

Director's Message

Introduction

It is my pleasure to submit the United States Office of Personnel Management (OPM) Fiscal Year (FY) 2012 Annual Performance Report (APR). OPM has chosen to produce the APR as an alternative to the consolidated Performance and Accountability Report pursuant to OMB Circular A-136. This FY 2012 APR is one in a series of reports used to convey budget, performance, and financial information to constituents.

Reducing the Retirement Claims Backlog

OPM is responsible for the administration of the Federal Retirement Program covering over 2.7 million active employees and 2.5 million annuitants. Due to a number of factors over the past several years, OPM failed to process retirement claims in a timely manner, allowing the backlog of retirement claims to climb above 60,000 cases. This resulted in annuitants receiving only partial payments for a period of time, creating hardship for many of our retirees who dedicated their lives to a career in public service. To remedy this situation, OPM developed a strategic plan in January 2012, with the goal of eliminating the retirement claims backlog within 18 months and improve the program application process so that 90 percent of all retirement claims will be adjudicated within 60 days. Since that time, many OPM employees have worked tirelessly to improve the procedures and technology we use to process claims. In addition, we have hired 66 new Legal Administrative Specialists and 22 temporary Customer Service Specialists to process claims. I am happy to report that OPM is ahead of schedule in meeting our goal. OPM's backlog has been reduced from 61,108 in January 2012 to 41,176 by the end of September 2012 - a reduction of 33 percent in FY 2012. As of December 2012, the backlog has been reduced even further to xx,xxx cases.

Improving Access to Healthcare

The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act or ACA) expanded the scope of OPM's mission by assigning OPM the task of contracting with at least two multi-state health insurance plans in each of the state health insurance marketplaces. OPM also continued to manage the successful Pre-existing Condition Insurance Program (PCIP) for 23 states and the District of Columbia, applying its health insurance expertise to assure coverage for individuals who have been refused coverage due to a medical condition. Under the ACA, OPM has extended insurance benefits for the first time to Native American and Alaska Native tribal employees.

At the President's direction, and also for the first time, OPM has also extended eligibility for health insurance coverage under the FEHB program to temporary firefighters and fire protection personnel working on wildland fires. In October 2012, this coverage was also extended to intermittent FEMA employees responding to Superstorm Sandy.

Veterans Outreach

The President's Veteran Employment Initiative achieved an unprecedented degree of success: 28.3 percent of new hires in the Federal Government for FY 2011 were Veterans. Additionally, through those same efforts we increased hiring of Veterans with disabilities from 7 percent to 9 percent. OPM, through

its role as Vice Chair and Executive Director to the Council on Veterans Employment, in partnership with the White House, the Departments of Defense, Labor, Veterans Affairs, Homeland Security, and other Federal agencies, continues to push to increase the number of Veterans and disabled Veterans employed in the executive branch.

In FY 2012, OPM continued to provide Government-wide leadership and direction and accomplished the following: 1) Developed a pilot program to employ formerly homeless veterans, 2) Launched the second iteration of the "Vets 2 Feds Career

Development Program (Information Technology Student Trainee)," and 3) Conducted a collaborative Strategic Planning Session to develop the next Government-wide Veterans Recruitment and Employment Strategic Plan for FY 2013 – 2015. For additional information on these programs and more, please go to: <http://www.fedshirevets.gov/>.

Agency Priority Goals

Agency Priority Goals (APGs) are measurable commitments to deliver specific results for the American people. OPM's goals were developed in FY 2012 and were intended to be completed within a two-year period. These goals represent high priorities for both the Administration and OPM and relate directly to OPM's major performance improvement initiatives. A detailed look at OPM's progress in achieving each of our APGs can be found herein.

Completeness and Reliability of Performance Information

The performance information used by OPM in this APR for FY 2012 is complete and reliable, as defined by the Government Performance and Results Act. If there are instances where full and complete data for a measure are not available, these instances are noted and final data will be updated in the following year's APR.

Conclusion

OPM employees have the talent and creativity to produce positive and tangible results for the American people. We will continue to implement initiatives throughout the organization to improve the performance of our programs and the accountability of our employees. Only by focusing on measured results can we further our ability to meet the unique human resource challenges of the Federal Government and ensure an effective civilian workforce.

Sincerely,

John Berry
Director
February 10, 2013