483.1	(\$28)	(13.6)
5 USC 8348(a)(1)(B) - Mandatory Authority	\$32,003	281.5	\$33,233	281.5	\$1,230	0.0
FERCCA - Mandatory Authority	\$1,430	10.0	\$1,981	12.0	\$551	2.0
Subtotal – Mandatory Authority	\$33,433	291.5	\$35,214	293.5	\$1,781	2.0
OPM total	\$121,768	788.2	\$123,521	776.6	\$1,753	(11.6)

* Dollars include direct retirement operations, retirement policy, share of agency rent costs and share of centrally managed "common services". FTE shown are directly related to retirement operations, policy and oversight.

Workloads / Performance Information

Workload / Performance	FY 2008	FY 2009 Estimate	FY 2010 Estimate
Number of Retirees added to roll	92,232	97,346	99,358
Number of Annuitants & Survivors on annuity roll	2,471,000	2,512,000	2,535,000
Annual Value of Annuity Payments (\$ millions)	\$63,432	\$67,224	\$69,684

Description

OPM administers two Federal retirement programs; the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). Combined, these two systems cover over 1.8 million employees and disburse monthly benefits to approximately 2.5 million retirees and survivors. Multiple OPM organizations have a role in the administration of the retirement program. The Strategic Human Resources Policy Division provides policy guidance and actuarial support for the program. The Human Resources Products and Services Division calculates and authorizes program benefits, maintains program records, and provides customer services. The Office of the Chief Financial Officer performs accounting and financial reporting services for the program. The Management Services Division develops and maintains the program's automated systems, and the Office of the Inspector General provides program oversight and investigates allegations of waste, fraud, and abuse.

2010 Issues and Challenges

During 2010, OPM's Retirement Program will continue to provide retirement services to the 2.5 million Federal retirees and survivors who receive annuity payments. It will continue to make benefit determinations based on applicable laws and regulations. The scope of program activities include making initial eligibility determinations, adjudication, post retirement changes, and survivor processing.

Among the retirement program's many challenges are paper-based processes that require manual intervention both at OPM and at agencies where significant data collection at the time of retirement is required prior to computing an employee's annuity.

In addition, the process is time consuming; it can take up to 3 to 4 weeks before OPM receives a separating employee's retirement package from agencies. Once received, the package may not be complete and OPM must collect additional information. Almost 40% of all retirement packages sent to

OPM require additional contact with the originating agency. This lengthy data collection process following the employee's retirement inhibits timely, accurate payments.

As a result, over 95% of annuitants receive an interim payment for their first check as opposed to the full amount they are due. Interim pay represents roughly 95% of a retiree's estimated net annuity and most retirees receive at least 1 or 2 interim payments while their claims are being adjudicated.

To process retirements, the program relies on over 80 legacy systems. The risk of total system or component failure is high as several of the systems are over 30 years old and are based in antiquated code and logic. Further, the number of staff with the requisite skill sets that support these systems are diminishing as the workforce ages and retires. Additionally, these systems largely require manual data entry which is time consuming and increases the propensity for error.

Capabilities to efficiently serve annuitants and survivors are constrained by limited staff and limited technology while customer service expectations are increasing. Workloads throughout the Retirement Program have grown over the past several years and are projected to increase further as more Federal employees become eligible to retire.

Retirement modernization is intended to make needed improvements in retirement processes, technologies, and services.

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Security Clearances

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$945,244	2,406.0	\$978,000	2,415.7	\$32,756	9.7
OPM total	\$945,224	2,406.0	\$978,000	2,415.7	\$32,756	9.7

Workloads / Performance Information

Workload / Performance	FY 2008	FY 2009 Estimate	FY 2010 Estimate
Background Investigations Processed	313,202	250,000	250,000
National and Special Agency Checks and Inquiry Cases Closed	1,424,043	1,400,000	1,400,000
Special Agreement Checks Closed	581,844	500,000	500,000

Description

The Federal Investigative Services Division (FISD) provides background investigative services to agencies. FISD conducts more than 90 percent of the Federal Government's background investigations on Federal employees, contractors, and military members. Investigations are a critical step in the Federal hiring process and can affect hiring or removal decisions based on the individual's fitness and suitability for employment. Based on information gathered in background investigations, Federal agencies issue security clearances and make suitability determinations.

2010 Issues and Challenges

OPM continues to recognize and overcome significant challenges in improving the investigations and adjudications process. FISD is actively pursuing investigative methods that will increase the use of existing automated records systems to improve timeliness and still maintain quality. OPM has participated in the Joint Reform Team efforts to create an Automated Record System that will utilize government and commercial databases to collect relevant information. FISD will continue to focus on timeliness for completing investigations. This division has initiated aggressive training methods to bolster the field investigator and operations workforce and has successfully deployed an imaging system which allows for the electronic delivery and storage of case papers. The e-QIP (Electronic Questionnaire for Investigative Processing) system provides agencies with the ability to remotely enter and transmit case papers when requesting a background investigation. Five agencies currently receive completed cases via electronic delivery. OPM is preparing to deploy electronic delivery to additional agencies pending their installation of the required secure connection. Agencies are also increasingly deploying the e-QIP system, which provides them with the ability to remotely enter and transmit case papers when requesting a background investigation. Ultimately, these types of technical initiatives will improve OPM's and agencies' responsiveness to Federal and contractor staffing needs.

OPM is also working with stakeholders to develop a more simplified system for investigative and adjudicative functions. A tiered investigative model has been developed that would allow for the use of prior investigative data should the need arise for a higher level investigation. The entire investigative process is being reviewed and models are being developed in conjunction with the Joint Reform Team, which is detailing new methods to conduct security and suitability investigations.

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Staffing

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$12,246	82.2	\$12,816	84.2	\$570	2.0
HCLMSA Salaries & Expenses	\$3,458	27.1	\$4,402	46.3	\$944	19.2
FPRAC Salaries & Expenses	\$235	1.0	\$239	1.0	\$4	0.0
Total OPM	\$15,939	110.3	\$17,457	131.5	\$1,518	21.2

Workloads / Performance Information

Workload / Performance	FY 2008 Results	FY 2009 Target	FY 2010 Target
# of agencies that meet their annual targets for closing mission-critical occupation/competency gaps	21 out of 26 agencies	20 out of 26 agencies	22 out of 26 agencies
% of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	64%	n/a	n/a
% of hires in each agency hired within the 80-day time frame, as described in OPM's hiring time frame model	n/a	10%	15%

The 45-day metric was changed in September 2008, when OPM issued the End-to-End (E2E) Hiring Roadmap, thereby implementing a more aggressive standard for federal hiring. The E2E standard requires agencies to complete the entire federal hiring process – from the date a hiring manager communicates to HR that he/she has a budgeted position to fill, through to the employees' entry on duty date in 80 calendar days. The previous metric measured only a small portion of the entire process, and measured in business rather than calendar days. The equivalent portion of the hiring process in the E2E standard takes only 23 calendar days.

Description

OPM leads the Government-wide staffing effort to ensure that Federal agencies acquire and retain employees with the specific skills, knowledge, and abilities essential to achieving agency goals and missions. OPM, through its Human Capital - Talent program (see page 81), helps Federal agencies be “employers of choice,” to compete successfully with other employers by using effective recruitment and retention strategies. We make use of available recruiting, hiring and retention methods, tools, authorities and flexibilities.

One of the major activities for OPM is the End-to-End Hiring Initiative that was launched by OPM in February 2008. In partnership with the Chief Human Capital Officers Council (CHCOC) Subcommittee for Hiring and Succession Planning, the goal of the initiative is to transform federal hiring into an improved experience for applicants and line managers by designing a roadmap for hiring end-to-end, from workforce planning through the first year of a new employee's orientation integrating all aspects of hiring to attract top talent, keep applicants well informed of the hiring process, and integrate new employees into agency missions. This new approach to Federal hiring is designed to focus on the applicant: his or her expectations, needs and interests.

OPM continues to actively pursue the benefits of telework, which is a great recruiting and retention tool, for all Federal employees, including its own. As OPM estimates that 40 percent of the federal workforce will likely retire in the next 10 years, there is a continued emphasis on hiring practices and benefits that will ensure the federal government meets its recruiting needs in the near future.

2010 Issues and Challenges

One of the challenges facing Federal agencies is how to attract and recruit qualified individuals by meeting their expectations for user-friendly application procedures, clear communication about the hiring process and an engaging orientation experience.

In the next five years, the Federal Government will lose a significant portion of its valued workforce through attrition. The Government's ability to replace this loss of skills and experience with new talent will depend on our capability to efficiently and effectively recruit, hire and retain high performing employees.

There is broad agreement that the current competitive hiring process needs improvement. Applicants regularly report confusion about differences among agencies' application processes, complex application requirements that are difficult to meet, and lack of communication from agencies about 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 such as workforce planning and timely decision making. Managers complain that HR policies and procedures are unclear, overly bureaucratic, and un-responsive to their needs.

These combined frustrations make it more difficult for the Federal Government to hire qualified employees in the stiff competition for top talent.

The E2E Hiring Roadmap was designed to be a living document that will be refined as more is learned from agencies' implementation experiences. In FY 2009 and 2010, OPM and the CHCO Council will continue to partner in assisting agencies with implementation of the Roadmap. OPM is developing a resource guide for agencies to support transformation of their hiring through Roadmap implementation. OPM's Human Capital Officers will continue to work with agencies to conduct gap analyses of current hiring processes against this Roadmap and will help agencies develop and implement strategies to work toward the Roadmap.

In FY 2009, agencies established baselines against the E2E measures. Throughout FY 2009, agencies will set targets for improving on these baselines and will implement improvement plans. Agencies will then report their progress in meeting their E2E targets in their FY 2009 Human Capital Management Reports (HCMRs) to be released in early FY 2010. Throughout this process, OPM will continue to partner with agencies to assist as needed with data collection, analysis, target-setting and improvement planning and implementation.

While the ultimate goal of the E2E Hiring Initiative is to transform Federal hiring across agencies and occupations, the transformation process is by its nature incremental. Throughout FY 2009 and 2010, OPM will work with agencies to identify specific occupations, positions, or components they want to focus on during the initial stages of reengineering and implementation. In addition, OPM will continue to work with agencies to set attainable targets for improvement that reflect their particular circumstances. While it is not expected that all agencies will immediately meet the timelines established in the Roadmap; it is expected that agencies will set aggressive improvement targets. OPM will work with agencies to help them attain these targets and help them make progress in order to meet the standards established in the Roadmap.

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USAJOBS

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$9,660	11.0	\$9,780	12.0	\$120	1.0
OPM total	\$9,660	11.0	\$9,780	12.0	\$120	1.0

Workloads / Performance Information

Workload / Performance	FY 2008	FY 2009 Estimate	FY 2010 Estimate
Percent of CHCO agencies using USAJOBS position announcement template	100%	100%	100%
% of CHCO agencies using the USAJOBS resume format and integrating online applications with their assessment systems	84%	100%	100%
Full cost Recovery annually for each revolving fund program	Yes	Yes	Yes

Description

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. This state of the art recruitment system simplifies the Federal Job search process for job seekers and user Agencies by providing online recruitment services, job posting, intuitive job searching, email notification of jobs of interest (search agents), online application submission, automated eligibility and status feedback (such as resume received, resume evaluated (qualified or not), resume referred (or not), selected (or not)), applicant resume mining, and integration with sophisticated agency automated assessment tools.

USAJOBS provides an online portal through which citizens can easily search for employment opportunities throughout the Federal Government. To date, USAJOBS has serviced over 300 million visitors. Additionally, over 9 million resumes are currently on file.

USAJOBS also provides a means by which Federal managers can become more effective in finding quality applicants for vacant positions and has made the government more efficient at managing the Federal recruitment process.

2010 Issues and Challenges

During FY 2010, OPM will continue to enhance USAJOBS as the Federal Government's principal front-facing hiring entity, increasing the pool of qualified applicants for Federal jobs and making the hiring process faster. Activities planned for FY 2010 will increase the site's job searching capabilities and its use by more agencies. OPM will develop a data collection process that will allow USAJOBS to determine and measure program outcomes. OPM will work with agencies to obtain their involvement in and support of "integration" activities that will improve the online application experience for large segments of Federal job seekers. Moving toward "total integration" of Federal job announcement and applicant assessment systems will provide hiring system compatibility across Government, resulting in a more efficient hiring process overall. Producing standard job vacancy announcements is another way OPM will work to simplify the Federal application process.

The risks associated with maintaining a large database with Personally Identifiable Information (PII) will persist, as has been the case with many large databases of information. The USAJOBS system will

continue to be a target of illegal attempts to gain access and information from its database. USAJOBS and its technology provider have fully evaluated the risks and taken appropriate actions to mitigate them. The mitigation strategies are National Institute of Standards and Technology (NIST) compliant and controls will be put in place at both the technical and management levels.

OPM is keenly aware of the need to promptly notify job applicants when job applications reach different stages of the application process. At present, many applicants complain of inconsistencies in how information is provided to them, if at all, once they apply for a Federal job. OPM is committed to an approach called the “4 points of communication.” OPM (through USAJOBS) will communicate the status of an application at 4 stages: upon receipt, evaluation, referral, and selection. Using this approach, applicants will be made of aware of where they stand in the process.

The ultimate goals for USAJOBS are to establish one central, identifiable point for Federal employment information, establish standard job vacancy announcements across the competitive service, promote an on-line application process, streamline the application process, and shorten the hiring timeline.

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OPM Managed e-Gov Activities

Budget (\$ thousands)

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
EHRI	\$5,851	2.8	\$5,908	2.8	\$57	0.0
HR LOB	\$1,351	7.0	\$1,364	7.0	\$13	0.0
OPM total	\$7,202	9.8	\$7,272	9.8	\$70	0.0

Workloads / Performance Information

Workload / Performance	FY 2008	FY 2009 Estimate	FY 2010 Estimate
Number of e-Payroll migrations	23	5	0
Number of agencies migrated to HR LOB Shared Service Centers (including the migration of additional human resources functions)	3	0	0
Number of agencies beginning planning for migration to an HR LOB Shared Service Center	n/a	n/a	2
Percent of hard copy official personnel files converted to electronic format	51%	70%	90%
Number of hard copy official personnel files converted to electronic format	999,000	1,260,000	1,620,000

Description

In FY 2010, the requested resources will support the Human Resources Line of Business (HR LOB) and Enterprise Human Resources Integration (EHRI).

The HR LOB provides the Federal HR community a model by which to receive services and the standards by which to modernize their HR systems. It is a strategic and transformational initiative that improves HR services through the establishment of a shared service center (SSC) delivery model. The HR LOB has identified and documented common business, technical, and data requirements and best practices consistent with federal human resources policies and the Federal Enterprise Architecture. It has also published migration planning guidance to assist agencies in preparing for and managing a migration of their human resource functions to an SSC.

During FY 2009, the HR LOB is focusing on the integration of HR systems through its Integration Support Project designed to provide visibility into multiple government-wide HR systems in terms of their interrelationships and opportunities for integration. The HR LOB is also conducting HR and Payroll Benchmarking studies. These studies focus on HR and Payroll performance measures that both agencies and SSCs will find valuable and that allow comparison to industry standards. Finally, the HR LOB is developing a program that will evaluate SSCs ability to deliver services to their customer agencies with a focus on compliance, modernization, and transparency.

EHRI is a comprehensive electronic personnel recordkeeping and analysis system that supports human resources management across the Federal Government. This system spans the careers of 1.8 million Federal employees—from hiring to retiring—and provides employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge management, workforce analysis, forecasting, and reporting Government-wide in support of the strategic management of human resources. When fully implemented, EHRI will replace the current Official Personnel Folder with an electronic employee record for all

Executive Branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of federal employment.

EHRI converted more than 999,000 cumulative HR folders on the electronic official personnel folder (eOPF) system by FY 2008, meeting OPM's operational goal to convert 50% of hard copy folders government-wide to electronic format. The EHRI program has also completed eOPF deployments for 2 new agencies, bringing the total to 17 agencies using the system.

During FY 2009, EHRI is moving forward with eOPF assessments, deployments, and backfile conversions for more than 20 agencies. The plan assumes that the Department of Defense (DOD), EHRI's largest agency customer, will move forward with eOPF in the second half of FY 2009, continuing into FY 2010. The Program expects to achieve an additional 360,000 folders on the eOPF system by year-end 2009. EHRI will provide the analytical tools service offering, with improvements being made based on customer feedback.

EHRI will continue to partner with the Department of Interior's National Business Center (NBC) for hosting and help desk support. EHRI will also continue to support retirement modernization with labor services, as well as the purchase of hardware and software. EHRI will continue to operate and maintain the data warehouse at baseline performance and data quality levels. Lastly, EHRI will move forward with the development of a Statistical Data Mart (SDM) that is needed to deliver advanced statistical analysis capabilities.

2010 Issues and Challenges

Due to the uncertainty surrounding public-private competitions, *The Competition Framework for HR Line of Business Migrations* document that allows agencies to select and migrate to an SSC will need to be revised. Another issue affecting HR LOB SSCs is the need to allow public sector SSCs to use a funding mechanism that supports their need to upgrade their services and technology solutions. Current funding under the Economy Act does not allow for these upgrades. In addition, the success of the HR LOB depends on the continuation of incoming funds through its partner agencies.

EHRI will continue with eOPF assessments, deployments, and backfile conversions for new agencies during FY 2010, with the majority of the work being done for the Department of Defense. EHRI expects to achieve its goal to convert an additional 20% of hard copy official personnel folder Government-wide to electronic format by October 1, 2010. EHRI also expects to continue supporting retirement modernization during FY 2010.

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OPM Participation in Other e-Gov Initiatives

Budget

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses	\$213,203	0.0	\$278,383	0.0	\$65,180	0.0
OPM total	\$213,203	0.0	\$278,383	0.0	\$65,180	0.0

OPM Participation by E-Gov Project

Initiative	FY08 Agency Contributions (Includes In-Kind)	FY08 Agency Service Fees*	FY09 Agency Contributions (Includes In-Kind)	FY09 Agency Service Fees*	FY10 Agency Contributions (Includes In-Kind)**	FY10 Agency Service Fees*
Budget Formulation and Execution LOB	\$85,000	\$0	\$95,000	\$0	\$95,000	\$0
Business Gateway	\$44,000	\$0	\$12,648	\$0	\$5,519	\$0
E-Rulemaking *	\$135,000	\$0	\$0	\$74,014	\$0	\$19,262
E-Travel	\$0	\$348,772	\$0	\$335,010	\$0	\$315,010
E-Authentication	\$0	\$126,900	\$0	\$224,700	\$0	\$224,700
Financial Management LOB	\$44,444	\$0	\$44,444	\$0	\$88,888	\$0
IT Infrastructure LOB	\$20,000	\$0	\$0	\$0	\$40,000	\$0
Integrated Acquisition Environment	\$12,155	\$0	\$0	\$18,172	\$0	\$31,432
Disaster Assistance Improvement Program	\$476,373	\$0	\$61,111	\$0	\$48,976	\$0
OPM Total	\$816,972	\$475,672	\$213,203	\$651,896	\$278,383	\$590,404

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

** FY 2010 contributions and FFS costs are identical to those of FY 2009, but are subject to change, as redistributions to meet changes in resource demands are assessed.

Description

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

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

Budget Formulation and Execution (BFE) LOB (Managing Partners: Department of Energy and Department of Education). BFE LOB is a collaborative interagency effort to devise strategies that will enable agency and OMB budget personnel to reduce manual processes, improve efficiency and effectiveness, and redirect limited time to a backlog of high-priority analytical activities. BFE LOB has provided invaluable knowledge that has been utilized in considering a budget formulation system for OPM’s current financial management and procurement system implementation, known as CBIS (Consolidated Business Information System). OPM’s current financial system implementation will provide helpful lessons learned to BFE LOB that will contribute to its decisional matrix that agencies can use in assessing budgeting systems. Additionally, it provides agencies the ability to share lessons learned

for budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government. In FY 2009, the BFE LOB will provide all agencies with more information about collaboration tools and technologies that can ease communications in the Federal budget environment.

Business Gateway (Managing Partner: Small Business Administration). By creating a single portal for business information, such as regulatory compliance information, Business Gateway directly benefits OPM by making its forms more available to the public. OPM will receive:

- **Contact center savings:** Savings are expected by the reduction of misdirected calls handled by OPM due to the use of Business.gov and Forms.gov.
- **Maintenance savings:** Business.gov's search technology will provide OPM with valuable user statistics and feedback, enabling it to simplify content management on its business compliance site.
- **Increased forms management:** By making 72 forms (to date) available on Forms.gov, OPM saves agency time in forms management, and is expected to produce significant savings in paper and postage.
- **Reduced burden on field offices:** By directing compliance-related inquiries to Business.gov, agencies with field offices will save training and staff-time dollars.
- **Data harmonization:** Every Federal agency should have or participate in at least one "vertical" opportunity. The Departments of the Interior and Labor together saved \$341,000 in the first three years of their vertical, and are expected to save \$570,000 over 5 years.

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. In 2006, OPM published 45 regulatory actions. 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: GSA). 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 \$315,000 in FY 2010. This service is financed out of the Office of the Chief Financial Officer.

E-Authentication (Managing Partner: GSA). The E-Authentication Federation allows OPM to use identity credentials issued and managed by organizations within and outside the Federal Government, thereby relieving OPM of much of the cost of providing its own identity management solutions. This initiative provides the critical capability of validating that citizens, businesses, and Government employees are who they say they are when accessing a Web-based Government service/system. The initiative benefits OPM by providing E-Authentication expertise, guidance, and documentation, including

project planning and reporting templates, to enable OPM to implement e-Authentication on several e-Gov portals, including those for CTS - GoLearn, EHRI, and USAJOBS.

Financial Management Line of Business (Managing Partner: GSA). 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.

Information Technology (IT) Infrastructure Optimization Line of Business (Managing Partner: GSA). The initiative benefits OPM through improved IT performance, greater efficiencies in IT infrastructure investments, and consistency and standardization of infrastructure platforms. The Infrastructure LOB will provide OPM with best practice data and industry-wide performance metrics to validate and/or improve existing performance.

Integrated Acquisition Environment (Managing Partner: GSA). 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: FEMA). The Disaster Assistance Improvement Program (DAIP) is a new Federal program to 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.

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Part 2 – Summary Tables of FY 2010 Performance Budget

FY 2010 Budget by Program – Appropriated Resources (in millions)

Organization/Activity	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
SHRP	\$24,367	165.5	\$24,812	165.0	\$445	(0.5)
Human Resources Policy	\$20,437	138.2	\$20,807	138.2	\$370	0.0
Benefits Policy	\$3,930	27.3	\$4,005	26.8	\$75	(0.5)
HCLMSA	\$25,241	212.0	\$25,697	212.4	\$456	0.4
Human Capital Leadership	\$25,241	212.0	\$25,697	212.4	\$456	0.4
Merit System Accountability	\$0	0.0	\$0	0.0	\$0	0.0
HR LOB	\$7,202	9.8	\$7,272	9.8	\$70	0.0
HRPS.	\$80,080	500.0	\$62,266	499.0	\$3,787	(1.0)
Benefits administration*	\$79,470	495.0	\$61,636	494.0	\$12,317	(1.0)
Voting Rights	\$610	5.0	\$630	5.0	\$20	0.0
FISD	\$0	0.0	\$0	0.0	\$0	0.0
Management Services	\$89,083	416.8	\$103,108	416.9	\$14,025	0.1
MSD**	\$64,221	264.0	\$64,989	263.0	\$768	(1.0)
OCFO**	\$24,862	152.8	\$38,119	153.9	\$13,257	1.1
Executive Services	\$13,400	92.0	\$13,643	92.0	\$243	0.0
Office of the Director**	\$3,057	25.0	\$3,115	25.0	\$58	0.0
OGC**	\$5,069	31.0	\$5,159	31.0	\$90	0.0
OCR**	\$1,964	14.0	\$2,001	14.0	\$37	0.0
OCPL**	\$2,243	16.0	\$2,284	16.0	\$41	0.0
Federal Prevailing Rate Advisory Committee	\$235	1.0	\$239	1.0	\$4	0.0
President's Commission on White House Fellows	\$832	5.0	\$845	5.0	\$13	0.0
Contributions to e-Gov activities under development	\$213	0.0	\$278	0.0	\$65	0.0
Rent and other CFI	\$26,440	0.0	\$26,057	0.0	(\$383)	0.0
OPM General Fund subtotal	\$210,911	1,396.1	\$208,208	1395.1	(\$2,703)	(1.0)
OIG	\$20,583	139.0	\$22,564	156.0	\$1,981	17.0
OPM total	\$231,494	1,535.1	\$230,772	1551.1	(\$722)	16.0

* Retirement modernization is included in HRPS Benefits Administration.

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

The appropriated and non-appropriated amounts for these "common services" organizations are shown in the tables below.

2010 Budget by Strategic Objective – Appropriated Resources (in millions)

Organization/ Activity	Objective							Total Appropriated Resources
	A	B	C	D	E	F	G	
SHRP	\$3.80	\$6.07	\$12.54	\$2.40	\$0.00	\$0.00	\$0.00	\$24.81
Human Res. Policy	\$3.80	\$2.07	\$12.54	\$2.40				\$20.81
Benefits Policy		\$4.00						\$4.00
HCLMSA	\$2.36	\$3.27	\$4.30	\$15.77	\$0.00	\$0.00	\$0.00	\$25.70
Human Capital Leadership	\$2.36	\$3.27	\$4.30					\$9.93
Merit System Accountability				\$15.77				\$15.77
HR LOB	\$0.00	\$0.00	\$0.00	\$7.27	\$0.00	\$0.00	\$0.00	\$7.27
HRPS	\$0.00	\$61.64	\$0.63	\$0.00	\$0.00	\$0.00	\$0.00	\$62.27
Benefits administration*		\$61.64						\$61.64
Voting rights			\$0.63					\$0.63
Talent Services								\$0.00
USAJOBS								\$0.00
Executive and Leadership Development								\$0.00
CTS - GoLearn								\$0.00
FISD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Management Services	\$0.00	\$0.00	\$0.00	\$0.00	\$48.80	\$0.00	\$0.00	\$48.80
MSD**					\$24.81			\$24.81
OCFO**					\$23.99			\$23.99
Executive Services	\$0.00	\$0.00	\$0.00	\$0.00	\$11.94	\$0.00	\$0.00	\$11.94
Office of the Director**					\$3.16			\$3.16
OGC**					\$4.79			\$4.79
OCR **					\$1.86			\$1.86
OCPL**					\$2.12			\$2.12
OPM total	\$6.16	\$70.98	\$17.47	\$25.44	\$60.74	\$0.00	\$0.00	\$180.79

* Retirement modernization is included in HRPS Benefits Administration under Strategic Objective B.

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

2010 Budget by Strategic Objective – Non-Appropriated Resources (in millions)

Organization/ Activity	Objective							Total Non- Appropriated Resources
	A	B	C	D	E	F	G	
SHRP	\$0.00	\$1.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.63
Human Res. Policy								\$0.00
Benefits Policy		\$1.63						\$1.63
HCLMSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Human Capital Leadership								\$0.00
Merit System Accountability								\$0.00
HR LOB	\$0.00	\$0.00	\$0.00	\$71.06	\$0.00	\$0.00	\$0.00	\$71.06
HRPS	\$0.00	\$132.20	\$401.28	\$0.00	\$0.00	\$0.00	\$0.00	\$533.48
Benefits administration		\$38.60						\$38.60
Voting rights								\$0.00
Talent Services		\$38.00	\$391.50					\$429.50
USAJOBS			\$9.78					\$9.78
Executive and Leadership Development		\$55.60						\$55.60
FISD	\$0.00	\$0.00	\$0.00	\$0.00	\$945.00	\$0.00	\$0.00	\$945.00
Management Services	\$0.00	\$0.00	\$0.00	\$0.00	\$54.31	\$0.00	\$0.00	\$54.30
MSD*					\$40.18			\$40.17
OCFO*					\$14.13			\$14.13
Executive Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.83	\$0.00	\$0.00	\$0.83
Office of the Director*					\$0.16			\$0.16
OGC*					\$0.37			\$0.37
OCR*					\$0.14			\$0.14
OCPL*					\$0.16			\$0.16
OPM total	\$0.00	\$133.83	\$401.28	\$71.06	\$1,000.14	\$0.00	\$0.00	\$1,606.30

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

2010 Budget by Strategic Objective – Total Resources (in millions)

Organization/ Activity	Objective							Total Resources
	A	B	C	D	E	F	G	
SHRP	\$3.80	\$7.70	\$12.54	\$2.40	\$0.00	\$0.00	\$0.00	\$26.44
Human Res. Policy	\$3.80	\$2.07	\$12.54	\$2.40	\$0.00	\$0.00	\$0.00	\$20.81
Benefits Policy	\$0.00	\$5.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.63
HCLMSA	\$2.36	\$3.27	\$4.30	\$15.77	\$0.00	\$0.00	\$0.00	\$25.70
Human Capital Leadership	\$2.36	\$3.27	\$4.30	\$0	\$0.00	\$0.00	\$0.00	\$9.93
Merit System Accountability	\$0.00	\$0.00	\$0.00	\$15.77	\$0.00	\$0.00	\$0.00	\$15.77
HR LOB Program Mgmt	\$0.00	\$0.00	\$0.00	\$78.33	\$0.00	\$0.00	\$0.00	\$78.33
HRPS.	\$0.00	\$193.84	\$401.91	\$0.00	\$0.00	\$0.00	\$0.00	\$595.75
Benefits administration*	\$0.00	\$100.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100.24
Voting rights	\$0.00	\$0.00	\$0.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.63
Talent Services	\$0.00	\$38.00	\$391.50	\$0.00	\$0.00	\$0.00	\$0.00	\$429.50
USAJOBS	\$0.00	\$0.00	\$9.78	\$0.00	\$0.00	\$0.00	\$0.00	\$9.78
Executive and Leadership Development	\$0.00	\$55.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55.60
FISD	\$0.00	\$0.00	\$0.00	\$0.00	\$945.00	\$0.00	\$0.00	\$945.00
Management Services	\$0.00	\$0.00	\$0.00	\$0.00	\$103.11	\$0.00	\$0.00	\$103.11
MSD**	\$0.00	\$0.00	\$0.00	\$0.00	\$64.99	\$0.00	\$0.00	\$64.99
OCFO**	\$0.00	\$0.00	\$0.00	\$0.00	\$38.12	\$0.00	\$0.00	\$38.12
Executive Services	\$0.00	\$0.00	\$0.00	\$0.00	\$12.76	\$0.00	\$0.00	\$12.76
Office of the Director**	\$0.00	\$0.00	\$0.00	\$0.00	\$3.32	\$0.00	\$0.00	\$3.32
OGC**	\$0.00	\$0.00	\$0.00	\$0.00	\$5.16	\$0.00	\$0.00	\$5.16
OCR **	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00	\$0.00	\$0.00	\$2.00
OCPL**	\$0.00	\$0.00	\$0.00	\$0.00	\$2.28	\$0.00	\$0.00	\$2.28
OPM total	\$6.16	\$204.81	\$418.75	\$96.50	\$1060.87	\$0.00	\$0.00	\$1,787.09

*Retirement modernization is included in HRPS Benefits Administration under Strategic Objective B.

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

Appropriated Resources Not Directly Aligned by Strategic Objective (in millions)

Organization/Activity	Total Appropriated Resources
Aligned Appropriated Resources (brought forward)	\$180.789
Executive Services	\$1.084
Federal Prevailing Rate Advisory Committee	\$0.239
President's Commission on White House Fellows	\$0.845
Agencywide activities	\$26.335
Rent and CFI	\$26.057
Participation in other agencies' e-Gov initiatives	\$0.278
Office of the Inspector General	\$22.564
Total OPM Appropriated Resources	\$230.772

Fiscal Year Comparison of FTE Staffing

Fund	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009-10 Variance
Salaries & Expenses Annual	783.0	781.0	781.2	0.2
Salaries & Expenses No-year	10.0	9.8	9.8	0.0
Salaries & Expenses total	793.0	790.8	791.0	0.2
Trust Fund Annual	615.0	598.9	598.4	(0.5)
Trust Fund No-year	20.0	6.0	5.0	(1.0)
Trust Fund limitation total	635.0	604.9	603.4	(1.5)
Total appropriated	1,428.0	1,395.7	1,394.4	(1.3)
5 USC, 8348(a)(1)(b) Mandatory Authority	281.0	281.5	281.5	0.0
FERCCA – Mandatory Authority	14.0	10.0	12.0	2.0
Long-Term Care – Mandatory Authority	6.0	6.0	6.0	0.0
Dental/Vision – Mandatory Authority	9.0	7.0	6.5	(0.5)
Mandatory Authority - total	310.0	304.5	306.0	1.5
OIG Salaries & Expenses	14.0	14.0	17.0	3.0
OIG Trust Fund	109.0	125.0	139.0	14.0
OIG total	123.0	139.0	156.0	17.0
Subtotal	1,861.0	1,839.2	1,856.4	17.2
Revolving Fund	3,127.0	3,115.2	3,164.0	48.8
Total	4,988.0	4,954.4	5,020.4	66.0

Appropriations Summary

Comparison to 2009 Appropriation

	Salaries and Expenses		Office of the Inspector General	
	General Fund	Transfers from Trust Funds	General Fund	Transfers from Trust Funds
Enacted, FY 2009	\$92,829,000	\$118,082,000	\$1,828,000	\$18,755,000
Budget request, FY 2010	\$94,970,000	\$113,238,000	\$2,136,000	\$20,428,000
Request compared with estimate	\$2,141,000	(\$4,844,000)	\$308,000	\$1,673,000

Government Payment Accounts	
Government Payment for Annuity, Employees Health Benefits	
Estimate, FY 2009	\$9,262,000,000
Budget request, FY 2010 (estimate)	\$10,084,000,000
Request compared with estimate	\$822,000,000
Government Payment for Annuity, Employees Life Insurance	
Estimate, FY 2009	\$46,000,000
Budget request, FY 2010 (estimate)	\$48,000,000
Request compared with estimate	\$2,000,000
Payment to Civil Service Retirement and Disability Fund	
Estimate, FY 2009	\$10,300,000,000
Budget request, FY 2010 (estimate)	\$10,272,000,000
Request compared with estimate	(\$28,000,000)

Notes: Government Payment accounts represent payments from the General Fund to earned benefit trust funds administered by OPM. These payments are defined in the sections of the United States Code that pertain to these programs. The amounts shown represent current estimates of annual costs. Please see Part 4, Payment Accounts for additional details. In addition to the payment to the Civil Service Retirement and Disability Fund, there is a permanent indefinite authorization that provides for an annual transfer representing interest on the unfunded liability of the Civil Service Retirement System. Please see Part 4, Payment Accounts for additional details.

FY 2010 Budget: Total OPM Appropriated Budget Authority (in thousands)

Fund	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
OPM + OIG Salaries & Expenses:	\$244,266	\$231,494	\$230,772	(\$722)
Salaries & Expenses:	\$225,666	\$210,911	\$208,208	(\$2,703)
General Fund:	\$101,765	\$92,829	\$94,970	\$2,141
Annual	\$93,913	\$85,627	\$87,698	\$2,071
No-year: HR LOB	\$7,852	\$7,202	\$7,272	\$70
Enterprise Human Resources Integration	\$5,991	\$5,851	\$5,908	\$57
E-Payroll	\$340	\$0	\$0	\$0
HR LOB	\$1,351	\$1,351	\$1,364	\$13
E-Training	\$170	\$0	\$0	\$0
Trust Funds:	\$123,901	\$118,082	\$113,238	(\$4,844)
Annual	\$96,936	\$102,882	\$99,626	(\$3,256)
No-year/retirement modernization & CBIS	\$26,965	\$15,200	\$13,612	(\$1,588)
OIG Salaries & Expenses:	\$18,600	\$20,583	\$22,564	\$1,981
General Fund	\$1,519	\$1,828	\$2,136	\$308
Trust Funds	\$17,081	\$18,755	\$20,428	\$1,673

Summary of Total Resources

Fund	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Salaries & Expenses Annual	\$93,913,000	\$85,627,000	\$87,698,000	\$2,071,000
Salaries & Expenses multiyear	\$0	\$0	\$0	\$0
Salaries & Expenses No-year	\$7,852,000	\$7,202,000	\$7,272,000	\$70,000
Salaries & Expenses total	\$101,765,000	\$92,829,000	\$94,970,000	\$2,141,000
Trust Fund Annual	\$96,936,000	\$102,882,000	\$99,626,000	(\$3,256,000)
Trust Fund No-year	\$26,965,000	\$15,200,000	\$13,612,000	(\$1,588,000)
Trust Fund limitation total	\$123,901,000	\$118,082,000	\$113,238,000	(\$4,844,000)
Total appropriated	\$225,666,000	\$210,911,000	\$208,208,000	(\$2,703,000)
5 USC, 8348(a)(1)(b) Mandatory Authority	\$35,272,000	\$32,003,000	\$33,233,000	\$1,230,000
FERCCA – Mandatory Authority	\$1,930,000	\$1,430,000	\$1,981,000	\$551,000
Long-Term Care – Mandatory Authority	\$1,000,000	\$1,000,000	\$1,075,000	\$75,000
Dental/Vision – Mandatory Authority	\$4,000,000	\$4,800,000	\$4,941,000	\$141,000
Mandatory Authority - total	\$42,202,000	\$39,233,000	\$41,230,000	\$1,997,000
OIG Salaries & Expenses	\$1,519,000	\$1,828,000	\$2,136,000	\$308,000
OIG Trust Fund	\$17,081,000	\$18,755,000	\$20,428,000	\$1,673,000
OIG total	\$18,600,000	\$20,583,000	\$22,564,000	\$1,981,000
Other resources:				
Revolving Fund	\$1,308,889,000	\$1,459,744,000	\$1,543,938,000	\$84,194,000
Total	\$1,592,987,000	\$1,730,471,000	\$1,815,940,000	\$85,469,000

Revolving Fund Activities

Anticipated Activity

Business Line		FY 2009 Estimate	FY 2010 Estimate	FY 2009–10 Variance
Investigative Services	Revenue	\$945,244,000	\$978,000,000	\$32,756,000
	Expenses	\$884,665,000	\$913,665,000	\$29,000,000
	Budget authority	\$945,244,000	\$978,000,000	\$32,756,000
Talent Services	Revenue	\$372,640,000	\$369,400,000	(\$3,240,000)
	Expenses	\$371,409,000	\$366,100,000	(\$5,309,000)
	Budget authority	\$414,000,000	\$429,500,000	\$15,500,000
Leadership Capacity Services	Revenue	\$51,046,000	\$55,707,000	\$4,661,000
	Expenses	\$49,948,000	\$53,434,000	\$3,486,000
	Budget authority	\$51,000,000	\$55,600,000	\$4,600,000
USAJOBS	Revenue	\$9,660,000	\$9,780,000	\$120,000
	Expenses	\$9,005,000	\$9,424,000	\$419,000
	Budget authority	\$9,660,000	\$9,780,000	\$120,000
Human Resource Integration Services	Revenue	\$35,000,000	\$72,000,000	\$37,000,000
	Expenses	\$33,400,000	\$71,058,000	\$37,658,000
	Budget authority	\$39,840,000	\$71,058,000	\$31,218,000
Totals	Revenue	\$1,413,590,000	\$1,484,887,000	\$71,297,000
	Expenses	\$1,348,427,000	\$1,413,681,000	\$65,254,000
	Budget authority	\$1,459,744,000	\$1,543,938,000	\$84,194,000

Discretionary Account – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$94,061,000	\$92,332,000	\$95,917,000	\$3,585,000
Personnel benefits	\$26,957,000	\$26,986,000	\$25,893,000	(\$1,093,000)
Travel and transportation of persons	\$2,220,000	\$1,889,000	\$1,859,000	(\$30,000)
Transportation of things	\$91,000	\$78,000	\$101,000	\$23,000
Communications, utilities, and rent	\$32,702,000	\$30,704,000	\$30,649,000	(\$55,000)
Printing and reproduction	\$1,348,000	\$1,247,000	\$1,219,000	(\$28,000)
Other services	\$65,614,000	\$55,079,000	\$50,452,000	(\$4,627,000)
Supplies and materials	\$804,000	\$838,000	\$707,000	(\$131,000)
Equipment	\$1,869,000	\$1,758,000	\$1,411,000	(\$347,000)
Total	\$225,666,000	\$210,911,000	\$208,208,000	(\$2,703,000)
FTE	1,428.0	1,395.7	1,394.4	(1.3)

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

Object Class	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$45,036,000	\$48,762,000	\$47,443,000	\$1,319,000
Personnel benefits	\$12,487,000	\$11,543,000	\$12,107,000	\$564,000
Travel and transportation of persons	\$1,972,000	\$1,237,000	\$1,680,000	\$443,000
Transportation of things	\$75,000	\$11,000	\$86,000	\$75,000
Communications, utilities, and rent	\$19,469,000	\$15,656,000	\$15,443,000	(\$213,000)
Printing and reproduction	\$645,000	\$420,000	\$529,000	\$109,000
Other services	\$13,448,000	\$6,800,000	\$9,199,000	\$2,399,000
Supplies and materials	\$402,000	\$521,000	\$433,000	(\$88,000)
Equipment	\$379,000	\$677,000	\$778,000	\$101,000
Total	\$93,913,000	\$85,627,000	\$87,698,000	\$2,071,000
FTE	785.0	790.8	791.0	0.2

Trust Fund – Obligations by Object Class (Annual Authority)

Object Class	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$46,845,000	\$47,199,000	\$46,102,000	(\$1,097,000)
Personnel benefits	\$14,010,000	\$12,351,000	\$13,088,000	\$737,000
Travel and transportation of persons	\$108,000	\$317,000	\$123,000	(\$194,000)
Transportation of things	\$6,000	\$18,000	\$15,000	(\$3,000)
Communications, utilities, and rent	\$14,056,000	\$15,754,000	\$14,983,000	(\$771,000)
Printing and reproduction	\$691,000	\$496,000	\$686,000	\$190,000
Other services	\$20,777,000	\$25,701,000	\$23,873,000	(\$1,828,000)
Supplies and materials	\$222,000	\$422,000	\$229,000	(\$193,000)
Equipment	\$221,000	\$624,000	\$527,000	(\$97,000)
Total	\$96,936,000	\$102,882,000	\$99,626,000	(\$3,256,000)
FTE	635.0	604.9	603.4	(1.5)

Part 3 – FY 2010 Performance Budget by Organization

This part of the OPM budget contains detailed descriptions on how each OPM organization intends to use its requested budgetary resources to carry out programs in FY 2010. It is also intended to meet the requirements of OMB Circular A-11, Part 6, Section 220 – *Preparing and Submitting Performance Budgets*. In addition, there are linkages between the requested budgetary resources and OPM's seven strategic objectives.

These linkages illustrate the relationship between programs and their activities, showing how the FY 2010 requested budgetary resources will be used to support strategic objectives, related outcomes, and performance measures and targets. In addition to the requested amounts for FY 2010, the budget tables show the distribution of the budgetary resources enacted for FY 2008 and FY 2009.

For the most part, FY 2010 is a current services request. In other words, it reflects the resources required to deliver similar performance as budgeted and targeted for FY 2009. In a few programs, however, the request exceeds the current services level due to changing requirements, developments, and situations.

Background

In 2003, OPM began using a performance assessment process to evaluate its programs in order to better accomplish its mission. As a result, OPM defined and assessed nine programs that are critical to accomplishing its mission – To ensure that the Federal Government has an effective civilian workforce. These programs are:

- Human Capital,
- Compliance (Merit System Accountability),
- Federal Employees Retirement,
- Federal Employees Health Benefits,
- Federal Employees' Group Life Insurance,
- Federal Investigative Services,
- Talent Services,
- Leadership Capacity Services, and
- OIG FEHB Integrity.

The evaluations have helped OPM better articulate the intended outcomes of each program, measure program performance, and implement action plans, as necessary, in order to improve program management and program performance.

The programs generally coincide with the Agency's Operating Divisions, but are not identical. One example is the cross-cutting Human Capital program, which is implemented by the Human Capital Leadership and Merit Systems Accountability Division (HCLMSA). As illustrated below, this theme is repeated throughout the programs.

OPM Strategic Objectives

Strategic Objective	Programs	Program Outcomes	Organizations
<i>Strategic Objective A:</i> The Federal civilian workforce will be focused on achieving agency goals.	Human Capital - Performance Culture	A culture of performance and accountability exists in all Federal agencies.	SHRP, HCLMSA
<i>Strategic Objective B:</i> The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.	Benefits Policy	Federal employee benefits are competitive and support agencies' efforts to recruit and retain a high-quality workforce.	SHRP
	Benefits Services	Benefits payments and services are timely, accurate, and attain high customer satisfaction levels. Services delivered efficiently; annuitant rolls are accurate and current; annuitants are satisfied. Responses are delivered efficiently Federal employees have opportunity to purchase group term life insurance that provides financial protection to beneficiaries. Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs Agency benefits officers are trained and Federal employees knowledgeable concerning their benefits	HRPS
	Human Capital – Leadership	Improved agency management of SES recruitment, development and retention.	SHRP, HCLMSA
	Leadership Capacity Services	Federal executives and managers have available high-quality leadership development training.	HRPS, SHRP
	CTS - GoLearn	Federal workforce has increased opportunities for career development through on-line training. Support career development for the Federal workforce by increasing return of training investments.	HRPS
<i>Strategic Objective C:</i> Federal agencies will be employers of choice.	Human Capital – Talent	Agencies successfully compete with other employers to recruit, hire and retain top talent.	SHRP, HCLMSA
	Center for Talent Services	Federal agencies have effective, staffing, training, assessment and other human resources services to contribute to agencies' becoming high-performing	HRPS

Strategic Objective	Programs	Program Outcomes	Organizations
		organizations.	
	USAJOBS	Federal agencies recruit effectively and efficiently for high-quality applicants to become employers of choice. Agency human capital systems are aligned with its Strategic Plan.	HRPS
<i>Strategic Objective D:</i> Federal agencies will be recognized as leaders in having exemplary human resources practices.	Human Capital - Strategic Alignment	Federal agencies' human capital systems are aligned with their Strategic Plans; i.e., their missions, vision, strategic goals and objectives.	SHRP, HCLMSA, HR LOB
	Merit System Compliance	Federal agencies' human resources programs are efficient, effective, and compliant with Merit Systems Principles.	HCLMSA
	Investigative Services	Federal agencies receive high-quality, timely background investigation services.	FISD, SHRP
<i>Strategic Objective E:</i> OPM will be a model of performance for other Federal agencies.	Executive Services	Same as the Strategic Objective.	OD, OCPL, OCR, OGC
	Management Services		MSD
	Financial Services		OCFO
<i>Strategic Objective F:</i> OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.	Executive Services	Same as the Strategic Objective	OD, OCPL, OCR, OGC
<i>Strategic Objective G:</i> OPM will have constructive and productive relationships with external stakeholders.	Executive Services	Same as the Strategic Objective	OD, OCPL, OCR, OGC

All OPM programs, resources, and associated performance outcomes and measures are defined in this budget request. This budget request is predominantly a “current services” request. As such, it reflects the anticipated cost in FY 2010 of performing the same activities as budgeted in FY 2009. Thus, we anticipate many outcomes, as evidenced in our key performance measures, to be roughly the same in FY 2010 as targeted in FY 2009. However, in a few program activities, expending the same effort in 2010 as in 2009 will result in incremental performance improvements similar to the improvements forecast from 2008 to 2009.

OPM Organizations – Budget and Performance Information

Strategic Human Resources Policy Division (SHRP)

OPM requests **\$24,812,000** and 165 FTE for SHRP. This is an increase of \$445,000 above the amount reflected in the Agency's FY 2009 budget request and will allow SHRP not only to maintain its current operations, but will enable the development of new initiatives.

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: authority at 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer Cost of living adjustments, survivor annuities, alternative form of annuities, voluntary allotments and tax withholding; 5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A) provides for all administrative expenses to manage the Dental & Vision Benefits Program (fully reimbursed by contracted providers); 5 USC 9004(f)(2) provides for all administrative expenses of the Office to manage the Long-Term Care Insurance Program (fully reimbursed by contracted providers); and P.L. 106-265 provides for the Office's administrative expenses implementing the Federal Erroneous Retirement Coverage Correction Act. The amounts of resources used from each of the above authorities by SHRP are shown in the resource summary for this section.

SHRP develops human resources policies for Executive Branch agencies. Examples of recent policies include: eliminating the use of Social Security Numbers in Official Personnel Folders and other documents used in Federal human resource management information systems; developing a policy for the reciprocity of all suitability investigations across government; and developing suitability standards to hire employees and increase the ease of employee movement within and between agencies. OPM will carry out its responsibilities under the Intergovernmental Personnel Act (IPA) Mobility Program, paying special attention to Federal agencies with specialized positions such as nursing. These assignments allow civilian employees of Federal agencies to serve with eligible non-Federal organizations for a limited period without loss of employee rights and benefits. The goal of the IPA mobility program is to facilitate the movement of employees, for short periods of time, when this movement serves a sound public purpose. OPM will continue to provide guidance and policy, through SHRP, to promote learning and collaboration across departments and agencies.

In FY 2009, SHRP is supporting both new and on-going human resources policy initiatives. SHRP continues to revise and implement, as appropriate, controlling regulations, agency guidance, and staff development programs for reviewing employee suitability.

In addition, SHRP ensures Federal agencies are informed of their progress toward meeting human resources goals by completing the administration and analysis of the bi-annual Federal Human Capital Survey (FHCS). At the end of FY 2008, SHRP administered the calendar year 2008 FHCS to 84 agencies and over 400,000 participants. During the first quarter of FY 2009, the survey's data was cleaned, weighted, and analyzed; a summary report was prepared. During the second quarter of FY 2009, the summary report was delivered to Departments and independent agencies who participated. Subsequently, a series of press briefings were held and a Press Release was completed covering the survey's government-wide results which were posted on the OPM website. In FY 2010, SHRP will provide a report highlighting the Survey's trends since FY 2004. Agencies will have an increased understanding of their progress regarding human resources, as well as in what areas they can focus future planning efforts.

SHRP provides Federal agencies with appropriate regulations and clear guidance to administer employee benefits (retirement, health benefits, and life, long-term care, and other insurance) programs. This

guidance helps ensure these earned benefits allow the Federal Government to compete for talent with the private sector and provide value for their cost.

In FY 2010, SHRP will support Federal Employee Health Benefit (FEHB) health care information technology initiatives to increase price and quality transparency. Additional activities to be performed can be found in the program sections below.

The FY 2010 budget request consists of **\$20,807,000** (\$370,000 above the FY 2009 request) from General Funds and **\$4,005,000** (\$75,000 above the FY 2009 request) from annual Trust Funds.

SHRP Resource Summary (includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$19,652,576	146.2	\$20,437,000	138.2	\$20,807,000	138.2	\$370,000	0.0
Trust Fund Annual	\$3,756,199	29.8	\$3,930,000	27.3	\$4,005,000	26.8	\$75,000	(0.5)
Total Appropriated	\$23,408,775	176.0	\$24,367,000	165.5	\$24,812,000	165.0	\$445,000	(0.5)
Dental Vision – Mandatory Authority	\$300,000	3.0	\$300,000	3.0	\$350,000	2.5	\$50,000	(0.5)
FERCCA – Mandatory Authority	\$25,000	0.0	\$30,000	0.0	\$25,000	0.0	(\$5,000)	0.0
Long Term Care – Mandatory Authority	\$300,000	3.0	\$300,000	3.0	\$350,000	3.0	\$50,000	0.0
5 USC 8348 (a) (1) (B) - Mandatory Authority	\$0	0.0	\$900,000	0.5	\$900,000	0.5	\$0	0.0
Total Non-Appropriated	\$625,000	6.0	\$1,530,000	6.5	\$1,625,000	6.0	\$95,000	(0.5)
Total –\$	\$24,033,775	182.0	\$25,897,000	172.0	\$26,437,000	171.0	\$540,000	(1.0)

SHRP Salaries and Expenses – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$15,080,000	\$14,650,000	(\$430,000)
Personnel benefits	\$3,580,000	\$3,500,000	(\$80,000)
Travel and transportation of persons	\$142,000	\$232,000	\$90,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$126,000	\$115,000	(\$11,000)
Printing and reproduction	\$182,000	\$235,000	\$53,000
Other services	\$1,152,000	\$1,932,000	\$780,000
Supplies and materials	\$128,000	\$80,000	(\$48,000)
Equipment	\$47,000	\$63,000	\$16,000
Land and structures	\$0	\$0	\$0
Total	\$20,437,000	\$20,807,000	\$370,000
FTE	138.2	138.2	0.0

SHRP Trust Fund – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$2,966,000	\$3,082,000	\$116,000
Personnel benefits	\$779,000	\$749,000	(\$30,000)
Travel and transportation of persons	\$7,000	\$7,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$8,000	\$5,000	(\$3,000)
Printing and reproduction	\$1,000	\$3,000	\$2,000
Other services	\$158,000	\$139,000	(\$19,000)
Supplies and materials	\$6,000	\$10,000	\$4,000
Equipment	\$5,000	\$10,000	\$5,000
Land and structures	\$0	\$0	\$0
Total	\$3,930,000	\$4,005,000	\$75,000
FTE	27.3	26.8	(0.5)

Strategic Objective A

Program: Human Capital - Performance Culture

SHRP provides agencies with on-going policy support and technical assistance in performance management, labor relations, and workforce information activities. SHRP also has specific initiatives that are important to maintaining a culture of performance and accountability in agencies. For instance, completing requirements for a statistical data mart and approving shared service centers for a single feed to Enterprise Human Resources Integration will improve the quality and availability of workforce demographic information which agencies use to analyze differentiations between high and low levels of employee performance to formulate policy to address emerging issues.

To increase the percentage of SES performance systems being certified and the percent of non-SES performance systems scoring 80 points or more on OPM's Performance Assessment Accountability Tool (PAAT), OPM is performing activities such as reporting on SES performance-based system results and pay-for-performance demonstration (demo) projects, supporting agency request to establish new demo projects, and assessing the effectiveness of DOD's National Security Personnel System (NSPS) and the DHS human resources management system. Additionally, SHRP provides on-going technical assistance and operating guidance to agencies.

SHRP's Human Capital-Performance Culture outcomes and FY 2010 performance targets, along with associated resources, are listed in the table below.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
A culture of performance and accountability exists in all Federal agencies.	% of applicant systems whose SES performance plans are fully certified	3%	33%	33%	35%	60%	
	% of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Assessment Accountability Tool (PAAT)	8%	20%	20%	25%	35%	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses		\$5,672,000	43.2	\$6,073,000	44.4	\$3,800,000	29.2
Total Program Resources		\$5,672,000	43.2	\$6,073,000	44.4	\$3,800,000	29.2

The targets represent the percentage of Agency Systems with Full Certification for a "Calendar year, as opposed to a Fiscal year." There are 17 agency systems with "provisional" certification and 31 agency systems with "Full" certification for a total of 48 systems. The performance measure calculates the percent of "Full" certification.

Strategic Objective B

Program: Benefits Policy

SHRP's Retirement and Insurance Policy Program will improve the competitiveness and economic value of the Federal Employees Health Benefits Program (FEHBP). Specifically, we will issue a call letter to FEHB carriers that sets the benefit objectives for each year's benefits negotiations. We will maintain and clarify regulations which define enrollment, rating, and reserves to the program. This will allow us to deliver affordable benefit options (e.g., health savings accounts) to federal employees, retirees, and their dependents, as well as promoting innovative initiatives like health care information technology.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Federal employee benefits are competitive and support agencies' efforts to recruit and retain a high-quality workforce.	% of enrollees (Federal employees) satisfied with life insurance benefits	62	62	62	62	62
	% of enrollees satisfied with health insurance benefits	60	60	60	60	60
	% of enrollees satisfied with retirement benefits	66	66	66	66	66
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$242,000	1.3	\$277,000	1.2	\$259,000	1.2
TF Annual	\$3,692,000	27.3	\$3,930,000	26.8	\$4,005,000	26.8
Dental Vision – Mandatory Authority	\$300,000	3.0	\$300,000	3.0	\$350,000	1.5
FERCCA – Mandatory Authority	\$30,000	0.0	\$30,000	0.0	\$25,000	0.0
Long Term Care – Mandatory Authority	\$300,000	3.0	\$300,000	3.0	\$350,000	3.0
5 USC 8348 (a) (1) (B) - Mandatory Authority	\$0	0.0	\$900,000	0.5	\$900,000	0.5
Total Program Resources	\$4,564,000	34.6	\$5,737,000	34.5	\$5,889,000	33.0

Program: Human Capital – Leadership

To improve leadership capacity across Federal agencies in FY 2010, OPM will focus on SES selection and other executive resources policies. Plans include testing new approaches to hire SES applicants. The pilots will test the success of these approaches and determine whether they are an improvement over current practices for Government-wide use. OPM will develop criteria for the pilot evaluation as well as pilot components, including announcement templates, competency measures and benchmarks, and selection process guidance, followed by agency training prior to implementation. Also, OPM will administer the SES survey and use the data to determine the effectiveness of current SES policies and operations and also determine where changes should be made.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Improved agency management of SES recruitment, development, and retention.	# of the 26 PMA agencies that meet their annual targets for closing leadership competency gaps	13	20	20	22	24
	% of 26 large agency leadership development program graduates placed into positions of higher responsibility	53%	65%	44%	67%	69%
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$1,826,000	9.3	\$1,712,000	9.2	\$1,811,000	11.0
Total Program Resources	\$1,826,000	9.3	\$1,712,000	9.2	\$1,811,000	11.0

Strategic Objective C

Program: Human Capital – Talent

OPM's primary goal in the Human Capital Talent Program is to re-invigorate the Federal hiring process. To this end, OPM has developed an end-to-end (E2E) hiring model that encompasses all aspects of the hiring process and establishes a baseline of performance. Other improvements to the hiring process will be achieved by implementing standardized templates for three widely used vacancy announcements to eliminate the need for applicants to create multiple application packets to address numerous versions of vacancy announcements for the same occupation.

In FY 2010, OPM will propose a new retention incentive flexibility. Agencies will have additional compensation flexibility to retain essential employees who are likely to leave for other Federal jobs due to a closure or relocation of an employees' office, facility, activity, or organization. As part of the process, OPM will analyze public comments, consult with DOD and other affected agencies, and issue guidance on the use of the flexibility.

To foster the use of telework for recruiting and retention purposes, OPM will continue to provide a "Telework Training for Managers" course. Since one of the barriers identified in OPM's annual Call for Telework Data is managers' resistance to telework, it is expected that this training will lead to greater acceptance of telework by managers.

OPM will continue to work with agencies to identify mission critical occupations at the agency and sub-component levels. In addition, they will continue to reach out to veterans groups and agencies to help managers find the talent they need from within the veterans community. Using competency assessment data, OPM will help agencies identify and close gaps in their workforces through innovative recruitment and development activities.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Agencies successfully compete with other employers to recruit, hire and retain top talent.	# of agencies that meet their annual targets for closing mission-critical occupation/competency gaps	21 out of 26 agencies	21 out of 26 agencies	21 out of 26 agencies	20 out of 26 agencies	22 out of 26 agencies
	% of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	64%	64%	78%	n/a	n/a
	% of hires in each agency hired within the 80-day time frame, as described in OPM's hiring time frame model	n/a	n/a	n/a	10%	15%
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$11,719,000	84.9	\$12,246,000	82.2	\$12,537,000	84.2
Total Program Resources	\$11,719,000	84.9	\$12,246,000	82.2	\$12,537,000	84.2

The 45-day metric was changed in September 2008, when OPM issued the End-to-End (E2E) Hiring Roadmap, thereby implementing a more aggressive standard for federal hiring. The E2E standard requires agencies to complete the entire federal hiring process – from the date a hiring manager communicates to HR that he/she has a budgeted position to fill, through to the employees' entry on duty date in 80 calendar days. The previous metric measured only a small portion of the entire process, and measured in business rather than calendar days. The equivalent portion of the hiring process in the E2E standard takes only 23 calendar days.

Strategic Objective D

Program: Human Capital - Strategic Alignment

Current government-wide initiatives are driving agencies to rethink the way they support human resources (HR) organizations. HR leaders and practitioners need to transform their services to meet future challenges such as managing the 21st Century workforce. At the same time, long standing competency gaps in the HR workforce need to be closed. Three major questions need to be addressed – what HR will look like in the future; what competencies, both at the leadership and practitioner levels, will be required; and how HR will support line managers in their strategic management of HR. OPM, as the oversight agency for HR, must lead the efforts to answer these questions through initiatives such as government-wide certification program for emerging HR leaders.

Workforce planning is the cornerstone of effective human resources management. Yet, many agencies struggle to implement systems capable of effectively forecasting workforce needs based on mission and priorities. OPM will support development of a multi-sector workforce planning model that agencies can use to address workforce needs. In addition, OPM will assess agencies' workforce planning systems in order to identify best practices for improving staffing. OPM will also identify opportunities for joint planning to address shared workforce needs.

For FY 2010, SHRP's resources increased significantly in relation to this program due to SHRP developing suitability and reciprocity policies for background investigations, as well as labor and employee relations policies. Issuing guidelines regarding the Notification and Federal Employee Antidiscrimination and Retaliation Act contributes to a cooperative environment in agencies for labor management relations. Resources were transferred from Strategic Objective A.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Federal agencies' human capital systems are aligned with their Strategic Plans; i.e., their missions, vision, strategic goals and objectives.	% of agencies that meet all 4 requirements of an effective strategic alignment system	88%	92%	57%	n/a	n/a
	% of agencies that demonstrate their human capital management programs contribute to mission accomplishment	n/a	n/a	n/a	15%	20%
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$182,000	1.4	\$129,500	1.2	\$2,400,000	13.6
Total Program Resources	\$182,000	1.4	\$129,500	1.2	\$2,400,000	13.6

The measure for strategic alignment has changed to reflect growing maturity in agencies' workforce and strategic human capital planning. The previous metric relied on four checkmarks on the previous President's Management Agenda scorecard, which ended with the change in Administration. The new measure provides a more aggressive assessment of agencies' ability to demonstrate institutionalization of strategic human capital management, which requires that their planning is linked to agency mission, is driven by comprehensive workforce data, clearly informs all HR initiatives, and incorporates findings from evaluations of HR operations. Data for the new measure will be obtained through annual analysis of agency Human Capital Management Reports, required by regulation at 5 CFR part 250.

Human Capital Leadership and Merit Systems Accountability Division (HCLMSA)

OPM requests **\$25,697,000** and **212.4 FTE** for HCLMSA, an increase of \$456,000 above the FY 2009 request. This amount is composed of **\$25,697,000** from General Funds. This level will provide sufficient resources for OPM to continue progress across agencies toward implementing Human Capital Standards for Success and other best practices in Human Resources management, consistent with Merit System Principles, veterans' preference, and other standards.

HCLMSA will use appropriated funds to support initiatives under the Human Capital Program areas of Performance Culture, Leadership, Talent, and Accountability. These resources enable HCLMSA to fulfill its commitments to the OPM Strategic and Operational Plan which include Human Capital Knowledge Management, SES Performance System and Certification, Hiring Improvements, Veterans Outreach, Competency Assessment, Succession Planning, Career Patterns, Performance Management Practices Improvement, Accountability, and Merit System Compliance. HCLMSA plans to monitor and evaluate Alternative Personnel Systems (APS), strengthen the Federal Executive Boards (FEB), provide technical assistance to the Senior Executive Service (SES) and Performance Appraisal Assessment Tool (PAAT), manage the operational aspect of the government-wide SES Program, and provide assistance and guidance through the Veterans' Outreach Program.

In FY 2010, HCLMSA will continue to develop and implement Government-wide talent and performance management strategies to improve the Federal Government's ability to recruit and retain top talent. Focus areas will include multi-sector workforce planning to support in-sourcing decisions; knowledge management systems to retain and build organizational knowledge; streamlined hiring processes and strategic recruitment systems; building managerial capacity for performance management and evaluation of human resource outcomes in agencies and across the government. As part of our ongoing workshops with agencies on recruitment strategies, OPM will include presentations on US territories as potential target areas.

OPM will also conduct outreach with disability groups to better understand and address their concerns. We are currently updating our database of agencies' placement program coordinators to assure disabled applicants seeking federal employment have current contact information. We also plan to provide training to program coordinators to support efforts to improve services to applicants.

Finally, HCLMSA will continue to hold agencies accountable for implementing comprehensive HR programs. By closely working with agencies, HCLMSA will achieve government-wide results in these areas.

Through its Compliance Program, OPM will exercise oversight of Federal human resources programs and activities to protect against prohibited personnel practices and to ensure agency compliance with Merit System Principles and other civil service laws, rules, and regulations, including veterans' preference. Funds will support compliance and evaluation of agency implementation of the Human Capital Assessment and Accountability Framework program (HCAAF) areas of performance culture, leadership, talent, and accountability. As part of its Compliance Program, HCLMSA has ownership of the Delegated Examining Unit (DEU) Compliance Program under which HRPS provides the training and certification services to ensure that Federal HR specialists acquire the necessary competencies.

HCLMSA Resource Summary (includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$27,916,000	224.0	\$25,241,000	212.0	\$25,697,000	212.4	\$456,000	0.4
Total Appropriated	\$27,916,000	224.0	\$25,241,000	212.0	\$25,697,000	212.4	\$456,000	0.4
Total	\$27,916,000	224.0	\$25,241,000	212.0	\$25,697,000	212.4	\$456,000	0.4

HCLMSA Salaries and Expenses – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$19,416,000	\$17,747,000	(\$1,669,000)
Personnel benefits	\$3,753,000	\$4,360,000	\$607,000
Travel and transportation of persons	\$848,000	\$1,241,000	\$393,000
Transportation of things	\$0	\$47,000	\$47,000
Communications, utilities, and rent	\$71,000	\$102,000	\$31,000
Printing and reproduction	\$116,000	\$147,000	\$31,000
Other services	\$889,000	\$1,757,000	\$868,000
Supplies and materials	\$113,000	\$141,000	\$28,000
Equipment	\$35,000	\$155,000	\$120,000
Land and structures	\$0	\$0	\$0
Total	\$25,241,000	\$25,697,000	\$456,000
FTE	212.0	212.4	0.4

Strategic Objective A

Program: Human Capital - Performance Culture

The activities OPM will complete in FY 2010 to achieve the Human Capital-Performance Culture outcome address the need to provide agencies on-going policy implementation support and technical assistance in performance management, labor relations, and workforce information activities. HCLMSA will continue to report on SES performance-based system results and pay-for-performance demonstration projects, support agency requests to establish new demonstration projects, and assess the effectiveness of DOD National Security Personnel System (NSPS) and DHS human resources management system. In addition, HCLMSA will help agencies use the Federal Competency Assessment Tool (FCAT) to assess performance management competencies, analyze results, and identify targeted areas for improvement. Combined with on-going technical assistance and operating guidance to agencies are activities to increase the percent of SES performance systems being certified and the percent of non-SES performance systems scoring 80 points or more on OPM's Performance Assessment Accountability Tool (PAAT).

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
A culture of performance and accountability exists in all Federal agencies.	% of applicant systems whose SES performance plans are fully certified	3%	33%	33%	35%	60%	
	% of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Assessment Accountability Tool (PAAT)	8%	20%	20%	25%	35%	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
HCLMSA Salaries & Expenses		\$2,036,000	24.5	\$1,900,000	20.2	\$2,357,000	25.8
Total Program Resources		\$2,036,000	24.5	\$1,900,000	20.2	\$2,357,000	25.8

The targets represent the percentage of Agency Systems with Full Certification for a "Calendar year, as opposed to a Fiscal year." There are 17 agency systems with "provisional" certification and 31 agency systems with "Full" certification for a total of 48 systems. The performance measure calculates the percent of "Full" certification.

Strategic Objective B

Program: Human Capital – Leadership

To improve leadership capacity across Federal agencies, OPM will complete activities targeting SES selection and other executive resources, policies, and strengthen the role of the Federal Executive Boards (FEB) across the country.

FEBs design and deliver executive leadership development programs for Federal employees outside the DC metro area (79 % of the Federal workforce). These programs provide opportunities for field employees seeking to move into leadership positions. To date, these programs have been managed under local FEB leadership, drawing on best practices from other FEBs and incorporating OPM guidance. OPM systematically evaluates the FEBs to assure a strong institutional link with OPM's leadership development policies and programs. A systematic, nationwide evaluation and sharing of best practices assures that FEB leadership development programs represent OPM policy and program direction, and continue to serve as a vital resource for field employees.

Federal agencies have established plans for addressing a potential retirement wave. A key emerging strategy is the development of knowledge management systems to safeguard corporate knowledge caused by attrition and other factors. OPM will implement a government-wide knowledge management strategy for Federal leaders and managers that reflects OPM's commitment to close competency gaps and manage succession.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Improved agency management of SES recruitment, development, and retention.	# of the 26 PMA agencies that meet their annual targets for closing leadership competency gaps	13	20	20	22	24
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
HCLMSA Salaries & Expenses	\$3,941,000	26.0	\$2,529,000	20.9	\$3,267,000	27.7
Total Program Resources	\$3,941,000	26.0	\$2,529,000	20.9	\$3,267,000	27.7

Strategic Objective C

Program: Human Capital – Talent

OPM's primary goal in the Human Capital Talent Program is to re-invigorate the Federal hiring process. To this end, OPM activities support an end-to-end hiring model that encompasses all aspects of the hiring process and establishes a baseline of performance. OPM will assist agencies in re-engineering their hiring practices to meet improved targets through strategic recruitment practices such as incorporating career patterns into their talent management strategies. Other improvements to the hiring process will be achieved by integrating federal job announcement and applicant assessment systems. This improvement will provide hiring system compatibility across Government, resulting in a more efficient hiring process. Also, producing standard job vacancy announcements is another improvement OPM will undertake in order to simplify the Federal job application process.

OPM will continue to work with agencies to identify mission critical occupations at the agency and sub-component levels. In addition, they will continue to reach out to veterans groups and agencies to help managers find the talent they need from within the veterans community. Using competency assessment data, OPM will help agencies identify and close gaps in their workforces through innovative recruitment and development activities.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
Agencies successfully compete with other employers to recruit, hire and retain top talent.	# of agencies that meet their annual targets for closing mission-critical occupation/competency gaps	21 out of 26 agencies	21 out of 26 agencies	21 out of 26 agencies	20 out of 26 agencies	22 out of 26 agencies	
	% of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	64%	78%	81%	n/a	n/a	
	% of hires in each agency hired within the 80-day time frame, as described in OPM's hiring time frame model	n/a	n/a	n/a	10%	15%	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund	\$	FTE	\$	FTE	\$	FTE	
HCLMSA Salaries & Expenses	\$3,635,000	35.0	\$3,458,000	27.1	\$4,300,000	46.3	
Total Program Resources	\$3,635,000	35.0	\$3,458,000	27.1	\$4,300,000	46.3	

The 45-day metric was changed in September 2008, when OPM issued the End-to-End (E2E) Hiring Roadmap, thereby implementing a more aggressive standard for federal hiring. The E2E standard requires agencies to complete the entire federal hiring process – from the date a hiring manager communicates to HR that he/she has a budgeted position to fill, through to the employees' entry on duty date in 80 calendar days. The previous metric measured only a small portion of the entire process, and measured in business rather than calendar days. The equivalent portion of the hiring process in the E2E standard takes only 23 calendar days. To meet the new requirement, HCLMSA is shifting resources from other program activities.

Strategic Objective D

Program: Merit System Compliance

The Merit System Compliance Program conducts Delegated Examining Initial Certification training to ensure that Federal Human Resources specialists are certified to conduct delegated examining operations. Federal HR specialists must acquire the skills needed to make HR management decisions in accordance with merit system principles and in compliance with Federal laws, rules, and regulations. In addition, OPM is required by statute to retain control and oversight of delegated human resources authorities. Audits of these authorities for initial appointments into the competitive service are required due to the exercise of the authority being highly decentralized and vulnerable to violations of merit system principles and applicable laws, rules, and regulations. Oversight supports the credibility of the merit system and ensures that the highest quality candidates are referred for Federal jobs and that Veterans' Preference entitlements are observed. Audits also ensure the percentage of agencies with severe problems in one or more delegated examining units improves each year, as does the percentage of agencies without violations of veterans' preference laws, rules and regulations.

An integral part of an accountability system is the independent audit program. Based on feedback from multiple sources indicating that agencies need additional training to conduct these audits, OPM conducts Agency Accountability training sessions each year. Training will ensure that agency-led audits fully meet OPM expectations, produce results that will benefit the agency, and ensure that viable accountability systems are in place across the Federal Government. The success of OPM's training initiative will be measured by the quality of the independent audit programs that are established. As with other agencies, success will be measured by the number of small agencies that establish accountability systems.

OPM will analyze agency results in the required metrics of the Human Capital Assessment and Accountability Framework Systems, Standards and Metrics (HCAAF/SSMs) and will report government-wide performance in key components of HR management. Information on agency performance captured is critical for OPM's ability to target resources to support Government-wide HR programs and effectiveness and to support individual agencies. Evaluating the metrics after the first round of agency reporting is critical to ensure they accurately and effectively measure Government-wide progress in HR management.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
	# of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards	20	25	25	25	25
Federal agencies' human resources programs are efficient, effective, and compliant with Merit Systems Principles.	% of agencies with violations of veterans' preference laws, rules, and regulations	21%	25%	33%	30%	25%
	% agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	80%	83%	90%	83%	85%
	% of classification and job-grading appeal decisions exceeding target time frames	9%	2%	2%	9%	8%
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
HCLMSA Salaries & Expenses	\$15,780,000	112.7	\$14,534,000	111.6	\$15,356,000	109.2
Total Program Resources	\$15,780,000	112.7	\$14,534,000	111.6	\$15,356,000	109.2

Program: Human Capital – Strategic Alignment

Current government-wide initiatives are driving agencies to rethink the way they support HR organizations. HR leaders and practitioners need to transform their services to meet future challenges such as managing the 21st Century workforce. At the same time, long standing competency gaps in the HR workforce need to be closed. Three major questions need to be addressed – what HR will look like in the future; what competencies, both at the leadership and practitioner levels, will be required; and how HR will support line managers in their strategic management of HR.

Workforce planning is the cornerstone of effective human resources management. Yet, many agencies struggle to implement systems capable of effectively forecasting workforce needs based on mission and priorities. In order to help agencies identify and anticipate their talent needs, OPM will develop a model and tools for multi-sector workforce planning. In addition, OPM will assess agencies' workforce planning systems and will help agencies design and implement improvement plans as needed. OPM will also train agency HR officials to apply these tools allowing them to enhance their communication with program leaders and managers.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
Federal agencies' human capital systems are aligned with their Strategic Plans; i.e., their missions, vision, strategic goals and objectives.	% of agencies that meet all 4 requirements of an effective strategic alignment system	88%	92%	57%	n/a	n/a	
	% of agencies that demonstrate their human capital management programs contribute to mission accomplishment	n/a	n/a	n/a	15%	20%	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
HCLMSA Salaries & Expenses		\$2,524,000	25.8	\$2,820,000	32.2	\$419,000	3.4
Total Program Resources		\$2,524,000	25.8	\$2,820,000	32.2	\$419,000	3.4

The measure for strategic alignment has changed to reflect growing maturity in agencies' workforce and strategic human capital planning. The previous metric relied on four checkmarks on the previous President's Management Agenda scorecard, which ended with the change in Administration. The new measure provides a more aggressive assessment of agencies' ability to demonstrate institutionalization of strategic human capital management, which requires that their planning is linked to agency mission, is driven by comprehensive workforce data, clearly informs all HR initiatives, and incorporates findings from evaluations of HR operations. Data for the new measure will be obtained through annual analysis of agency Human Capital Management Reports, required by regulation at 5 CFR part 250.

Office of Modernization and Human Resources Line of Business (OM&HR LOB)

In FY 2010, OPM will continue its governance and leadership of the Human Resources Line of Business (HR LOB) and operation of the Enterprise Human Resources Integration (EHRI) government-wide data warehouse and has included **\$7,272,000** and **9.8 FTEs** in its request to come from Salaries & Expenses No-year Funds. This amount represents an increase of nearly \$70 thousand over FY 2009, and will offset pay and inflation. HR LOB collects agency partner contributions in the amount of \$3,000,000 and EHRI has a fee-for-service arrangement with agencies implementing electronic personnel folders. In FY 2010 the estimated obligations in OPM's revolving fund for EHRI will be \$68,058,000.

The **HR LOB (\$1,364,000)** is a strategic and transformational initiative to improve human resources services through the establishment of Shared Service Centers (SSC) and appropriate service delivery models and strategies for Federal agencies. The HR LOB moves certain HR functions to SSCs, allowing agencies to develop and use their HR staffs in more strategic and consultative ways. The HR LOB establishes and oversees SSCs and provides assistance and oversight to agencies migrating to these centers. In addition, the HR LOB has identified and documented common HR business, technical, and data requirements and best practices consistent with Federal human resources policies and the Federal Enterprise Architecture.

Key initiatives in FY 2010 are HR systems integration and assessment of HR LOB SSCs. The Integration Support Project is designed to provide visibility into multiple government-wide HR systems in terms of their interrelationships and opportunities for integration. The SSC Assessment Program establishes a process to assess HR LOB SSCs. It will evaluate the SSCs ability to deliver services to their customer agencies with a focus on compliance, modernization, and transparency.

EHRI (\$5,908,000) is a comprehensive electronic personnel recordkeeping and analysis system that supports human resources management across the Federal Government. This system spans the careers of 1.8 million Federal employees—from hiring to retiring—and provides employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge management, workforce analysis, forecasting, and reporting Government-wide in support of the strategic management of human resources. When fully implemented, EHRI will replace the current Official Personnel Folder with an electronic employee record for all Executive Branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment.

HR LOB Resource Summary (in millions; includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses – No-year	\$8,353,324	13.8	\$7,202,000	9.8	\$7,272,000	9.8	\$70,000	0.0
Total Appropriated	\$8,353,324	13.8	\$7,202,000	9.8	\$7,272,000	9.8	\$70,000	0.0
Revolving Fund – HR LOB	\$3,000,000	0.0	\$3,000,000	0.0	\$3,000,000	0.0	\$0	0.0
Revolving Fund – EHRI	\$25,000,000	4.2	\$36,840,000	4.2	\$68,058,000	4.2	\$31,218,000	0.0
Total Revolving Funds	\$28,000,000	4.2	\$39,840,000	4.2	\$71,058,000	4.2	\$31,218,000	0.0
Grand Total	\$36,353,324	18.0	\$47,042,000	14.0	\$78,330,000	14.0	\$31,288,000	0.0

For FY 2010, EHRI revolving fund resources are expected to increase significantly because implementation of electronic eOPFs for DOD and IRS is expected to occur. The funds will cover the cost of scanning and digitizing a tremendous number of personnel files, additional storage charges, and operations and maintenance.

HR LOB Salaries and Expenses – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$1,043,000	\$1,300,000	\$257,000
Personnel benefits	\$244,000	\$366,000	\$122,000
Travel and transportation of persons	\$47,000	\$31,000	(\$16,000)
Transportation of things	\$1,000	\$0	(\$1,000)
Communications, utilities, and rent	\$180,000	\$222,000	\$42,000
Printing and reproduction	\$0	\$4,000	\$4,000
Other services	\$5,635,000	\$5,197,000	(\$438,000)
Supplies and materials	\$42,000	\$45,000	\$3,000
Equipment	\$10,000	\$107,000	\$97,000
Land and structures	\$0	\$0	\$0
Total	\$7,202,000	\$7,272,000	\$70,000
FTE	9.8	9.8	0.0

Strategic Objective D

Program: Human Capital – Strategic Alignment

The operational goals for the HR LOB represent key milestones in this strategic and transformational initiative to improve human resources management by establishing SSCs and appropriate service delivery models and strategies for Federal agencies. The HR LOB eliminates the need for agencies to replace or modernize redundant legacy systems by using common solutions at shared service centers, moves the administrative tasks of human resources management to SSCs, and allows agencies to develop and use their human resources staffs in more strategic and consultative ways. The HR LOB establishes and oversees Federal and private sector SSCs and provides assistance and oversight to agencies migrating to these centers. In addition, the HR LOB continues to identify and document common functional, technical, and data requirements and best practices consistent with Federal human resources policies and the Federal Enterprise Architecture.

The operational goals for Enterprise Human Resources Integration (EHRI) reflect OPM's commitment to implement electronic personnel folders (eOPFs) for all Federal agencies and fully utilize the system's workforce data. The eOPF will replace the current Official Personnel Folder with an electronic employee record for all Executive Branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment. EHRI offers agencies the ability to convert all existing paper records to electronic form. Implementation of this service includes a standard approach to the conversion, storage, access, sharing, and archiving of existing paper records. EHRI provides information technology (IT) systems implementation and on-going hosting requirements support for this effort through a fee-for-service arrangement with implementing agencies.

EHRI also maintains and operates a comprehensive electronic data warehouse and analysis system that supports human resources management across the Federal Government. This system spans the careers of 1.8 million Federal employees—from hiring to retiring—and provides employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge management, workforce analysis, forecasting, and reporting Government-wide in support of the strategic management of HR.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
Federal agencies' human capital systems are aligned with their Strategic Plans; i.e., their missions, vision, strategic goals and objectives.	# of agencies migrated to HR LOB Shared Service Centers (including the migration of additional human resources functions)	5	4	3	3	3	
	% of hard copy official personnel files converted to electronic format	18%	33%	51%	70%	90%	
	# of hard copy official personnel files converted to electronic format	326,065	619,000	999,000	1,260,000	1,620,000	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
Revolving Fund		\$39,000,000	4.2	\$39,840,000	4.2	\$71,058,000	4.2
Salaries & Expenses		\$7,852,000	9.8	\$7,202,000	9.8	\$7,272,000	9.8
Total Program Resources		\$46,852,000	14.0	\$47,042,000	14.0	\$78,330,000	14.0

E-Government Initiatives - OPM Participation

OPM is, and has been, a leader in the implementation of several e-Gov initiatives. Both as a managing partner and as a participant in initiatives led by other agencies, OPM has actively worked to streamline processes, reduce inefficiencies, or otherwise automate manual processes.

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. Brief descriptions, program goals and status are discussed in the sections below.

Enterprise Human Resources Integration (Managing Partner: OPM).

Objective: EHRI is a collaborative e-Government initiative to transform human resources processes from paper-based processes to electronic-based processes. Toward this end, EHRI established reporting requirements and standards for human resources data and records management and developed a consolidated EHRI data warehouse containing human resources data on all Executive Branch civilian employees and a robust set of query and reporting tools. EHRI also replaces the current paper official personnel folder with an electronic employee record for all Executive Branch employees, resulting in significant savings from the elimination of paper folders.

Benefits: OPM benefits by reducing time and costs to retrieve personnel information across the Federal Government and through the improved analytical capabilities provided by the EHRI data warehouse of personnel statistics. EHRI will provide agency HR Managers and Specialists with powerful workforce analytic and planning capabilities. EHRI users will be able to query workforce data from a variety of perspectives. Users can determine statistical counts, averages, correlation, etc., and conduct workforce planning under a variety of scenarios. Trends can be determined for retirements, promotions, reassignments, and other significant personnel actions.

Development Status: The EHRI data warehouse is fully operational. Full electronic official personnel folder (eOPF) implementation across 1.8 million Federal employees will be complete by FY 2012. Over 999,000 folders were converted to electronic format at the close of FY 2008.

Risks: Risks include keeping the data safe and continuing to meet all privacy and security mandates. Risk to the eOPF program is the agencies’ ability to continue funding to support the transformation.

Cost Effectiveness: Cost savings are recognized on a per folder basis. The total cost avoidance per folder is estimated at \$44.23.

Operational Date: Data Warehouse – September 2003. Electronic Personnel Folders – March 2006.

E-Payroll (Managing Partner: OPM).

Objective: As the managing partner of the E-Payroll initiative, OPM is leading the effort to standardize payroll services and processes across the Federal Government. The e-Payroll initiative has consolidated twenty-six Executive Branch Federal payroll providers to four, standardizing payroll policies and procedures and simplifying and better integrating payroll, human resources, and finance functions.

Benefits: This initiative benefits agencies by allowing human resources offices to focus on mission related activities rather than on administrative payroll functions. By obtaining payroll processing services through one of the approved e-Payroll service providers, agencies do not need to spend funds to build and maintain separate payroll processing systems.

Development Status: To date, only three agencies remain to be migrated: the Department of Veterans Affairs, the Department of State, and the Office of Thrift Supervision.

Risks: The timely completion of the remaining agency migrations.

Cost Effectiveness: Operating a separate system would be more expensive for individual agencies which would have to bear the costs of maintenance and future upgrades rather than sharing these costs with other Federal agencies. Payroll processing costs are reduced through economies of scale and avoiding the cost of duplicative capital investment system modernization activities.

Operational Date: E-Payroll is not a single system but an on-going initiative which began in April 2002.

E-Training (Managing Partner: OPM).

Objective: The e-Training initiative is a governance activity which supports the Learning and Development Advisory Council (LDAC), several working groups under the LDAC and the Training Service Provider Consortium. The LDAC aims to share best practices and provide advice to the Chief Human Capital Officers Subcommittee on Learning and Development as well as foster and evaluate best practices and standards for e-Learning systems and Service Providers government-wide.

Benefits: E-Training fosters communication between Federal learning practitioners Government-wide and identifies, prioritizes, and develops cross-agency solutions to issues of interest within the community.

Development Status: The initiative is fully operational. During FY 2006, the e-Training initiative was folded into the HR LOB. This transition included the governance and programmatic aspects of the initiative and the Government-wide e-Learning site, USALearning.gov.

Risks: The risk is Federal agencies' ability to continue to fund investments in learning technologies.

Cost Effectiveness: The e-Training initiative benefits the Federal government by reducing redundancies, achieving economies of scale, acquiring and developing E-Learning courses and content, offering user-friendly access to a high-quality E-Training environment, and encouraging E-Learning investments as part of the strategic, and continuous development of Federal HR.

Operational Date: September 2006.

Human Resources Management Line of Business (Managing Partner: OPM).

Objective: The HR LOB vision is to create government-wide, modern, cost-effective, standardized, and interoperable HR solutions to provide common core functionality to support the strategic management of Human Resources through the establishment of SSCs. Driven from a business perspective rather than a technology focus, the solutions will address distinct business improvements enhancing the government's performance of HR services in support of agency missions delivering services to citizens.

Benefits: Agencies benefit through use of best-in-class human resources services and systems provided by one of the approved service providers, without the costs of developing and maintaining their own human resources systems. Employees benefit from improved human resources services. Other key benefits include improving the Government-wide strategic management of human resources, providing a cost savings to the Government by allowing for the development and maintenance of a limited number of human resources systems across Government agencies, and achieving or increasing operational efficiencies in the acquisition, development, implementation, and operation of human resources

management and supporting systems. This enables the transformation of the HR workforce from an administrative focus to strategic management focus.

Development Status: As managing partner, since April 2004, the HR LOB has engaged 24 agencies in defining its vision, goals, target architecture, and supporting business case.

Five Federal agencies have been identified to serve as HR LOB SSCs to deliver HR services to other agencies. Additionally, four private sector providers have also been selected as SSCs under GSA's Multiple Award Schedule Program. At present, 85% of the Federal civilian workforce of 1.8 million people is receiving service from the Federal SSCs.

Risks: Federal agencies' ability to conduct competitions to select shared service center solutions. The ability of Shared Service Centers to fund upgrades of their technology and services under the Economy Act.

Cost Effectiveness: Federal agencies will benefit from the successful implementation of the HR LOB service delivery model by achieving improved management, operational efficiencies, cost savings/avoidance, and improved customer service. Opportunities will focus on reduction in redundant technology spending, re-use of technology and components, use of best practices, improvement of services to customer agencies and HR practitioners, and accelerated modernization. Initial benefits will be realized through standardization and consolidation of HR management systems and processes. The primary means of reducing HR investment costs and improving efficiencies include:

- Elimination and/or consolidation of legacy and redundant HR systems across the government. Federal agencies will benefit from a common HR solution(s) available through SSCs that can be shared across federal agencies, reducing their HR investment costs, a portion of which they can re-allocate toward systems and services that more directly support agency missions.
- Improved use of Federal government buying power for leverage in negotiations with suppliers.
- Reliable and accurate HR information in a common format across the government.
- Efficient use of information technology investments across the Government.
- Establishment of best practices and lessons learned in the migration strategy as documented in the Migration Planning Guidance.

Federal employees and managers will benefit from several anticipated workforce management performance improvements, including but not limited to: employee and manager self-service, faster decision-making, more informed policy making, and reduced time to hire.

Operational Date: The HR LOB is not a system but an ongoing program. The HR LOB began in April 2004.

USAJOBS (Managing Partner: OPM).

Objective: The USAJOBS initiative provides an online portal (www.usajobs.gov) through which citizens can easily search for employment opportunities throughout the Federal Government. This initiative has evolved from an innovative E-Gov Project to an overwhelmingly successful, fully operational, steady-state program. USAJOBS is a state-of-the-art recruitment system that simplified the Federal Job search process for both job seekers and agencies. Through www.usajobs.gov, users have access to the following:

- A centralized repository for all competitive service job vacancies;
- Standardized online recruitment services; and

E-Gov Initiatives – Total Spending (in millions)

EHRI Initiative (Data Warehouse Only)	Through FY 2008	FY 2009	FY 2010	*Estimated Cost to Complete Development to Full Operational Capability
Development Costs	\$39.2	\$0.0	\$0.0	\$0.0
Estimated Operations/Maintenance Costs	\$13.9	\$5.851	\$5.908	\$0.0
Total	\$53.1	\$5.851	\$5.908	\$0.0

*As of September, 2003, the data warehouse is fully operational.

Amounts are direct appropriations to OPM to serve as the managing partner for e-Payroll. E-Payroll does not receive partner contributions. Rather, migrating agencies pay their selected e-payroll Provider on a fee-for-service basis.

E-Payroll Initiative	Through FY 2008	FY 2009	FY 2010 (Included in the HR LOB appropriation)	*Estimated Cost to Complete Development to Full Operational Capability
Development Costs	\$13.8	\$0.0	\$0.0	\$0.0
Estimated Operations/Maintenance Costs	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$13.8	\$0.0	\$0.0	\$0.0

*E-Payroll is not a single system but an on-going initiative which began in April, 2002. Through the end of FY 2007, only three agencies remain to be migrated.

Amounts are direct appropriations to OPM to serve as the managing partner for e-Training. E-Training does not collect partner contributions. Agencies pay their selected e-Training Service Provider for learning management systems and other training services on a fee-for-service basis.

E-Training Initiative	Through FY 2008	FY 2009	FY 2010 (Included in the HR LOB appropriation)	*Estimated Cost to Complete Development to Full Operational Capability
Development Costs	\$8.2	\$0.0	\$0.0	\$0.0
Estimated Operations/Maintenance Costs	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$8.2	\$0.0	\$0.0	\$0.0

*As of September, 2006, the e-Training initiative is fully operational.

HR LOB Initiative	Through FY 2008	FY 2009	FY 2010	*Estimated Cost to Complete Development to Full Operational Capability
Development Costs	\$16.2	\$1.351	\$1.364	\$2.7
Estimated Operations/Maintenance Costs	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$16.2	\$1.351	\$1.364	\$2.7

*The HR LOB is not a system but an on-going program. The HR LOB began in April, 2004.

**E-Gov Initiatives – Funding/Contributions from Agencies & Bureaus
(OPM Line includes Funds Appropriated to OPM for the HR LOB and OPM's
Agency Contribution to the HR LOB)**

HR LOB Initiative	FY 2008 Enacted	FY 2009 - Estimate	FY 2010 – Estimate
DoC	\$130,435	\$130,435	\$130,435
DoD	\$260,870	\$260,870	\$260,870
DoE	\$65,217	\$65,217	\$65,217
ED	\$65,217	\$65,217	\$65,217
Dol	\$130,435	\$130,435	\$130,435
DoJ	\$260,870	\$260,870	\$260,870
DoL	\$65,217	\$65,217	\$65,217
DoT	\$130,435	\$130,435	\$130,435
EPA	\$65,217	\$65,217	\$65,217
GSA	\$65,217	\$65,217	\$65,217
HHS	\$130,435	\$130,435	\$130,435
HUD	\$65,217	\$65,217	\$65,217
NASA	\$65,217	\$65,217	\$65,217
NSF	\$65,217	\$65,217	\$65,217
OPM	\$1,515,218	\$1,416,217	\$1,429,217
SSA	\$130,435	\$130,435	\$130,435
State	\$65,217	\$65,217	\$65,217
Treasury	\$260,870	\$260,870	\$260,870
USAID	\$65,217	\$65,217	\$65,217
USDA	\$260,870	\$260,870	\$260,870
VA	\$260,870	\$260,870	\$260,870
CIA	\$0	\$65,217	\$65,217
DHS	\$260,870	\$260,870	\$260,870
TOTAL	\$4,384,783	\$4,350,999	\$4,363,999

Human Resources Products and Services Division (HRPS)

The OPM 2010 budget request includes **\$62,266,000**, which is composed of **\$882,000** in General Funds, **\$57,136,000** of annual Trust Funds, and **\$4,248,000** in no-year Trust Funds. Excluding the no-year funds for retirement modernization, these amounts represent an increase of \$163,000 in General Funds and a decrease of \$7 million in Trust Fund Annual compared to OPM's FY 2009 request.

OPM is requesting **\$630,000** of the General Funds appropriation to support the Voting Rights Program, as required by the Voting Rights Act. 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. OPM will continue to manage and oversee Voting Rights observers at the request of the Department of Justice (DOJ) and will provide trained Federal observers to monitor the election process in areas designated by the U.S. Attorney General. OPM finances the administration of the program while DOJ reimburses OPM for the direct costs of deploying observers to election sites. In fiscal year 2010, the Voting Rights program will continue to deploy sufficient numbers of Federal Voting Rights observers to monitor polling sites at the request of the U.S. Department of Justice throughout the year. In addition, **\$252,000** of the General Funds will be used to administer the Flexible Spending Account Program (FSAFEDS).

OPM is requesting **\$4,248,000** in no-year funds to continue activities related to data collection and storage, basic data integration and data cleansing work, and imaging of paper records, while exploring options for improving retirement processes and technology. While these efforts continue, OPM is reviewing its long term strategic objectives and requirements for retirement modernization. OPM is also updating critical program documentation including the Program Management Plan, Concept of Operations, and Integrated Master Schedule to ensure the project is managed according to sound management principles.

OPM requests **\$57,136,000** from the earned benefit Trust Funds in order to maintain the services it delivers to Federal employees, annuitants, and their families through the retirement and insurance programs. OPM will maintain service levels for retirement program work. This includes maintaining existing service levels as well as legacy systems.

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: authority at 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer Cost of living adjustments, survivor annuities, alternative form of annuities, voluntary allotments and tax withholding; 5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A) provides for all administrative expenses to manage the Dental & Vision Benefits Program (fully reimbursed by contracted providers); 5 USC 9004(f)(2) provides for all administrative expenses of the Office to manage the Long-Term Care Insurance Program (fully reimbursed by contracted providers); and P.L. 106-265 provides for the Office's administrative expenses implementing the Federal Erroneous Retirement Coverage Correction Act. The amounts of resources used from each of the above authorities by HRPS are shown in the resource summary for this section.

OPM will continue to negotiate Federal Employees Health Benefits Program contracts with private insurance companies that offer a broad range of health insurance benefits, including high-deductible plans with health savings accounts and consumer-driven plan options. In addition, OPM continues to enhance customers' health insurance decisions by several means: OPM-sponsored health plan brochures and website postings, health plan customer satisfaction survey results, Web-based comparison/decision tools, and the Health Plan Employer and Data Information Set.

OPM will continue to engage in tough negotiations with health carriers in order to contain premium hikes and maintain benefit levels. Similarly, OPM will continue to preserve the competitiveness of the insurance programs by providing management and oversight of dental/vision benefits.

OPM is the integrated provider of human resources products and services. OPM develops Federal managers and leaders and creates workforce solutions to attract and retain employees needed to accomplish the public sector mission. OPM has three organizations that deliver reimbursable human resources products and services: Center for Leadership Capacity Services, Center for Talent Services and USAJOBS.

As OPM's leadership training provider, the Center for Leadership Capacity Services (CLCS) is organized strategically by the following business lines: Leadership and Management programs, Executive programs and Succession Planning and Custom Solutions. Its programs focus on the leadership journey and include executive, management, supervisory and leadership development, organizational development and customized services for succession planning that help agencies build successful organizations. Leadership development seminars are conducted at three world-class learning centers, Federal Executive Institute in Charlottesville VA, the Eastern Management Development Center in Shepherdstown, WV, and the Western Management Development Center in Aurora, CO. For those unable to attend classes at these locations, many seminars are offered online or on-site workshops can be arranged through a customized program. There are classes available with either undergraduate or graduate-level college credit as certified by the American Council on Education (ACE). Succession Planning and Custom Solutions include programs such as the Presidential Management Fellows (PMF). CLCS exceeded industry standard benchmark ratings in providing high quality training as evidenced by its high customer satisfaction results. In addition, CLCS will deliver quality leadership development programs that significantly contribute to increased government agency effectiveness by achieving a composite rating of 4.51 (out of 5.0) for all major open enrollment programs and increase overall participation by 2 percent.

CTS provides effective and efficient staffing, consulting, training, and other human resources management products and services that contribute to building successful, high-performance organizations. Services are delivered by CTS Government Federal staff or pre-qualified private sector vendors via the GoLearn and Training and Management Assistance contract vehicles. The former vehicle provides knowledge management systems and the latter provides customized training and human resources strategic consulting services. CTS's products and services are aligned with the Human Resources Line of Business (HRLOB) Business Reference Model. The Model provides a Government-wide approach for modern, cost-effective, standardized, and interoperable HR solutions to support the strategic management of human resources. CTS's success in providing quality products and services is evidenced by high customer satisfaction and over 90% agency agreement that CTS products and services have contributed to increasing organizational effectiveness. In fiscal year 2009, CTS deployed and integrated Customer Relationship Management software to manage customer accounts across business lines. This initiative enabled CTS to better manage customer needs and to provide comprehensive human resources solutions for complex agency human resources issues. For fiscal year 2010, CTS will maintain its effective account and project management services and superior customer service as it continues to positively impact organizational effectiveness throughout the government.

USAJOBS is the mature E-Government recruitment one-stop initiative. USAJOBS manages and coordinates the activities of the contractor delivering the online application. FY 2008, USAJOBS improved agency compliance in standardizing of federal vacancy announcements by 25% and in FY 2009, managed the efficient acquisition and planning for the contract renewal of the USAJOBS system. In FY 2010, USAJOBS will reduce agency cost for the Certification and Accreditation of back-end applicant assessment systems and improve agency compliance by 25%. Another activity is to enhance

and sustain USAJOBS online application functionality that serves as the Federal Employment portal for all Federal Agencies and increase percentage of agencies that are fully integrated with USAJOBS system by 25%.

The Revolving Fund will continue to increase products and services for the growing workforce and provide succession planning; employer branding; recruitment and employment information; test administration; individual and organizational assessment; training assistance and leadership development; and on-line learning. Solutions are delivered through a network of expert OPM consultants, integrated tools and systems, and an expedited training and management assistance contracting process.

HRPS Resource Summary (includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$1,786,000	11.0	\$719,000	6.0	\$882,000	6.0	\$163,000	0.0
Trust Fund Annual	\$55,117,000	505.0	\$64,161,000	488.0	\$57,136,000	488.0	(\$7,025,000)	0.0
Trust Fund – No-year	\$26,965,000	20.0	\$15,200,000	6.0	\$4,248,000	5.0	(\$10,952,000)	(1.0)
Total Appropriated	\$83,868,000	536.0	\$80,080,000	500.0	\$62,266,000	499.0	(\$17,814,000)	(1.0)
FERCCA – Mandatory Authority	\$1,900,000	13.8	\$1,400,000	10.0	\$1,956,000	12.0	\$556,000	2.0
Long Term Care – Mandatory Authority	\$700,000	3.0	\$700,000	3.0	\$725,000	3.0	\$25,000	0.0
Dental & Vision - Mandatory Authority	\$3,700,000	6.0	\$4,500,000	4.0	\$4,591,000	4.0	\$91,000	0.0
5 USC 8348 (a)(1)(B) - Mandatory Authority	\$27,995,000	278.0	\$30,100,000	278.0	\$31,330,000	278.0	\$1,230,000	0.0
Total non-appropriated	\$34,295,000	300.0	\$36,700,000	295.0	\$38,602,000	297.0	\$1,902,000	2.0
Center for Leadership Capacity	\$48,910,000	104.0	\$51,000,000	107.0	\$55,600,000	111.0	\$4,600,000	4.0
Talent Services	\$413,267,000	544.0	\$414,000,000	538.0	\$429,500,000	572.0	\$15,500,000	34.0
USAJOBS	\$8,644,000	10.0	\$9,660,000	11.0	\$9,780,000	12.0	\$120,000	1.0
Total Revolving Fund	\$470,821,000	658.0	\$474,660,000	656.0	\$494,880,000	695.0	\$20,220,000	39.0
Total	\$588,984,000	1,494.0	\$591,440,000	1,451.0	\$595,748,000	1,491.0	\$4,308,000	40.0

HRPS Salaries and Expenses – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$513,000	\$583,000	\$70,000
Personnel benefits	\$171,000	\$221,000	\$50,000
Travel and transportation of persons	\$21,000	\$9,000	(\$12,000)
Transportation of things	\$1,000	\$5,000	\$4,000
Communications, utilities, and rent	\$1,000	\$41,000	\$40,000
Printing and reproduction	\$0	\$4,000	\$4,000
Other services	\$5,000	\$7,000	\$2,000
Supplies and materials	\$4,000	\$5,000	\$1,000
Equipment	\$3,000	\$7,000	\$4,000
Land and structures	\$0	\$0	\$0
Total	\$719,000	\$882,000	\$163,000
FTE	6.0	6.0	0.0

HRPS Trust Fund – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$33,835,000	\$32,615,000	(\$1,220,000)
Personnel benefits	\$8,603,000	\$9,448,000	\$845,000
Travel and transportation of persons	\$247,000	\$57,000	(\$190,000)
Transportation of things	\$7,000	\$0	(\$7,000)
Communications, utilities, and rent	\$2,926,000	\$2,341,000	(\$585,000)
Printing and reproduction	\$449,000	\$643,000	\$194,000
Other services	\$17,606,000	\$11,802,000	(\$5,804,000)
Supplies and materials	\$283,000	\$107,000	(\$176,000)
Equipment	\$204,000	\$123,000	(\$81,000)
Land and structures	\$0	\$0	\$0
Total	\$64,160,000	\$57,136,000	(\$7,024,000)
FTE	488.00	488.0	0.0

HRPS Trust Fund No-year – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$978,000	\$1,072,000	\$94,000
Personnel benefits	\$226,000	\$332,000	\$106,000
Travel and transportation of persons	\$27,000	\$25,000	(\$2,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$3,000	\$0	(\$3,000)
Printing and reproduction	\$1,000	\$0	(\$1,000)
Other services	\$13,954,000	\$2,819,000	(\$11,135,000)
Supplies and materials	\$6,000	\$0	(\$6,000)
Equipment	\$5,000	\$0	(\$5,000)
Land and structures	\$0	\$0	\$0
Total	\$15,200,000	\$4,248,000	(\$10,952,000)
FTE	6.0	5.0	(1.0)

Strategic Objective B

Program: Benefits Services - Federal Employees Retirement, Process Claims

One of OPM's continuing priorities in FY 2010 will be to continue providing timely and accurate benefit payments. Processing claims includes determining which individuals are entitled to payments from the retirement fund, what kind of payments they are entitled to, and how much they are to receive. A key element in making these decisions is knowledge of the law, which is applicable to a particular claim.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
Benefits payments and services are timely, accurate, and attain high customer satisfaction levels.	Average unit cost for processing retirement claims	\$91.95	\$80.03	\$74.28	\$77.76	\$76.17	
	% of retirement claims processed accurately	89%	95%	95%	95%	95%	
	Retirement claims processing timeliness (days)	41	30	42	45	45	
	From a customer's perspective, the length of time (in days) it takes to process their retirement claim	n/a	n/a	n/a	65	65	
	The average number of interim payments before the final payment	n/a	n/a	n/a	60% - 1 30% - 2 10% - 3+	60% - 1 30% - 2 10% - 3+	
	Relative ratio of complete retirement submissions versus incomplete cases	n/a	n/a	n/a	60%	60%	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
TF Limit - Annual		\$25,705,000	233.0	\$34,739,000	223.0	\$26,287,000	223.0
FERCCA – Mandatory Authority		\$1,000,000	7.8	\$500,000	4.0	\$1,023,000	6.0
Trust Fund – No-year		\$26,965,000	20.0	\$15,200,000	6.0	\$4,248,000	5.0
5 USC 8348 (a)(1)(B) - Mandatory Authority		\$15,800,000	157.0	\$17,000,000	157.0	\$17,706,000	157.0
Total Program Resources		\$69,470,000	417.8	\$67,439,000	390.0	\$49,264,000	391.0

Program: Benefits Services - Federal Employees Retirement, Maintain Annuity Payment Accounts

In FY 2008 and FY 2009, OPM took steps to minimize erroneous retirement payments in foreign countries where monthly annuity payments must be made via hard copy checks. Moreover, OPM processes hundreds of thousands of specific annuity roll maintenance transactions such as Federal or State tax withholding changes, health benefits enrollment changes, and post-retirement adjustments to annuity payments. OPM is committed to providing quality customer service to annuitants and survivors who already receive retirement benefits.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Benefits payments and services are timely, accurate, and attain high customer satisfaction levels.	% of customers satisfied with overall retirement services	83%	87%	83%	88%	88%
	Rate of improper payments in the retirement program	0.44%	0.42%	0.39%	0.38%	0.36%
	Average unit cost for processing customer service requests	\$4.54	\$4.42	\$4.42	\$4.42	\$4.32
	% of change notices mailed within 10 working days	95%	93%	93%	90%	90%
Budgetary Resources						
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request
Fund		\$	FTE	\$	FTE	\$
TF Limit - Annual		\$11,907,000	115.0	\$11,866,000	112.0	\$12,037,000
5 USC 8348 (a)(1)(B) - Mandatory Authority		\$6,900,000	68.0	\$7,500,000	68.0	\$7,797,000
Total Program Resources		\$18,807,000	183.0	\$19,366,000	180.0	\$19,834,000

Program: Benefits Services - Federal Employees Retirement, Answer retirement-related inquiries

As the annuitant population grows, the Retirement Program is receiving more telephone calls and written correspondence. OPM estimates it will receive more than 2 million calls in FY 2009 and FY 2010. OPM will continue to maximize self-servicing options for our customers through Interactive Voice Response (IVR) and Web-enabled technologies.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Responses are delivered efficiently.	% of retirement program customer calls handled	84%	84%	84%	85%	85%
	% of inquiries answered within 72 hours	93%	96%	96%	90%	90%
Budgetary Resources						
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request
Fund		\$	FTE	\$	FTE	\$
TF Limit - Annual		\$8,905,000	79.0	\$8,905,000	76.0	\$10,031,000
5 USC 8348 (a)(1)(B) - Mandatory Authority		\$5,295,000	53.0	\$5,600,000	53.0	\$5,827,000
Total Program Resources		\$14,200,000	132.0	\$14,505,000	129.0	\$15,858,000

Program: Benefits Services - Federal Employees Retirement, Benefits Officers Training and Development

The Thrift Savings Plan Open Elections Act of 2004 (Public Law 108-469) requires the Office of Personnel Management (OPM) to develop and implement a retirement financial literacy and education strategy for Federal employees as part of the retirement training offered by OPM under 5 U.S.C. 8350. In FY 2010, OPM will continue to make this information a core part of its retirement training curriculum.

Additionally, OPM is developing a “retirement readiness profile” that identifies an employee’s retirement readiness score based on where they are in their career. Based on their profile, online recommendations will direct employees to specific information and training resources.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Agency benefits officers are trained and Federal employees knowledgeable concerning their benefits	% of benefits officers trained per year	47%	52%	52%	54%	54%
	% of customers who rate satisfaction with guidance material as very good or better	81%	85%	85%	88%	90%
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
TF Limit - Annual	\$600,000	4.0	\$450,000	3.0	\$456,000	3.0
FERCCA – Mandatory Authority	\$900,000	6.0	\$900,000	6.0	\$933,000	6.0
Total Program Resources	\$1,500,000	10.0	\$1,350,000	9.0	\$1,389,000	9.0

Program: Benefits Services - Federal Employees Health Benefits and Dental/Vision

OPM will improve FEHBP services and quality of care during FY 2010 by implementing the performance measures shown in the table that follows. Our Insurance Services Program (ISP) uses the FEHBP Guiding Principles in its management of the program and selects a number of plans each year to review for compliance. In the annual call letter, OPM outlines key initiatives and policies for the upcoming benefit year. Along with benefit negotiations, this operational goal helps ISP achieve its customer satisfaction targets. ISP employees conduct negotiations with carriers to ensure compliance with terms and rates stated in the call letter. This continuous commitment makes the FEHB Program a model of market-based, consumer centered healthcare coverage benefiting the government as a whole. We plan to provide new tools so enrollees can compare and make informed decisions about the various health, dental and vision plans that are available to them; this includes FSAFEDS. By strengthening controls and oversight, OPM will provide FEHBP subscribers with an affordable benefit which will improve customer satisfaction.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs	% of FEHBP customers satisfied with OPM's Open Season website	43%	32%	35%	67%	70%
	% of health benefits claims processed within 30 days	97%	97%	99%	95%	95%
	% of health benefits claims processed accurately	98%	98%	98%	96%	96%
	Rate of improper payments in the FEHB program	0.20%	0.50%	0.24%	0.24%	0.23%
	% of FEHBP enrollees satisfied versus industry standard	73% vs 65%	79% vs 63%	78% vs 60%	FEHBP >= industry	FEHBP >= industry
Budgetary Resources						
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request
Fund		\$	FTE	\$	FTE	\$ FTE
TF Limit - Annual		\$7,500,000	71.0	\$7,700,000	71.0	\$7,818,000 71.0
Total Program Resources		\$7,500,000	71.0	\$7,700,000	71.0	\$7,818,000 71.0

Program: Benefits Services - Federal Employees Group Life Insurance and Other Insurance –

OPM's strategies for the FEGLI, FLTCIP, FSAFEDS programs were designed to improve customer satisfaction and increase employee knowledge of these insurance benefits. OPM's goal is to provide Federal employees the opportunity to provide financial protection to beneficiaries. Better information will lead to more informed decisions and open season elections. OPM is also striving for improved customer satisfaction and increased government-wide enrollments.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
Federal employees have opportunity to purchase group term life insurance that provides financial protection to beneficiaries	Average number of days to pay FEGLI claims	6.9	6.6	6.3	< Industry standard	< Industry standard	
	% of FEGLI claims paid accurately	99.7%	99.8%	99.9%	99.7%	99.7%	
	Rate of improper payments in the FEGLI program	0.06%	0.07%	0.05%	0.05%	0.04%	
	% of FLTCIP service calls answered within 20 seconds	88%	92%	92%	85%	85%	
	% of FLTCIP customers overall satisfied with customer service	97%	97%	98%	90%	90%	
	# of employees participating in FSAFEDS	193,481	229,140	229,140	262,000	305,000	
	% of "clean" FSAFEDS claims reimbursed within 5 business days	95%	100%	100%	90%	90%	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses		\$109,000	1.0	\$109,000	1.0	\$252,000	1.0
TF Limit - Annual		\$500,000	3.0	\$501,000	3.0	\$507,000	3.0
Dental and Vision Benefits – Mandatory Authority		\$3,700,000	6.0	\$4,500,000	4.0	\$4,591,000	4.0
Long Term Care – Mandatory Authority		\$700,000	3.0	\$700,000	3.0	\$725,000	3.0
Total Program Resources		\$5,009,000	13.0	\$5,810,000	11.0	\$6,075,000	11.0

Program: Leadership Capacity Services

During FY 2010, CLCS will promote the leadership certificate program for Federal managers, expand its customer market, and maintain its ongoing core executive and managerial development programs. In FY 2009 and FY 2010, OPM will continue to monitor the performance of CTS-GoLearn contract vendors' performance and conduct a customer satisfaction survey to assess the value and delivery of CTS-GoLearn products and services.

Government is facing a potential shortage in the number of qualified employees ready to assume leadership roles. Retirements and separations are widening the gap between leadership positions and those prepared to move into them. CLCS will meet this challenge through a variety of programs. These include: the Leadership Education and Development (LEAD) Certificate Program - a pathway for Federal employee achievement; and the Executive Master of Public Administration Program (Executive MPA) - a partnership program with leading universities. Along with the Presidential Management Fellows Program, CLCS' customized programs will help agencies develop future leaders.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Federal executives and managers have available high-quality leadership development training	Overall customer satisfaction, based on five point scale*	4.68	4.60	4.51	4.50	4.51
	# of Presidential Management Fellow hires	355	403	441	425	451
	Full cost recovery annual for each revolving fund program	No	Yes	Yes	Yes	Yes
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
CLCS Revolving Fund	\$48,910,000	104.0	\$51,000,000	107.0	\$55,600,000	111.0
Total Program Resources	\$48,910,000	104.0	\$51,000,000	107.0	\$55,600,000	111.0

* In fiscal year 2008, CLCS converted from a 7-point paper survey process to a 5-point scale automated survey system and, as a result, the overall customer satisfaction averages resulted in lower averages. A new baseline or target of 4.50, an industry standard benchmark, was established to more accurately reflect this new system of obtaining evaluations.

Program: CTS - GoLearn

CTS intends to improve on going program management while reducing costs. Efficiently implementing CTS - GoLearn's learning management solutions reduces the overall cost to agencies as they maintain and develop their workforces. Federal agency customers will benefit by faster and more economical on-line learning and related services. Early planning by CTS for re-competing the GoLearn Indefinite Delivery Indefinite Quantity contract will ensure a smooth transition for both vendors and customers.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
Support career development for the Federal workforce by increasing return on training investments.	# of GoLearn courses completed annually (all Learning Management Systems)	2,009,267	2,278,513	3,827,638	2,300,000	2,500,000
	# of eligible (registered) users of GoLearn sites	1,048,896	1,371,165	1,371,165	1,200,000	1,300,000
	Full cost recovery for each revolving fund program	Yes	Yes	Yes	Yes	Yes
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$35,267,000	3.0	\$35,000,000	3.0	\$38,000,000	4.0
Total Program Resources	\$35,267,000	3.0	\$35,000,000	3.0	\$38,000,000	4.0

Strategic Objective C

Program: Center for Talent Services

CTS will ensure the program maintains its already high levels of performance through FY 2010. With a renewed focus on customer account management, CTS has a better understanding of its customers needs. The Center conducted several studies of its existing product and service offerings in fiscal year 2009 and based on the findings, made improvements to its offerings for continued success in fiscal year 2010.

Through providing effective account and project management services and excellent customer service, CTS expects to improve and expand service delivery resulting in a revenue increase of 2% over fiscal year 2009.

By monitoring the performance of the Training and Management Assistance (TMA) vendors, CTS will match products and services delivered through pre-qualified vendors with customer agencies' workforce needs, as evidenced by a high vendor deliverable acceptance rate.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
Effective and efficient staffing, training, assessment, and other human resources services that contribute to successful, high-performance organizations.	Customers satisfied with Center for Talent Services' products and services (ACSI Equivalent Index)	85	84	84	80	80	
	% of customers expressing repurchase intention for CTS products and services	93%	94%	96%	90%	90%	
	% of training and management assistance deliverables accepted by customer agencies	99%	99%	100%	97%	97%	
	% of customers agreeing that CTS products and services contribute to Government effectiveness	93%	94%	94%	90%	90%	
	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
CTS Revolving Fund		\$378,000,000	545.0	\$379,000,000	535.0	\$391,500,000	568.0
Total Program Resources		\$378,000,000	545.0	\$379,000,000	535.0	\$391,500,000	568.0

Program: USAJOBS

During FY 2010, OPM will continue to enhance USAJOBS as the Federal Government's principal front-facing hiring entity, increasing the pool of qualified applicants for Federal jobs and making the hiring process faster. The operational goals planned for USAJOBS in FY 2008 and FY 2009 will increase the site's job searching capabilities and its use by more agencies. OPM will develop a data collection process that will allow USAJOBS to determine and measure program outcomes. CHCO agency involvement in and their support of "Integration" activities improves the online application experience for large segments of Federal job seekers. Moving toward "total integration" of Federal job announcement and applicant assessment systems provides hiring system compatibility across Government, resulting in a more efficient hiring process overall. Standard job vacancy announcements and full utilization by agencies and vendors of the templates is yet another way to simplify the Federal application process.

OPM is keenly aware of the need to promptly notify job applicants when job applications reach different stages of the application process. At present, many applicants complain of inconsistencies in how information is provided to them, if at all, once they apply for a Federal job. OPM is committed to an approach called the "4 points of communication." OPM (through USAJOBS) will communicate the status of an application at 4 stages: upon receipt, evaluation, referral, and selection. Using this approach, applicants will be made of aware of where they stand in the process.

OPM will also implement a Government-wide program to ensure that major applications that connect to USAJOBS are certified and accredited.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
Agency human capital systems are aligned with its Strategic Plan.	% of CHCO agencies using the USAJOBS resume format and integrating online applications with their assessment systems	35%	78%	84%	100%	100%	
	% of CHCO agencies using USAJOBS position announcement template	86%	98%	100%	100%	100%	
	Full cost Recovery annually for each revolving fund program	n/a	Yes	Yes	Yes	Yes	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
USAJOBS Revolving Fund		\$8,644,000	10	\$9,660,000	11.0	\$9,780,000	12.0
Total Program Resources		\$8,644,000	10	\$9,660,000	11.0	\$9,780,000	12.0

Federal Investigative Services Division (FISD)

The Federal Investigative Services Division (FISD) provides personnel background investigative services to determine individuals' suitability for Federal civilian, military, contract employment and eligibility for access to classified national security information. Background investigations are performed for Federal agencies on a fee-for-service basis. Since the transfer of functions and personnel from the Department of Defense (DoD), Defense Security Service (DSS) in 2005 (authorized by The Defense Authorization Act of 2004), OPM now conducts more than 90 percent of all background investigations for the Federal Government.

During FY 2010, OPM will continue to meet and exceed security clearance timeframes established in the Intelligence Reform and Terrorism Prevention Act of 2004, which mandated OPM to reduce the average time it takes to conduct initial clearance background investigations. FISD continues to complete investigations below the 2006 timeliness target of 90 days. It has reduced the time required to complete reinvestigations by more than 87%, eliminating the backlog of pending investigations.

OPM will continue to implement the Electronic Questionnaire for Investigative Processing (e-QIP) to process one hundred percent of all national security investigations requests; providing a fingerprint transmission system with sufficient capacity to receive and process electronically generated fingerprints in lieu of hard cards; and maintain completed investigations in an imaged format, with agencies having the option to receive information electronically.

In FY 2010, as part of the e-Clearance initiative, FISD will continue automating and streamlining many aspects of the investigative process to provide a high-quality and timely clearance process for the Federal Government.

FISD Resource Summary (in millions; includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$860,000,000	2,416.0	\$945,244,000	2,406.0	\$978,000,000	2,415.7	\$32,756,000	9.7
Total Non-Appropriated	\$860,000,000	2,416.0	\$945,244,000	2,406.0	\$978,000,000	2,415.7	\$32,756,000	9.7
Grand Total -\$	\$860,000,000	2,416.0	\$945,244,000	2,406.0	\$978,000,000	2,415.7	\$32,756,000	9.7

FISD Revolving Funds – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel Compensation	\$178,867,000	\$185,954,000	\$7,087,000
Personnel Benefits	\$44,884,000	\$46,797,000	\$1,913,000
Travel and Transportation of Persons	\$15,798,000	\$15,798,000	\$0
Transportation of Things	\$275,000	\$275,000	\$0
Communications, Utilities and Rent	\$19,060,000	\$19,060,000	\$0
Printing and Reproduction	\$1,223,000	\$1,223,000	\$0
Other Services	\$603,450,000	\$623,450,000	\$20,000,000
Supplies and Materials	\$3,365,000	\$3,365,000	\$0
Equipment	\$17,743,000	\$17,743,000	\$0
Land and Structures	\$0	\$0	\$0
Total Non-Appropriated	\$884,665,000	\$913,665,000	\$29,000,000
FTE	2,406.0	2,415.7	9.7

Strategic Objective D

Program: Investigative Services

In FY 2010, FISD will continue to focus on policies and strategies to meet goals set forth by the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004. FISD is actively pursuing investigative methods that will increase use of existing automated records systems to improve timeliness, while maintaining quality, and has participated in the Joint Reform Team efforts to create an Automated Record System that will utilize government and commercial databases to collect relevant information.

In FY 2010, FISD will review the progress of other states' use of electronic databases and reporting requirements to determine if centralized searches are appropriate, in support of previous research initiated in FY 2008. The ultimate goal is to have all 50 states participate. Centralized searches speed the investigative process by enabling OPM to search criminal history records at a single source rather than conducting individual local agency checks at each relevant jurisdiction. In FY 2008, FISD completed a statewide validation study that examined the various sources of criminal history records in the United States and Canada in order to determine which sources provided the most complete and comprehensive results. In 23 states and Canada, FISD was able to obtain agreement to use automated, centralized statewide records checks.

In working to streamline the use of paper in the investigative process, FISD successfully deployed an imaging system which allows for the electronic delivery and storage of case papers. Five agencies

currently receive completed cases via electronic delivery. In FY 2009 and 2010, FISD will continue to deploy this capability to additional agencies, pending their installation of the required secure connection. Agencies are also increasingly deploying the e-QIP system, which provides them with the ability to remotely enter and transmit case papers when requesting a background investigation. Ultimately, these technical initiatives will improve OPM's and agencies' responsiveness to Federal and contractor staffing needs.

In FY 2010, OPM will continue to work with the Office of Management and Budget and other stakeholders to meet various IRTPA requirements concerning the investigative and security clearance programs. Some of the IRTPA requirements include: 1) ensuring reciprocity of security clearances and access determinations; 2) creating a database on security clearances; and 3) evaluating the use of available technology in clearance investigations and adjudication. As also noted in the IRTPA Congressional report, FISD will complete the investigative phase of the clearance review of all applicants in a period of no longer than 40 days. FISD will continue to work with stakeholders to develop a more simplified system for investigative and adjudicative functions. A tiered investigative model has been developed that would allow for the use of prior investigative data should the need arise for a higher level investigation. The entire investigative process is being reviewed and models are being developed in conjunction with the Joint Reform Team detailing new methods to conduct security and suitability investigations.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes	
Federal agencies receive high-quality, timely background investigation services.	Timely Investigations--Average # of days within which 80% (90% by the end of 2009) of initial clearance investigations are closed	116	76	53	90	40	
	Timely Investigations – all other investigations--percent closed within an average of a pre-determined number of days	81.2%	90.6%	96.7%	90%	90%	
	Case returns	0.127%	0.115%	0.1%	<1%	<1%	
	% customers satisfied with quality and service of its products, policies and guidance	92%	95%	94%	95.5%	96%	
	Budgetary Resources						
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	FTE
Revolving Fund		\$860,000,000	2,416.0	\$945,244,000	2,406.0	\$978,000,000	2,415.7
Total Program Resources		\$860,000,000	2,416.0	\$945,244,000	2,406.0	\$978,000,000	2,415.7

Management Services Division (MSD)

The Management Services Division (MSD) provides OPM with a full range of administrative services; including human resources and equal employment opportunity management, contracting and administrative management, information technology, and security and emergency services. These services enable OPM to work toward completing the agency mission and maintain a high-quality and diverse workforce. OPM's request includes **\$64,989,000**, composed of **\$58,498,000** in Common Services and **\$6,491,000** in Trust Funds, \$0.8 million more than our FY 2009 amount, and represent a \$0.7 million increase in Common Services and a \$0.1 million increase in Trust Funds.

In FY 2010, MSD will continue to demonstrate OPM's commitment to protect the Personally Identifiable Information (PII) for all OPM employees. MSD is adhering to the Government-wide initiative to re-invigorate the Federal hiring process by continuing the implementation of the government-wide 80 day hiring model, bringing efficiencies to its internal human resources management system by converting to electronic format all Official Personnel Folders for OPM employees, and completing background investigations on its employees on time.

Moving forward, MSD will continue to provide employment information, utilize the Student Educational Employment Program, publicize employment opportunities, and recruit candidates from the Presidential Management Fellows program (PMF). In addition, MSD will continue to attract and recruit students who attend Historically Black Colleges and Universities (HBCU).

In FY 2010, OPM will also continue the implementation of Homeland Security Presidential Directive 12 (HSPD-12) Policy for a Common Identification Standard for Federal Employees and Contractors, and will begin working to comply with HSPD-20 Continuity of Operations and Continuity of Government requirements. OPM will continue to maintain its high level of information security and privacy programs.

Moreover, the requested funds also support MSD's Center for Security and Emergency Action which leads the Federal Government in completing background investigations for agency employees. Funds also support infrastructure protection and COOP and Continuity of Government activities.

Management Services Resource Summary (includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Common Services	\$54,949,000	238.8	\$57,823,000	230.3	\$58,498,000	229.1	\$675,000	(1.2)
Trust Fund Annual	\$6,573,000	31.7	\$6,398,000	33.7	\$6,491,000	33.7	\$93,000	0.0
Total Appropriated	\$61,522,000	270.5	\$64,221,000	264.0	\$64,989,000	262.8	\$768,000	(1.2)
5 USC 8348 (a)(1)(B) - Mandatory Authority	\$1,000,000	3.0	\$1,003,000	3.0	\$1,003,000	3.0	\$0	0.0
Revolving Fund	\$4,322,000	37.0	\$4,502,000	37.0	\$4,633,000	37.1	\$131,000	0.1
Total Non-Appropriated	\$5,322,000	40.0	\$5,505,000	40.0	\$5,636,000	40.1	\$131,000	0.1
Grand Total-\$	\$66,844,000	310.5	\$69,726,000	304.0	\$70,625,000	302.9	\$899,000	(1.1)

MSD Salaries and Expenses/Common Services – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel Compensation	\$20,210,000	\$21,019,000	\$809,000
Personnel Benefits	\$5,026,000	\$5,243,000	\$217,000
Travel and Transportation of Persons	\$352,000	\$359,000	\$7,000
Transportation of Things	\$28,000	\$90,000	\$62,000
Communications, Utilities and Rent	\$7,912,000	\$6,465,000	(\$1,447,000)
Printing and Reproduction	\$278,000	\$235,000	(\$43,000)
Other Services	\$20,610,000	\$21,586,000	\$976,000
Supplies and Materials	\$358,000	\$342,000	(\$16,000)
Equipment	\$2,959,000	\$3,068,000	\$109,000
Land and Structures	\$90,000	\$91,000	\$1,000
Total Appropriated	\$57,823,000	\$58,498,000	\$675,000
FTE	230.3	229.1	(1.2)

MSD Trust Fund – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$3,273,000	\$3,353,000	\$80,000
Personnel benefits	\$797,000	\$814,000	(\$17,000)
Travel and transportation of persons	\$5,000	\$5,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$165,000	\$65,000	\$100,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$2,086,000	\$2,228,000	\$142,000
Supplies and materials	\$39,000	\$26,000	\$2,000
Equipment	\$33,000	\$0	(\$33,000)
Land and structures	\$0	\$0	\$0
Total	\$6,398,000	\$6,491,000	\$93,000
FTE	33.7	33.7	0.0

Strategic Objective E

Program: Management Services

Management Services Division provides the full range of administrative services to OPM program offices. The performance measures demonstrate MSD's commitment to providing quality services to OPM as well as demonstrating commitments to government wide initiatives such as complying with the hiring guidelines in E2E and complying with HSPD -12 requirements to issue a common ID card.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
	% of time computer network available during agreed-upon service hours	99%	99%	99%	99%	99%
OPM is a model of performance for other Federal agencies.	% of hires within 45-day model	81%	89%	86%	n/a	n/a
	% of hires within 80-day model	n/a	n/a	n/a	10%	15%
	% of existing OPM employees and contractors issued new Personal Identity Verification cards	n/a	n/a	n/a	n/a	50%
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
Common Services	\$54,949,000	238.8	\$57,823,000	230.3	\$58,498,000	229.1
Trust Fund Annual	\$6,573,000	31.7	\$6,398,000	33.7	\$6,491,000	33.7
5 USC 8348 (a)(1)(B) - Mandatory Authority	\$1,000,000	3.0	\$1,003,000	3.0	\$1,003,000	3.0
Revolving Fund	\$4,322,000	37.0	\$4,502,000	37.0	\$4,633,000	37.1
Total Program Resources	\$66,844,000	310.5	\$69,726,000	304.0	\$70,625,000	302.9

The 45-day metric was changed in September 2008, when OPM issued the End-to-End (E2E) Hiring Roadmap, thereby implementing a more aggressive standard for federal hiring. The E2E standard requires agencies to complete the entire federal hiring process – from the date a hiring manager communicates to HR that he/she has a budgeted position to fill, through to the employees' entry on duty date in 80 calendar days. The previous metric measured only a small portion of the entire process, and measured in business rather than calendar days. The equivalent portion of the hiring process in the E2E standard takes only 23 calendar days.

Office of the Chief Financial Officer (OCFO)

The Office of the Chief Financial Officer provides OPM offices with a full range of financial management and budget services, which includes financial performance measurement and evaluation; oversight of internal controls and risk assessments; budget and performance planning and reporting; and coordination and implementation. OPM requests **\$43,619,000** and 129 FTE for OCFO, composed of **\$23,599,000** and 80 FTE in Common Services, **\$10,656,000** and 50 FTE in Trust Fund Annual resources, and **\$9,364,000** in no-year Trust Fund resources for CBIS.

OCFO is responsible for implementing OPM's new Consolidated Business Information System (CBIS); initial deployment is scheduled for the beginning of FY 2010. The CBIS Project will integrate and standardize administrative funds, trust funds, and procurement business processes to address regulatory and compliance deficiencies and implement in two phases. Phase I will address OPM's Salary and Expense (S&E) and Revolving Fund (RF) accounts. Phase II will address the Trust Fund processes. OPM's current core financial and procurement systems, the Government Financial Information System (GFIS) and Procurement Desktop (PD), will be replaced in FY 2009 (Phase 1). In FY 2010 (Phase 2), OPM's Federal Financial System (FFS) will be replaced by moving trust fund accounting processes to the new system implemented in phase 1, resulting in a single integrated system that supports the general funds, the revolving fund, reimbursable agreements, and the trust funds. The CBIS implementation is critical to OPM's continued ability to produce timely annual financial statements, receive an unqualified audit opinion from independent auditors, maintain our financial systems free of material weaknesses, ensure compliance with guidelines for the Prompt Pay and Improper Payment Information Acts, address the fundamental deficiencies inherent in the current systems and processes, and provide financial information to OPM program offices to support their efforts in achieving strategic and operational goals.

In addition to the CBIS Project, OCFO will continue efforts to implement a robust cost accounting system. Recently, OCFO established an activity-based labor reporting system which provides detailed labor cost information to program managers. The system, based on OPM's new activity-based labor coding structure, is aligned with OPM strategic objectives and tracks labor costs associated with key business processes and projects. Further activities planned in FY 2010 fully support the agency's financial information and budget planning needs.

OCFO Resource Summary (includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$341,000	0.0	\$0	0.0	\$0	0.0	\$0	0.0
Common Services*	\$14,496,000	81.0	\$33,558,000	102.9	\$23,599,000	104.0	(\$9,959,000)	1.1
Trust Fund - Annual	\$6,902,000	51.0	\$7,004,000	49.9	\$10,656,000	49.9	\$3,652,000	0.0
Trust Fund – No-year	\$0	0.0	\$0	0.0	\$9,364,000	0.0	\$9,364,000	0.0
Total Appropriated	\$21,739,000	132.0	\$40,562,000	152.8	\$43,619,000	153.9	\$3,057,000	1.1
Revolving Fund	\$1,497,000	10.0	\$1,735,000	10.0	\$1,773,000	10.0	\$38,000	0.0
Total	\$23,236,000	142.0	\$42,297,000	162.8	\$45,392,000	163.9	3,095,000	1.1

OCFO Common Services – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$8,603,000	\$8,325,000	(\$278,000)
Personnel benefits	\$1,983,000	\$2,046,000	\$63,000
Travel and transportation of persons	\$38,000	\$32,000	(\$6,000)
Transportation of things	\$3,000	\$2,000	(\$1,000)
Communications, utilities, and rent	\$35,000	\$60,000	\$25,000
Printing and reproduction	\$115,000	\$128,000	\$13,000
Other services	\$22,667,000	\$12,919,000	(\$9,748,000)
Supplies and materials	\$90,000	\$57,000	(\$33,000)
Equipment	\$24,000	\$30,000	\$6,000
Land and structures	\$0	\$0	\$0
Total	\$33,558,000	\$23,599,000	(\$9,959,000)
FTE	102.9	104.0	1.1

OCFO Trust Fund Annual – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$3,594,000	\$3,529,000	(\$65,000)
Personnel benefits	\$963,000	\$869,000	(\$94,000)
Travel and transportation of persons	\$8,000	\$4,000	(\$4,000)
Transportation of things	\$7,000	\$3,000	(\$4,000)
Communications, utilities, and rent	\$5,000	\$5,000	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$2,388,000	\$6,200,000	\$3,812,000
Supplies and materials	\$34,000	\$34,000	\$0
Equipment	\$5,000	\$12,000	\$7,000
Land and structures	\$0	\$0	\$0
Total	\$7,004,000	\$10,656,000	\$3,652,000
FTE	49.9	49.9	0.0

OCFO Trust Fund No-year – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$0	\$0	\$0
Personnel benefits	\$0	\$0	\$0
Travel and transportation of persons	\$0	\$0	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$0	\$0	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$0	\$9,364,000	\$9,364,000
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
Total	\$0	\$9,364,000	\$9,364,000
FTE	0.0	0.0	0.0

Strategic Objective E

Program: Financial Services

The performance measures shown below are intended to highlight areas that are critical to the success of the OCFO and to meet the guidelines required by OMB Circular A-123, Appendix A. OPM will also continue to improve its compliance with the Prompt Pay Act. Financial services also includes OPM's implementation of a new financial system. Phase 1 addresses OPM's salaries and expense and revolving fund accounts. Phase 2 will address the Trust Fund process managed by OPM and transfers from Trust Fund authority resources will be used in this phase of the project.

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target
OPM is a model of performance for other Federal agencies	Independent auditors' opinion on annual financial statements	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	# of financial material weaknesses	0	0	0	0	0
	% of payments within Prompt Pay Act guidelines	99.9%	99.9%	99.9%	98.0%	98.0%
Budgetary Resources						
Fund	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$341,000	0.0	\$0	0.0	\$0	0.0
Common Services	\$14,496,000	80.7	\$33,558,000	102.9	\$23,599,000	104.0
Trust Fund Annual	\$6,902,000	50.6	\$7,004,000	49.9	\$10,656,000	49.9
Trust Fund – No-year	\$0	0.0	\$0	0.0	\$9,364,000	0.0
Revolving Fund	\$1,497,000	10.0	\$1,735,000	10.0	\$1,773,000	10.0
Total Program Resources	\$23,236,000	141.3	\$42,297,000	162.8	\$45,392,000	163.9

Executive Services

Executive services include executive direction and leadership, legal advice and representation, public affairs, legislative liaison, administration of the Combined Federal Campaign, rent and centrally funded items, and the operating expenses of the Presidential Commission on White House Fellows.

Another Executive Service is the Federal Prevailing Rate Advisory Committee. The Federal Prevailing Rate Advisory Committee studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title 5, United States Code, and advises the Director of the Office of Personnel Management on the administration of the pay system for blue-collar Federal employees.

OPM's budget request for Executive Services will be used to support these activities and to ensure that OPM meets its goals and objectives.

Funds are included for rent and centrally funded items such as workers compensation, unemployment insurance, and telephone bills.

Executive Services Resource Summary (in millions; includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$18,777,000	6.0	\$15,583,000	6.0	\$16,162,000	13.0	\$579,000	7.0
Common Services	\$12,849,000	83.0	\$15,612,000	86.0	\$15,497,000	79.0	(\$115,000)	(7.0)
Trust Fund Annual	\$13,800,000	0.0	\$12,067,000	0.0	\$12,105,000	0.0	\$38,000	0.0
Revolving Fund	\$286,000	2.0	\$300,000	2.0	\$300,000	2.0	\$0	0.0
Total	\$45,712,000	91.0	\$43,562,000	94.0	\$44,064,000	94.0	\$502,000	0.0

Executive Services Salaries and Expenses – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel Compensation	\$647,000	\$1,290,000	\$643,000
Personnel Benefits	\$447,000	\$613,000	\$166,000
Travel and Transportation of Persons	\$77,000	\$65,000	(\$12,000)
Transportation of Things	\$1,000	\$1,000	\$0
Communications, Utilities and Rent	\$13,958,000	\$13,954,000	(\$4,000)
Printing and Reproduction	\$13,000	\$18,000	\$5,000
Other Services	\$427,000	\$211,000	(\$216,000)
Supplies and Materials	\$13,000	\$10,000	(\$3,000)
Equipment	\$0	\$0	\$0
Land and Structures	\$0	\$0	\$0
Total	\$15,583,000	\$16,162,000	\$579,000
FTE	6.0	13.0	7.0

Executive Services Common Services – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$8,540,000	\$8,542,000	\$2,000
Personnel benefits	\$2,472,000	\$2,261,000	(\$211,000)
Travel and transportation of persons	\$89,000	\$73,000	(\$16,000)
Transportation of things	\$4,000	\$20,000	\$16,000
Communications, utilities, and rent	\$275,000	\$240,000	(\$35,000)
Printing and reproduction	\$56,000	\$79,000	\$23,000
Other services	\$3,865,000	\$4,089,000	\$224,000
Supplies and materials	\$195,000	\$132,000	(\$63,000)
Equipment	\$114,000	\$61,000	(\$53,000)
Land and structures	\$0	\$0	\$0
Total	\$15,610,000	\$15,497,000	(\$113,000)
FTE	86.0	79.0	(7.0)

Executive Services Trust Fund – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$0	\$0	\$0
Personnel benefits	\$325,000	\$325,000	\$0
Travel and transportation of persons	\$0	\$0	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$11,675,000	\$11,775,000	\$100,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$68,000	\$5,000	(\$63,000)
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
Total	\$12,068,000	\$12,105,000	\$37,000
FTE	0.0	0.0	0.0

Strategic Objective E

Program: Executive Services – OCPL, OCR, and OD

OCPL will improve OPM's internal information sharing activities. The rollout of the 2008 Addendum to the Strategic and Operational Plan fully informed OPM employees of the agency plan to achieve its mission during FY 2009, and beyond. Building an on-line media library will put at the finger tips of all OPM employees a vast amount of information about OPM programs. OPM will improve the management of its external and internal websites by establishing and refreshing a directory of them, and also cataloguing the contents of all pages on its external web site OPM.GOV.

OCR will improve its internal operations as it completes its operational goal to convert its records to an electronic format. OD will lead OPM's efforts to improve the agency's results from the Federal Human Capital Survey and be rated among the top five agencies when the results of the FY 2008 survey are released in FY 2009. Also, OD will continue to lead the agency's response to pandemic threats.

Fund	Budgetary Resources					
	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
OD Common Services	\$510,000	4.0	\$316,000	2.2	\$633,000	4.9
OCPL Common Services	\$2,302,000	13.7	\$2,046,000	14.6	\$2,265,000	15.3
OCR Common Services	\$1,077,000	7.2	\$1,033,000	7.2	\$1,096,000	7.2
Total Program Resources	\$3,889,000	24.9	\$3,395,000	24.0	\$3,994,000	27.4

Strategic Objective F

Program: Executive Services – OCPL and OGC

OCPL will make information about OPM policies and services more easily available to external audiences. OGC will provide legal advice and representation to the Director, Deputy Director, and program officials and will assist OPM in achieving its goals and mission.

Fund	Budgetary Resources					
	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
OCPL Common Services	\$165,000	0.8	\$197,000	0.9	\$19,000	0.3
OGC Common Services	\$4,484,000	27.0	\$5,368,000	30.6	\$5,159,000	31.0
OGC Revolving Fund	\$286,000	2.0	\$300,000	2.0	\$300,000	2.0
OD Common Services	\$131,000	1.1	\$125,000	1.0	\$715,000	4.9
Total Program Resources	\$5,066,000	20.9	\$5,990,000	34.5	\$6,193,000	38.2

Strategic Objective G

Program: Executive Services – OD and OCR

OPM will work to ensure that Federal Executive Boards (FEBs) are better prepared to deal with emergency situations, while OCR will continue to work with Congressional committees on OPM's legislative agenda, with special emphasis on proposals to mitigate the loss of institutional knowledge in agencies from a potential increase of retirements from the baby-boom generation of Federal workers.

Fund	Budgetary Resources					
	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
OD Common Services	\$1,916,000	17.3	\$1,943,000	16.0	\$919,000	8.7
OD Salaries & Expenses	\$0	0.0	\$0	0.0	\$848,000	6.8
OCR Common Services	\$878,000	6.8	\$930,000	6.8	\$905,000	6.8
Total Program Resources	\$2,794,000	24.1	\$2,873,000	22.8	\$2,672,000	22.3

Office of the Inspector General (OIG)

OPM's Office of the Inspector General is requesting **\$22,564,000**, composed of **\$2,136,000** in General Funds and **\$20,428,000** in Trust Funds. The total of these amounts is **\$1,673,000** above OPM's FY 2009 enacted budget.

The increase will allow the OIG to increase the number of staff devoted to FEHBP audits to identify potential erroneous claim payments and to proactively identify potential fraudulent claims activity. The request also includes resources to support oversight of new, significantly expanded, and high-risk programs administered by OPM to ensure that they are operating effectively, efficiently, and are in compliance with established contracts. These include the following:

- Flexible Spending Accounts – The Federal government offers flexible spending accounts that allow employees to pay for eligible health care and dependent care expenses with pre-tax dollars.
- Dental & Vision Plans – The Federal Employee Dental and Vision Benefits Enhancement Act of 2004 requires OPM to establish arrangements under which supplemental dental and vision benefits will be made available to Federal employees, annuitants, and their dependents, and it gives OPM broad contracting authority to leverage the purchasing power of Federal enrollees. These two plans began offering benefits on December 31, 2006.
- Federal Investigative Services – Since FISSD's work potentially affects national security, it is important that OIG verify FISSD has developed and implemented appropriate internal controls to ensure all background investigations are conducted in accordance with all Federal laws and regulations. Due to the significant growth of responsibility and resources within OPM's Federal Investigative Services Division this request includes resources to support oversight of this critical and sensitive OPM function. OIG has experienced an increase in fraud case referrals as a result of the increase in the FISSD program. The influx of 1,800 former Defense Security Service background investigators to OPM in FY 2005 resulted in a corresponding increase in the number of referrals to the OIG regarding employee misconduct issues involving fraud, some with national security implications.

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, investigative, and administrative sanction programs.

Specific activities include:

Audits

Experience-Rated Federal Employees Health Benefits Program 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 100 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 180 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 over one-quarter of all FEHBP costs, most of them handled through third-party PBMs. The OIG has initiated a series of audits that, for the first time, deal directly with PBMs. Based on experience to date, it is believed these audits will identify significant findings related to the handling of the complex series of refunds, rebates, credits, and incentives that characterize the relationships among pharmaceutical manufacturers, PBMs, health insurance carriers, and the FEHBP.

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

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

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

Information Systems Audits. Information system audits are conducted of health and life insurance carriers that participate in the FEHBP and the Federal Employees Group Life Insurance Program. The agency's computer systems development and management activities are also audited. These audits cover

both general controls (the policies and procedures that apply to an entity's overall computing environment) and application controls (those directly related to individual computer applications).

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

Investigations

FEHBP Investigations. The OIG investigates potential fraud committed against the Federal Employees Health Benefits Program. Much of this work is coordinated with the Department of Justice, the Federal Bureau of Investigation, and other Federal, state, and local law enforcement agencies. In addition, OIG special agents work closely with the numerous health insurance carriers participating in the FEHBP, providing an effective means for reporting instances of possible fraud by FEHBP health care providers and subscribers.

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.

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

Administrative Sanctions

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

OIG Resource Summary (includes all resources)

Budgetary Resources	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request		FY 2009–10 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$1,519,000	14.0	\$1,828,000	14.0	\$2,136,000	17.0	\$308,000	3.0
Trust Fund Annual	\$17,081,000	109.0	\$18,755,000	125.0	\$20,428,000	139.0	\$1,673,000	14.0
Total Appropriated	\$18,600,000	123.0	\$20,583,000	139.0	\$22,564,000	156.0	\$1,981,000	17.0

OIG Salaries and Expenses – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$1,245,000	\$1,512,000	\$267,000
Personnel benefits	\$292,000	\$305,000	\$13,000
Travel and transportation of persons	\$40,000	\$40,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$180,000	\$150,000	(\$30,000)
Printing and reproduction	\$0	\$0	\$0
Other services	\$63,000	\$100,000	\$37,000
Supplies and materials	\$8,000	\$19,000	\$11,000
Equipment	\$0	\$10,000	\$10,000
Land and structures	\$0	\$0	\$0
Total	\$1,828,000	\$2,136,000	\$308,000
FTE	14.0	17.0	3.0

OIG Trust Fund – Obligations by Object Class

Object Class	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Personnel compensation	\$11,849,000	\$13,136,000	\$1,287,000
Personnel benefits	\$3,282,000	\$3,440,000	\$158,000
Travel and transportation of persons	\$800,000	\$850,000	\$50,000
Transportation of things	\$24,000	\$20,000	(\$4,000)
Communications, utilities, and rent	\$1,200,000	\$1,600,000	\$400,000
Printing and reproduction	\$8,000	\$10,000	\$2,000
Other services	\$1,042,000	\$1,122,000	\$80,000
Supplies and materials	\$400,000	\$180,000	(\$220,000)
Equipment	\$150,000	\$70,000	(\$80,000)
Land and structures	\$0	\$0	\$0
Total	\$18,755,000	\$20,428,000	\$1,673,000
FTE	125.0	139.0	14.0

OIG Objectives

Program: Office of the Inspector General, Oversight

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
OPM is a model of performance for other Federal agencies	Return on investment	\$4.5	\$7.3	\$6	\$6	\$6	
	Carrier audit cycle (years)	4.0	5.0	5.0	4.0	4.0	
	FEHBP audit recovery rate	76%	86%	90%	90%	90%	
	Positive financial impact	\$70.0M	\$186.3M	\$103.0M	\$123.0M*	\$123.0M*	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	
						FTE	
OIG Trust Funds Annual		\$12,091,000	74.0	\$13,106,000	85.0	\$14,420,000	93.0
OIG Salaries & Expenses		\$1,410,000	13.0	\$1,703,000	13.0	\$1,996,000	16.0
Total Program Resources		\$13,501,000	87.0	\$14,809,000	98.0	\$16,416,000	109.0

* The positive financial impact is calculated based on the average of the previous five years' actual results.

Program: Office of the Inspector General, Enforcement

Program Outcome	Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	
OPM is a model of performance for other Federal agencies	# of arrests	53	46	45	50	60	
	# of indictments	56	66	45	50	60	
	# of convictions	43	50	45	50	60	
	# of debarments and suspensions	1,300	900	900	900	1,100	
	# of administrative sanction actions based on investigative referrals	(100)	(100)	(100)	(100)	(200)	
	# of e-debarments	(175)	(50)	(50)	(50)	(100)	
	# of administrative sanction actions based on HHS action	(750)	(750)	(750)	(750)	(800)	
	# of administrative sanction fact-finding hearings	3	3	3	3	4	
	# of debarment inquiry responses	2,800	2,800	2,800	2,800	2,800	
Budgetary Resources							
		FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
Fund		\$	FTE	\$	FTE	\$	
						FTE	
OIG Trust Funds Annual		\$5,290,000	34.0	\$5,649,000	40.0	\$6,008,000	46.0
Salaries & Expenses		\$108,000	1.0	\$125,000	1.0	\$140,000	1.0
Total Program Resources		\$5,398,000	35.0	\$5,773,000	40.0	\$6,148,000	47.0

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 Inspectors General on Integrity and Efficiency

Budget

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$4,387	0.0	\$5,126	0.0	\$739	0.0
OIG Trust Funds	\$45,012	0.0	\$49,027	0.0	\$4,015	0.0
OIG Total	\$49,399	0.0	\$54,153	0.0	\$4,754	0.0

OIG Training Resources

Budget

Budget Source	FY 2009 Enacted		FY 2010 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$10,000	0.0	\$14,000	0.0	\$4,000	0.0
OIG Trust Funds	\$150,000	0.0	\$200,000	0.0	\$50,000	0.0
OIG Total	\$160,000	0.0	\$214,000	0.0	\$54,000	0.0

Additional Activities supported by OPM

In addition to its mission-related programs, OPM also supports the White House Fellows Program each year, the Federal Prevailing Rate Advisory Committee, and will continue to deploy sufficient numbers of Federal Voting Rights observers to monitor polling sites at the request of the U.S. Department of Justice throughout the year.

President's Commission on White House Fellows

Fund	Budgetary Resources					
	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
WHF Salaries & Expenses	\$805,000	5.0	\$832,000	5.0	\$845,000	5.0
Total Program Resources	\$805,000	5.0	\$832,000	5.0	\$845,000	5.0

Voting Rights

Fund	Budgetary Resources					
	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$1,677,000	10.0	\$1,677,000	10.0	\$610,000	5.0
Advances & Reimbursements	\$0	0.0	\$0	0.0	\$3,390,000	9.0
Total Program Resources	\$1,677,000	10.0	\$1,677,000	10.0	\$4,000,000	14.0

Federal Prevailing Rate Advisory Committee

Fund	Budgetary Resources					
	FY 2008 Enacted		FY 2009 Enacted		FY 2010 Request	
	\$	FTE	\$	FTE	\$	FTE
FPRAC Salaries & Expenses	\$231,000	1.0	\$235,000	1.0	\$239,000	1.0
Total Program Resources	\$231,000	1.0	\$235,000	1.0	\$239,000	1.0

Part 4 – Payment Accounts

Payment Accounts¹

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

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

	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Budget authority	\$8,734	\$9,262	\$10,084	\$822
Obligations	\$8,734	\$9,262	\$10,084	\$822
Outlays	\$8,711	\$9,208	\$10,009	\$801

This appropriation has historically funded the Government’s share of health benefits costs for annuitants and survivors who no longer have an agency to contribute the employer’s share. The Office of Personnel Management requests the appropriation necessary to pay this contribution to the Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. These trust revolving funds are available for (1) the payment of subscription charges to approved carriers for the cost of health benefits protection, (2) contributions for qualified retired employees and survivors who carry private health insurance under the Retired Employees Health Benefits Program, and (3) the payment of expenses incurred by OPM in the administration of the Retired Employees Health Benefits Program.

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

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

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

	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Budget authority	\$45	\$46	\$48	\$2
Obligations	\$45	\$46	\$48	\$2
Outlays	\$45	\$46	\$48	\$2

P.L. 96-427, Federal Employees Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for the purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage (currently \$0.33 per month for

¹ The performance goals and measures applicable to the Government payments for annuitants’ health benefits and life insurance, and to the Civil Service Retirement and Disability Fund can be found in Part 3 of this document.

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. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution associated with annuitants' post-retirement basic life coverage.

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

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

	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Budget authority	\$30,940	\$31,480	\$32,052	\$572
Obligations	\$30,940	\$31,480	\$32,052	\$572
Outlays	\$30,940	\$31,480	\$32,052	\$572

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

Current Appropriation

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 has notified the Secretary of the Treasury each year of "such sums as may be necessary" to carry out these provisions.

Permanent Indefinite Authorization

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

It 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.

Detail of Payment Account (in millions)

	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Request	FY 2009–10 Variance
Current appropriation	\$10,200	\$10,300	\$10,272	(\$28)
Permanent indefinite authorization	\$20,740	\$21,180	\$21,780	\$600
Total	\$30,940	\$31,480	\$32,052	\$572