



U.S. Office of Personnel Management

Congressional Budget Justification

Fiscal Year 2027

This report is prepared in accordance with the requirements of Office of Management and Budget (OMB) Circular A-11,
Preparation, Submission, and Execution of Budget

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Executive Summary

FY 2027 Budget Overview

The U.S. Office of Personnel Management (OPM) serves as the chief human resources agency and personnel policy manager for the Federal Government executing the President's vision for a streamlined, merit-based, and efficient civilian workforce.

Under the leadership of Director Scott Kupor, OPM is advancing a resilient, accountable, and high-performing Federal workforce that reflects the values and priorities of the Administration, including an effort to modernize mission-critical Human Resource (HR) systems and advance significant government-wide reforms. This vision guides OPM's operations and budget strategy for Fiscal Year (FY) 2027.

Building on OPM's record of accomplishments, the FY 2027 priorities focus on three core areas: attracting and retaining America's best talent; delivering high-quality, efficient service to the taxpayers and the Federal workforce we serve; and helping ensure the workforce has the appropriate skills to lead in a technologically advancing economy.

OPM requests **\$375,000,000** in discretionary resources to support executive leadership, administrative operations, and services to Federal employees, retirees, and the public. This request represents a decrease from the FY 2025 and FY 2026 budget requests, as OPM continues to find ways to invest in increasing service delivery while decreasing the costs of operations.

OPM operates on the principle that everything OPM does must serve customers, candidates, employees, and retirees. Behind this is a commitment to timely, clear, responsiveness, and continuous improvement. OPM rewards top performers with meaningful recognition, empowers supervisors to address performance issues quickly, and encourages innovation that reduces waste and improves operational efficiency.

Over the last few months, OPM has advanced Government-wide workforce transformation by issuing formal guidance for key Administration priorities including:

Restoring Merit and Accountability in Hiring

- Issued guidance implementing Executive Order (EO) 14170, Reforming the Federal Hiring Process and Restoring Merit to Government Service, including eliminating broad self-assessments for most positions and requiring structured, competency-based evaluation.

- Issued guidance establishing Schedule G in the excepted service for designated policy-influencing positions.
- Updated probationary period guidance to strengthen certification and ensure timely, evidence-based retention decisions.
- Supported government-wide performance standards for non-Senior Executive Service (SES) employees to increase differentiation and accountability.

Modernizing Performance Management

- Implemented new SES performance management requirements under Presidential Memorandum on restoring accountability for career senior executives.
- Issued updated performance management expectations for Senior Level and Scientific/Professional employees.

Workforce Restructuring and Optimization

- Issued guidance implementing EO 14210, Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative, on agency restructuring, workforce reshaping, and Reduction in Force (RIF) planning.
- Issued exclusions guidance under EO 14251, Exclusions From Federal Labor-Management Relations Programs, clarifying positions outside collective-bargaining coverage.
- Partnered with the Office of Management and Budget (OMB) to review annual headcount plans across government agencies to help reinforce key Administration priorities.

Implementation of Executive Orders and Presidential Memoranda

- Issued guidance implementing EO 14171, Restoring Accountability to Policy-Influencing Positions Within the Federal Workforce, on policy-influencing positions and required agencies to identify covered positions.
- Continued providing compliance and implementation guidance related to EO 14168, Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.

Additionally, OPM modernized Federal systems by completing the Electronic Official Personnel Folder (eOPF) cloud migration and transferring 442 million files and 5 million accounts to a secure, modern platform. OPM deployed the Online Retirement Application (ORA) system, an effort designed to improve completeness and accuracy of retirement submissions, reduce manual rework, and move the agency toward faster, more predictable processing times as digital adoption increases. OPM also advanced development of the Digital File System, which, in combination with the ORA, greatly reduces OPM's reliance on paper and improves processing efficiency. Since February 2025, OPM has received more than 97,000 online retirement applications through ORA and has significantly decreased approval time compared to the traditional paper applications (as of November 2025, average digital approval time was 38 days compared to 94 days for paper files). OPM also overhauled FedScope, now Federal Workforce Data (FWD), to transform government-wide workforce data analytics, which allows for greater transparency and more timely data reporting to the American people.

OPM strengthened workforce performance and accountability by issuing updated Guidance on Awards for Federal Employees (August 11, 2025), replacing all prior awards policies; supporting SES hiring modernization through structured interviews, updated qualification guidance, and a defined Quality Review Board timeline; and providing agencies technical assistance and structured reporting tools related to workforce optimization.

OPM advanced policy and compliance by issuing templates for administrative leave policies; updated Selective Service registration guidance exempting veterans under the FY 2025 National Defense Authorization Act (July 30, 2025); and memoranda on Reasonable Accommodations for Religious Purposes (July 16, 2025) and Protecting Religious Expression (July 28, 2025).

OPM is committed to implementing Administration directives while ensuring compliance with merit system principles and maintaining stakeholder trust. OPM continues to monitor legal and operational risks associated with these reforms and is prepared to adjust implementation strategies as needed.

OPM's track record demonstrates they can rapidly implement complex policy changes, modernize legacy systems, and maintain operational continuity under pressure. As the Federal Government's central HR authority, these capabilities position OPM to deliver measurable returns on budget investments.

FY 2027 Priorities and Investments:

In FY 2027, OPM will make targeted investments to deliver immediate improvements in human resource management and operational effectiveness. OPM will deliver the following:

- **Federal HR 2.0:** OPM is leading the consolidation of government-wide human capital systems. This centralized, modern human capital system includes unified platforms for hiring, classification, performance, and workforce analytics. HR 2.0 reduces duplication, increases consistency, strengthens accountability, and provides agencies with a modern, interoperable HR ecosystem supported by high-quality service delivery.
- **Building the Technology Workforce of the Future:** OPM will strengthen the suite of Federal talent programs designed to rapidly address critical workforce needs. These programs will provide agencies with access to top-quality talent in technology, cybersecurity, Artificial Intelligence (AI), data science, and project management to deliver the most skilled technology workforce in the history of the U.S. Government and help win the global race for modern technology dominance. These programs include the U.S. Tech Force and other early career recruitment initiatives, such as Semester of Service, in connection with all other Federal agencies. OPM will engage in a targeted Government-wide recruitment strategy to help address the critical early career shortage across the Federal Government (only 7% of the workforce is early career). This will include more pooled hiring/shared certificates to increase the efficiency of hiring and improve the applicant experience.
- **Health insurance technology upgrades** that will increase the accuracy, speed, and user experience for both the Federal Employees Health Benefits (FEHB) and Postal Service Health Benefits (PSHB) programs. Modernized systems will streamline enrollment and improve data reliability for millions of beneficiaries. Importantly, OPM will deploy the special appropriations received from the Working Families Tax Cut Act to verify the integrity of FEHB and PSHB enrollments.
- **Transforming Retirement Services' operations** through the deployment of modern automation technology to both dramatically improve customer service to annuitants and increase the efficiency of service-delivery.
- **Deploy new functions to strengthen Federal workforce accountability.** These include investments in suitability regulation and suitability processes to support enforcement and adjudication capabilities as employees are held accountable for their conduct. In

addition, Merit Systems Accountability and Compliance (MSAC) organization will invest in RIF and probationary adjudication functionality to ensure greater consistency and accountability across the Federal Government.

- A shift to a merit-based award structure, ensuring differentiated recognition connected directly to employee performance. This new approach will focus rewards on quantifiable outcomes and top performers, increasing motivation and aligning recognition with organizational priorities.

OPM will continue to serve as the Government's source of Federal workforce policy while strengthening its role as a service provider and strategic manager of human capital by modernizing systems, clarifying accountability, and providing agencies with the tools needed to meet mission requirements.

Appropriations Language

Office of Personnel Management

Salaries and expenses (including transfer of trust funds)

For necessary expenses to carry out functions of the Office of Personnel Management (OPM) pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. § 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; 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, \$145,973,000: *Provided*, That of the total amount made available under this heading, \$10,898,000 may remain available until expended, for information technology modernization, and shall be in addition to funds otherwise made available for such purposes: *Provided further*, That, in addition to amounts otherwise available, \$229,027,000, for administrative expenses, to be transferred from the appropriate trust funds of OPM without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: *Provided further*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 8958(f)(2)(A), 8988(f)(2)(A), and 9004(f)(2)(A) of title 5, United States Code: *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of OPM 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 2027, accept donations of money, property, and personal services: *Provided further*, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission: *Provided further*, That not to exceed 5 percent of amounts made available under this heading may be transferred to an information technology working capital fund established for purposes authorized by subtitle G of title X of division A of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115–91; 40 U.S.C. §11301 note): *Provided further*, That the OPM Director shall notify the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer under the preceding proviso: *Provided further*, That amounts transferred to such a fund under such transfer authority from any organizational category of OPM shall not exceed 5 percent of each such organizational category's budget as identified in the report required by section 608 of this Act: *Provided further*, That amounts transferred to such a fund shall remain available for obligation through September 30, 2030.

Office of Inspector General

Salaries and expenses (including transfer of trust funds)

For necessary expenses of the Office of Inspector General in carrying out the provisions of chapter 4 of title 5, United States Code, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$6,217,000, and in addition, not to exceed \$26,211,000 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.

FY 2027 Budget Request by Fund

For FY 2027 OPM projects a total operating budget of **\$1,125,274,581**. OPM’s funding includes Salaries and Expenses appropriations, Earned Benefit Trust Fund transfers, mandatory administrative authorities, revolving fund resources, advances and reimbursements. The Office of the Inspector General (OIG) funding is provided through separate appropriation and separate Trust Fund transfer authority and is included in this total.

OPM Budget by Fund FY 2025 through FY 2027 - OIG Included in Table

OPM Budget Authority	FY 2025 Enacted	FY 2026 Enacted	FY 2027 CBJ
Discretionary Appropriation	\$412,051,000	\$382,140,000	\$375,000,000
Salaries and Expenses Total	\$219,076,000	\$167,535,000	\$145,973,000
Salaries & Expenses	\$219,076,000	\$167,535,000	\$145,973,000
Trust Fund Annual Total	\$192,975,000	\$214,605,000	\$229,027,000
Mandatory Administrative Authorities	\$101,006,310	\$86,657,178	\$86,315,535
Trust Fund Mandatory Authority	\$101,006,310	\$86,657,178	\$86,315,535
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$81,201,757	\$69,237,123	\$68,933,655
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$16,178,250	\$15,199,719	\$15,175,453
5 U.S.C. § 9004(f)(B) - Long-Term Care	\$1,108,800	\$855,716	\$850,308
FERCCA (P.L. 106-265) - Retirement	\$2,517,503	\$1,364,620	\$1,356,119
Revolving Fund	\$607,723,722	\$391,963,288	\$605,290,160
Advance and Reimbursements	\$53,682,352	\$24,159,359	\$26,240,886
OIG Discretionary Appropriation	\$36,031,000	\$36,031,000	\$32,428,000
Salaries & Expenses - OIG	\$6,839,000	\$6,839,000	\$6,217,000
Trust Fund Annual - OIG	\$29,192,000	\$29,192,000	\$26,211,000
OPM Total	\$1,210,494,384	\$920,950,825	\$1,125,274,581

OPM’s discretionary request consists of an appropriation for OPM’s program and leadership activities, and a limitation on transfers from the Earned Benefits Trust Funds under OPM management. OPM’s FY 2027 discretionary request is **\$375,000,000**. The discretionary total reflects the combined amount of the Salaries and Expenses appropriation and the annual Trust Fund limitation.

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

Salaries and Expenses

OPM requests **\$145,973,000** in Salaries and Expenses (S&E) funds for personnel and non-personnel resources. The S&E appropriation supports OPM’s core statutory responsibilities,

including workforce policy leadership, program oversight, and delivery of services to Federal employees and retirees.

Trust Fund Transfers

For the administration of the civil service retirement and insurance programs, OPM requests **\$229,027,000** in administrative transfers from the Earned Benefits Trust Funds. OPM is responsible for managing the Federal Government's health benefits under the Federal Employees Health Benefits (FEHB) Program and since January 1, 2025, the Postal Service Health Benefits (PSHB) Program, within the FEHB, for Postal employees, annuitants, and their eligible family members. OPM also manages the Government's life insurance benefits via the Federal Employees' Group Life Insurance (FEGLI) Program. In addition, OPM administers the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), which are financed by the Civil Service Retirement and Disability Fund (CSRDF). The administrative Trust Fund transfers in part fund the following organizations: Retirement Services (RS), Healthcare and Insurance (HI), Office of the Chief Information Officer (OCIO), and Office of the Chief Financial Officer (OCFO).

These transfers described as Trust Fund Annual finance the administrative costs required to operate Federal retirement and insurance programs on behalf of employees and annuitants. These come from the following Trust Funds subject to Congressional limitation:

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

Mandatory Administrative Authorities

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

- Administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);
- Making discretionary allotments and assignments (§8345(h) or §8465(b)) and

withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request;

- Administering Federal tax withholding pursuant to section 3405 of Title 26;
- Administering cost-of-living annuity adjustments (§8340 or §8462), and
- Administering fraud prevention (§8345, §8345a, §8466, and §8466a).

Within the CSRDF, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (Public Law [P.L.] 106-265, Title II, Sept. 19, 2000, 114 Stat. 762). OPM may incur expenses to administer the Federal Long Term Care Insurance Program (FLTCIP) from Federal Employees' Group Life Insurance (Id. at Title I, §1002(a), codified at 5 U.S.C. §9004(f)(B)). Within the FEHB Program, OPM may defray reasonable expenses to administer the Federal Employees Dental and Vision Insurance Program (FEDVIP) (5 U.S.C. §8958 (f)(2)(A) and §8988 (f)(2)(A)). Resources used to administer the FLTCIP and FEDVIP are reimbursed to the FLTCIP and FEDVIP funds by the participating insurance carriers from the respective Programs' premium income, which is comprised entirely of enrollee-paid contributions.

Revolving Fund Activities

OPM operates several revolving fund programs that recover full costs through fees charged to federal agency customers for personnel vetting, human resources solutions, and related services, enabling these activities to function without direct appropriations

These activities fall into three groups: Suitability Executive Agent Programs, Human Resources Solutions, and Human Resources Solutions (HRS) Information Technology (IT) Program Management Office.

Services are delivered by Federal staff and contractors qualified to perform reimbursable work. The former Enterprise Human Resources Integration (EHRI) and HR Line of Business (HRLoB) functions were absorbed within HRS in 2025 and the statutory requirement for OPM to provide credit monitoring services to individuals impacted by data breaches expires on September 30, 2026.

The reason for the significant increase in the HRS line is a function of the activities related to Federal HR 2.0 in transitioning agencies onto the consolidated Core HCM platform. HRS continues to contract with various agencies to provide high-quality, low-cost HR-related services. The FTE decline reflects post-restructuring federal staffing levels. As agencies transition to Core HCM, HRS anticipates commensurate staffing increases to sustain operations.

Business Line		FY 2026 Estimate	FY 2027 Estimate	Increase/ Decrease	Percent Change
Suitability Executive Agent	Revenue	\$9,505,966	\$10,334,298	\$828,332	9%
	Obligations	\$10,315,685	\$10,221,123	(\$94,562)	-1%
Human Resources Solutions	Revenue	\$213,883,000	\$529,980,000	\$316,097,000	148%
	Obligations	\$296,975,881	\$514,827,841	\$217,851,960	73%
Enterprise Human Resources Integration	Revenue	\$22,176,980	\$0	(\$22,176,980)	-100%
	Obligations	\$85,989	\$0	(\$85,989)	-100%
HR Line of Business	Revenue	\$3,150,000	\$0	(\$3,150,000)	-100%
	Obligations	\$0	\$0	\$0	0%
Human Resources Solutions Information Technology Program Management Office	Revenue	\$88,500,000	\$88,500,000	\$0	0%
	Obligations	\$80,181,146	\$80,241,196	\$60,050	0%
Credit Monitoring	Revenue	\$98,398,169	\$0	(\$98,398,169)	-100%
	Obligations	\$4,404,587	\$0	(\$4,404,587)	-100%
Total Revenue		\$435,614,115	\$628,814,298	\$193,200,183	44%
Total Obligations*		\$391,963,288	\$605,290,160	\$213,326,872	54%

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

FY 2026 & FY 2027 Comparison of FTE - All Resources - OIG Included in Table

OPM Budget Authority	FY 2026 Enacted	FY 2027 CBJ
Salaries and Expenses	476.3	447.2
Trust Fund Annual	715.9	709.1
Trust Fund Mandatory Authority	356.7	355.7
5 U.S.C. § 8348 (a)(1)(B) - Retirement	329.2	329.3
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	16.3	15.0
5 U.S.C. § 9004(f)(B) - Long-Term Care	3.2	3.4
FERCCA (P.L. 106-265) - Retirement	8.0	8.0
Revolving Fund	485.0	439.0
Advances & Reimbursements	23.2	21.8
OIG Discretionary Total	114.0	101.0
Salaries & Expenses - OIG	17.0	12.0
Trust Fund Annual - OIG	97.0	89.0
OPM Total	2,171.2	2,073.8

* This table reflects estimated Full Time Equivalents (FTEs) which are measures of compensated employment over the fiscal year. FTEs are not parallel to headcount, which count the number of employees at a point in time.

OPM's FY 2027 budget supports **2,073.8 full-time-equivalents (FTEs), including 101.0 OIG FTEs.** The discretionary appropriation and mandatory Trust Fund transfers fund **1,512.0 FTEs.** The Revolving Fund and Advances and Reimbursements fund an additional **460.8 FTEs.** OIG operates under separate appropriation and Trust Fund authority.

The two tables below present FTE funding by fiscal year. The first table displays all funds for FY 2026, and the second table displays all funds for FY 2027 by major funding source, including discretionary appropriations, trust fund transfers, mandatory authorities, and revolving funds, excluding the OIG.

FY 2026 FTE by Organization and Fund — All Resources – OIG Not Included in Table

Organizations	Salaries & Expenses	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advance and Reimbursements	Revolving Fund	OPM Total
Chief Human Capital Officers Council	4.0	0.0	0.0	0.0	0.0	0.0	4.0
Equal Employment Opportunity	0.0	0.0	0.0	5.3	0.0	0.0	5.3
Facilities, Security & Emergency Management	0.0	0.0	0.0	54.8	10.2	0.0	65.0
Healthcare & Insurance	0.0	151.2	20.0	0.0	0.0	0.0	171.2
HR Solutions	0.0	0.0	0.0	0.0	0.0	338.4	338.4
Merit System Accountability & Compliance	49.0	0.0	0.0	4.3	0.5	0.0	53.8
Office of the Chief Financial Officer	2.0	24.3	0.0	36.5	0.0	0.5	63.3
Office of the Chief Human Capital Officer	3.0	0.0	0.0	40.5	0.0	0.0	43.5
Office of the Chief Information Officer	34.6	13.1	1.2	19.2	6.5	96.4	170.9
Office of the Director	52.0	0.0	0.0	0.0	0.0	0.0	52.0
Office of the General Counsel	0.0	0.0	0.0	47.3	0.0	0.0	47.3
Retirement Services	0.0	527.4	335.6	0.0	0.0	0.0	863.0
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	6.0	0.0	6.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	49.8	49.8

Organizations	Salaries & Expenses	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advance and Reimbursements	Revolving Fund	OPM Total
Workforce Policy and Innovation	124.0	0.0	0.0	0.0	0.0	0.0	124.0
OPM Total	268.6	715.9	356.7	207.7	23.2	485.0	2,057.2

* This table reflects estimated Full Time Equivalents (FTEs) which are measures of compensated employment over the fiscal year. FTEs are not parallel to headcount, which count the number of employees at a point in time.

FY 2027 FTE by Organization and Fund — All Resources – OIG Not Included in Table

Organizations	Salaries & Expenses	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total	Variance 2027 vs 2026
Chief Human Capital Officers Council	4.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0
Equal Employment Opportunity	0.0	0.0	0.0	4.0	0.0	0.0	4.0	(1.3)
Facilities, Security & Emergency Management	0.0	0.0	0.0	52.3	11.7	0.0	64.0	(1.0)
Healthcare & Insurance	0.0	147.8	18.9	0.0	0.0	0.0	166.7	(4.5)
HR Solutions	0.0	0.0	0.0	0.0	0.0	298.0	298.0	(40.4)
Merit System Accountability & Compliance	55.0	0.0	0.0	4.0	0.0	0.0	59.0	5.2
Office of the Chief Financial Officer	2.0	21.0	0.0	34.0	0.0	0.0	57.0	(6.3)
Office of the Chief Human Capital Officer	1.0	0.0	0.0	41.0	0.0	0.0	42.0	(1.5)
Office of the Chief Information Officer	20.2	13.2	0.8	23.7	4.2	93.0	155.0	(15.9)
Office of the Director	47.0	0.0	0.0	0.0	0.0	0.0	47.0	(5.0)
Office of the General Counsel	0.0	0.0	0.0	50.0	0.0	0.0	50.0	2.7
Retirement Services	0.0	527.0	336.0	0.0	0.0	0.0	863.0	0.0

Organizations	Salaries & Expenses	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total	Variance 2027 vs 2026
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	6.0	0.0	6.0	0.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	48.0	48.0	(1.8)
Workforce Policy and Innovation	109.0	0.0	0.0	0.0	0.0	0.0	109.0	(15.0)
OPM Total	238.2	709.0	355.7	209.0	21.8	439.0	1,972.7	(84.5)

** This table reflects estimated Full Time Equivalents (FTEs) which are measures of compensated employment over the fiscal year. FTEs are not parallel to headcount, which count the number of employees at a point in time.*

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FY 2027 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM intends to use its resources.

Discretionary Appropriation Budget by Object Class

Object Class	FY 2026 Enacted	FY 2027 CBJ	Increase/Decrease	Percent Change
Personnel Compensation	\$156,576,895	\$143,205,703	(\$13,371,192)	-9%
Personnel Benefits	\$44,211,472	\$42,022,785	(\$2,188,687)	-5%
Benefits for Former Personnel	\$968,133	\$1,008,983	\$40,850	4%
Travel and Transportation of Person	\$528,744	\$591,326	\$62,582	12%
Transportation of Things	\$49,362	\$49,506	\$144	0%
Communications, Utilities, and Rent	\$46,488,999	\$48,826,398	\$2,337,399	5%
Printing and Reproduction	\$515,504	\$627,384	\$111,880	22%
Other Services	\$128,244,512	\$137,082,442	\$8,837,930	7%
Supplies and Materials	\$849,076	\$894,812	\$45,736	5%
Equipment	\$3,386,750	\$540,661	(\$2,846,089)	-84%
Insurance claims and indemnities	\$320,553	\$150,000	(\$170,553)	-53%
Total Object Class	\$382,140,000	\$375,000,000	(\$7,140,000)	-2%
FTE	1,192.2	1,156.3	(36.0)	-3%

Salaries and Expenses Budget by Object Class

Object Class	FY 2026 Enacted	FY 2027 CBJ	Increase/Decrease	Percent Change
Personnel Compensation	\$66,998,518	\$56,565,670	(\$10,432,848)	-16%
Personnel Benefits	\$14,578,512	\$12,939,996	(\$1,638,516)	-11%
Benefits for Former Personnel	\$315,719	\$336,621	\$20,902	7%
Travel and Transportation of Person	\$191,803	\$239,311	\$47,508	25%
Transportation of Things	\$584	\$575	(\$9)	-1%
Communications, Utilities, and Rent	\$24,264,428	\$24,517,356	\$252,928	1%
Printing and Reproduction	\$302,232	\$247,043	(\$55,189)	-18%
Other Services	\$60,463,743	\$50,457,299	(\$10,006,444)	-17%
Supplies and Materials	\$225,860	\$251,988	\$26,128	12%
Equipment	\$193,601	\$417,141	\$223,540	115%
Insurance claims and indemnities	\$0	\$0	\$0	0%
Total Object Class	\$167,535,000	\$145,973,000	(\$21,562,000)	-13%
FTE	476.3	447.2	(29.1)	-6%

The FY 2027 S&E fund request totals **\$145,973,000**, representing a \$21.6 million decrease from the FY 2026 budget level. This reduction is due to the following factors:

- Personnel Compensation and Benefits have decreased by approximately \$12.1 million, reflecting the conclusion of residual personnel costs resulting from the agency restructuring efforts conducted in FY 2025 and extending into FY 2026.

- Communications, Utilities, and Rent increased by \$253,000 due to a marginal increase in license costs within the OCIO.
- Other Services experienced a net decrease of \$10 million, primarily due to reductions or eliminations in contracts carried out during FY 2025 and impacting FY 2026. Specifically, this includes a \$23.3 million spending decrease in Centrally Funded Items, and a \$4.1 million decrease in contract spending within Common Services financing. These reductions were partially offset by increased spending of \$18.4 million across various offices: \$737,000 within the Office of the Chief Human Capital Officer based on revised contract estimates, \$2.9 million within the OCIO, \$2.4 million within the Office of the Director supporting the America by Design initiative, and \$12.4 million within the Office of Workforce Policy and Innovation to support government-wide training for HR 2.0 initiatives and investments in job reclassification assessments.
- Equipment increased by \$224,000 to purchase updated routers and switches within OCIO.

Trust Fund Limitation – Budget by Object Class

Object Class	FY 2026 Enacted	FY 2027 CBJ	Increase/Decrease	Percent Change
Personnel Compensation	\$89,578,378	\$86,640,033	(\$2,938,345)	-3%
Personnel Benefits	\$29,632,960	\$29,082,789	(\$550,171)	-2%
Benefits for Former Personnel	\$652,415	\$672,362	\$19,947	3%
Travel and Transportation of Person	\$336,941	\$352,015	\$15,074	4%
Transportation of Things	\$48,778	\$48,931	\$153	0%
Communications, Utilities, and Rent	\$22,224,571	\$24,309,043	\$2,084,472	9%
Printing and Reproduction	\$213,272	\$380,341	\$167,069	78%
Other Services	\$67,780,768	\$86,625,142	\$18,844,374	28%
Supplies and Materials	\$623,215	\$642,824	\$19,609	3%
Equipment	\$3,193,149	\$123,520	(\$3,069,629)	-96%
Insurance claims and indemnities	\$320,553	\$150,000	(\$170,553)	-53%
Total Object Class	\$214,605,000	\$229,027,000	\$14,422,000	7%
FTE	715.9	709.1	(6.9)	-1%

The FY 2027 Trust Fund Limitation fund request totals **\$229,027,000**, which represents an increase of \$14,422,000 over the FY 2026 enacted budget level. The adjustments are due to the following factors:

- Personnel Compensation and Benefits have decreased by approximately \$3.5 million. This reduction reflects the completion of residual personnel costs from OPM restructuring efforts undertaken in FY 2025, offset by the realignment of labor-related

costs within RS to reflect updated funding allocations between Trust Fund Annual (TFA) and Trust Fund Mandatory in support of ongoing work.

- Communications, Utilities, and Rent increased by \$2.1 million, resulting in a \$1.5 million rise in Common Services financing and a \$627,000 increase in RS for higher licensing costs.
- Other services rose by \$18.8 million, reflecting further investment in TFA-related activities. These investments include \$5 million for mainframe migration (OCIO), \$3 million for FEHB technology improvements (HI), \$5 million for various technology enhancements (RS), a \$1 million increase in contract costs for system support services provided by Human Resources Solutions Information Technology Program Management Office (HRSITPMO), and \$2.8 million in Common Services financing.
- Insurance Claims and Indemnities decreased by \$171,000, attributed to revised estimates on potential settlements within HI.

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OPM Budget FY 2026 Enacted & FY 2027 CBJ by Organization and Fund — Discretionary Resources – excludes OIG

Organizations	FY 2026 Enacted				FY 2027 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Centrally Funded Items	\$26,760,707	\$887,984	\$7,600,000	\$35,248,691	\$2,907,222	\$750,000	\$6,000,000	\$9,657,222
Chief Human Capital Officers Council	\$1,030,379	\$0	\$0	\$1,030,379	\$1,025,000	\$0	\$0	\$1,025,000
Equal Employment Opportunity	\$0	\$0	\$1,434,671	\$1,434,671	\$0	\$0	\$1,009,876	\$1,009,876
Facilities, Security & Emergency Management	\$0	\$0	\$14,965,984	\$14,965,984	\$0	\$0	\$14,524,777	\$14,524,777
Healthcare & Insurance	\$0	\$43,419,272	\$0	\$43,419,272	\$0	\$44,219,249	\$0	\$44,219,249
HR Solutions	\$4,790,924	\$0	\$0	\$4,790,924	\$4,790,924	\$0	\$0	\$4,790,924
Merit System Accountability & Compliance	\$9,192,910	\$0	\$960,648	\$10,153,558	\$9,871,732	\$0	\$882,213	\$10,753,945
Office of the Chief Financial Officer	\$358,688	\$12,244,413	\$22,405,476	\$35,008,577	\$356,018	\$11,430,346	\$22,305,639	\$34,092,003
Office of the Chief Human Capital Officer	\$3,966,876	\$0	\$10,085,290	\$14,052,166	\$5,611,221	\$0	\$9,528,577	\$15,139,798
Office of the Chief Information Officer	\$20,709,729	\$35,843,400	\$29,145,580	\$85,698,709	\$20,064,342	\$40,282,257	\$28,937,366	\$89,283,965
Office of the Director	\$10,545,141	\$0	\$0	\$10,545,141	\$12,438,425	\$0	\$0	\$12,438,425
Office of the General Counsel	\$0	\$0	\$14,946,117	\$14,946,117	\$0	\$0	\$14,837,100	\$14,837,100
Rent	\$11,887,790	\$13,372,384	\$0	\$25,260,174	\$11,887,790	\$13,372,384	\$0	\$25,260,174
Retirement Services	\$0	\$87,068,865	\$0	\$87,068,865	\$0	\$90,819,328	\$0	\$90,819,328
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$497,000	\$0	\$0	\$497,000	\$505,000	\$0	\$0	\$505,000
Workforce Policy and Innovation	\$31,249,815	\$0	\$0	\$31,249,815	\$38,926,325	\$0	\$0	\$38,926,325
Closed Offices*	\$802,398	\$0	\$308,203	\$1,110,601	\$0	\$0	\$0	\$0
OPM Sub Total	\$121,792,357	\$192,836,318	\$101,851,969	\$416,480,644	\$108,383,999	\$200,873,564	\$98,025,548	\$407,283,111

Organizations	FY 2026 Enacted				FY 2027 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Appropriated Contribution to Common Services	\$45,742,643	\$21,768,682	\$0		\$37,589,001	\$28,153,436	\$0	
Non-Appropriated Contribution to Common Services				(\$34,340,643)				(\$32,283,111)
	\$167,535,000	\$214,605,000	\$101,851,968	\$382,140,000	\$145,973,000	\$229,027,000	\$98,025,548	\$375,000,000

*Closed offices consist of the Office of Communications, Office of Diversity, Equity, Inclusion and Accessibility, Office of Procurement Operations, Office of Strategy and Innovation, and the Office of the Executive Secretariat, Privacy, and Information Management.

Organizational Framework

OPM’s program and support offices implement the programs and deliver the services that enable OPM to support the Administration’s priorities and fulfill its statutory mandates.

OPM Organizational Chart

January 2026

Office of the Director
 Office of Legislative Affairs
 White House Fellows
 Federal Prevailing Rate Advisory Committee

Program Offices

Healthcare & Insurance	Human Resources Solutions	Merit System Accountability & Compliance	Retirement Services	Suitability Executive Agent	Workforce Policy & Innovation
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Management Offices

Office of the Chief Human Capital Officer	Office of the Chief Financial Officer
Facilities, Security, & Emergency Management	Office of the Chief Information Officer

Auxiliary Organizations

Security, Suitability, Credentialing Line of Business	Office of Inspector General
Office of Equal Employment Opportunity	

Executive Offices

Office of the General Counsel	CHCO Council
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OPM Budget FY 2026 Enacted Budget & FY 2027 CBJ by Organization – All Resources- includes
OIG

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Centrally Funded Items	\$35,248,691	0.0	\$9,657,222	0.0	(\$25,591,469)	0.0
Chief Human Capital Officers Council	\$1,030,379	4.0	\$1,025,000	4.0	(\$5,379)	0.0
Equal Employment Opportunity	\$1,434,671	5.3	\$1,009,876	4.0	(\$424,795)	(1.3)
Facilities, Security & Emergency Management	\$17,439,148	65.0	\$19,106,892	64.0	\$1,667,744	(0.9)
Healthcare & Insurance	\$58,968,845	171.2	\$59,738,166	166.7	\$769,321	(4.5)
HR Solutions	\$301,766,805	338.4	\$519,618,765	298.0	\$217,851,960	(40.4)
Merit System Accountability & Compliance	\$12,430,768	53.8	\$12,912,620	59.0	\$481,852	5.3
Office of the Chief Financial Officer	\$40,544,764	63.3	\$35,223,603	57.0	(\$5,321,161)	(6.3)
Office of the Chief Human Capital Officer	\$14,052,166	43.5	\$15,139,798	42.0	\$1,087,632	(1.5)
Office of the Chief Information Officer	\$181,459,740	170.9	\$185,107,660	155.0	\$3,647,920	(15.9)
Office of the Director	\$10,545,141	52.0	\$12,438,425	47.0	\$1,893,284	(5.0)
Office of the General Counsel	\$14,946,117	47.3	\$14,837,100	50.0	(\$109,017)	2.8
Office of the Inspector General	\$36,031,000	114.0	\$32,428,000	101.0	(\$3,603,000)	(13.0)
Rent	\$26,324,174	0.0	\$26,324,174	0.0	\$0	0.0
Retirement Services	\$143,648,841	863.0	\$147,084,104	863.0	\$3,435,263	0.0
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$7,450,000	6.0	\$7,550,711	6.0	\$100,711	0.0
Suitability Executive Agent Programs	\$10,315,685	49.8	\$10,221,123	48.0	(\$94,562)	(1.8)
Workforce Policy and Innovation	\$31,249,815	124.0	\$38,926,325	109.0	\$7,676,510	(15.0)
Closed Offices	\$1,196,590	0.0	\$0	0.0	(\$1,196,590)	0.0
OPM Total	\$946,083,340	2,171.2	\$1,148,349,565	2,073.7	\$202,266,224	(97.4)

**This table includes organizations financed by OPM's Revolving Fund, Common Services and Advances and Reimbursements. Therefore, this table varies from tables in the Executive Summary section. All Sources for this table include Salaries & Expenses, Trust Fund Annual, Trust Fund Mandatory Authorities, Revolving Funds, Advances and Reimbursements and Office of the Inspector General Salaries & Expenses and Trust Fund Annual.*

Executive Offices

Office of the Director

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Director	\$10,545,141	52.0	\$12,438,425	47.0	\$1,893,284	(5.0)

The Office of the Director provides strategic guidance, leadership, and direction to advance OPM’s mission to lead and serve the Federal Government by delivering policies and services that foster a merit-based, trusted, and efficient civilian workforce. In addition, the functions of the Office of Legislative Affairs, the Federal Prevailing Rate Advisory Committee (FPRAC), the Enterprise Risk Management Organization and the White House Fellows Program now reside within the Office of the Director.

Budget Change from FY 2026 to FY 2027:

OD’s FY 2027 request is \$12.4 million, an increase of \$1.9 million above FY 2026. This increase includes the absorption of Legislative Affairs, Enterprise Risk Management, White House Fellows and a \$2.5 million investment in the America by Design initiative to modernize public service delivery by enhancing the visual design, usability and overall experience of web-based Federal Government services, offset by a reduction of 5 FTE.

Office of the General Counsel

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the General Counsel	\$14,946,117	47.3	\$14,837,100	50.0	(\$109,017)	2.8

The Office of the General Counsel (OGC) provides legal advice, representation, and policy support to the Director and senior leadership of OPM and carries out several statutory and regulatory responsibilities that support OPM’s mission and benefit the Executive Branch.

In FY 2027, OGC will continue to refine staffing and operational enhancements initiated in FY 2025 to address sustained increases in workload driven by expanding personnel litigation, increasing interagency agreements for representation, heightened rulemaking activity, and rising FOIA and ethics demands. While OGC has implemented efficient measures to improve throughput and case management, these actions cannot fully offset workload growth. Continued investment in OGC capacity is necessary to ensure timely legal review, reduce litigation risk, maintain compliance with statutory requirements, and support execution of Administration workforce priorities.

Budget Change from FY 2026 to FY 2027:

OGC’s FY 2027 request is \$14.8 million, \$109,000 less than FY 2026. OGC added 2.8 FTE, costing \$462,000, balanced by a \$353,000 cut in contract spending.

Chief Human Capital Officer Council

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Chief Human Capital Officers Council	\$1,030,379	4.0	\$1,025,000	4.0	(\$5,379)	0.0

The Chief Human Capital Officers (CHCO) Council serves as the Federal Government’s principal interagency forum for coordinating and advising on human capital policy and workforce management. The Council supports the 24 Chief Financial Officers (CFO) Act agencies, as well as the Small Agency Human Resources Council and the Intelligence Community Human Resources Council, by promoting consistent implementation of Administration priorities and statutory requirements.

Under the leadership of the OPM Director, who serves as Council Chair, CHCO Council staff execute monthly meetings, manage interagency working groups and communities of practice, and host personnel policy office hours and targeted sessions. The Council fulfills its statutory responsibilities through an annual public meeting and the submission of an annual report to Congress.

These efforts address priority workforce management issues, including the Deferred Resignation Program; workforce restructuring authorities such as voluntary early retirement authorities, voluntary separation incentive programs, reductions in force, reorganization and realignment plans; return-to-office policies; Senior Executive Service designation and performance management; Schedule Policy/Career implementation; hiring freeze; probationary employees; Schedule C appointments; and collective bargaining requirements. The FY 2027 budget request includes funding for four full-time equivalent positions to sustain core functions; support interagency coordination and ensure continued execution of Administration and statutory human capital priorities.

Budget Change from FY 2026 to FY 2027:

CHCO Council’s FY 2027 request is \$1 million with 4 FTE remaining flat between FY 2026 and FY 2027.

Program Offices

Healthcare and Insurance

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Healthcare & Insurance	\$58,968,845	171.2	\$59,738,166	166.7	\$769,321	(4.5)

Healthcare and Insurance (HI) administers a broad portfolio of insurance benefits for more than eight million eligible individuals, including Federal and postal employees, annuitants, their families, tribal employees, members of the uniformed services, and other designated groups.

HI oversees contracting, program development, and management functions for six statutorily mandated programs: Federal Employees Health Benefits (FEHB) Program, Postal Service Health Benefits (PSHB) Program, Federal Employees' Group Life Insurance (FEGLI) Program, Federal Long Term Care Insurance Program (FLTCIP), Federal Employees Dental and Vision Insurance Program (FEDVIP) and Federal Flexible Spending Account Program (FSAFEDS).

HI supports the Administration's emphasis on cost-effective management and transparency and is prioritizing improving the FEHB and PSHB programs, slowing the growth of program costs (including due to prescription drugs), and increasing program integrity. The FEHB Protection Act of 2025 also directed OPM to conduct an audit of all family members covered under the FEHB and, by definition, the PSHB.

Alignment to Administration Priorities

In addition to the overall commitment to cost-effective management of the Federal benefits programs, HI is working in close alignment on several Administration priorities:

- Supporting OPM's implementation of EO 14249 ("Protecting America's Bank Account Against Fraud, Waste, and Abuse") and Office of Management and Budget (OMB) Memorandum M-25-32, leveraging data where possible.
- Ensuring benefits packages in FEHB and PSHB are consistent with EO 14168 ("Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government").
- Pursuing implementation of AI-powered tools that increase efficiency, consistent with EO 14179 ("Removing Barriers to American Leadership in Artificial Intelligence").

- Partnering across government in support of anti-FWA programs and initiatives, including pursuing data sharing where appropriate, as directed by EO 14243 (“Stopping Waste, Fraud, and Abuse by Eliminating Information Silos”).
- Supporting wellness and improving health outcomes, consistent with the Make America Healthy Again priorities.

In FY 2027, HI will prioritize customer-focused healthcare and insurance benefits for Federal employees and annuitants to improve health outcomes while reducing long-term costs. HI will also strengthen program integrity by leveraging technology and data. Pursuant to the FEHB Protection Act, OPM will conduct a comprehensive audit to verify the eligibility of family members covered under the FEHB and PSHB Programs and will disenroll family members found to be ineligible.

In FY 2027, HI will drive program efficiencies and execute these initiatives with resources comparable to FY 2026. HI will leverage technology to improve customer experience and program management.

HI will invest \$1.2 million to enhance and expand Carrier Connect as a comprehensive contract management and reporting solution for FEHB and PSHB. This investment will strengthen program integrity and contract oversight by consolidating contract data in a single system, standardizing data to support integration with advanced analytics capabilities, eliminating paper files and manual processes, enabling complete electronic archiving of contract files, and improving responsiveness to ad hoc data calls.

HI will invest \$1.8 million to improve how FEHB and PSHB enrollees assess and select health plans by developing a new FEHB Decision Support Tool (DST) and enhancing the existing PSHB DST. The FEHB DST will use enhanced data from Carrier Connect and advanced analytics capabilities to help enrollees compare plans through customized queries based on enrollee and family needs, including the ability to search for specific providers, prescription drugs, and covered services. HI will enhance the PSHB DST to provide comparable capabilities.

Budget Change from FY 2026 to FY 2027:

HI's FY 2027 request is \$59.7 million, an increase of \$769,000 from FY 2026. The overall increase results from \$283,000 in training and \$4.8 million in contract costs, while offset by savings from a \$4.1 million reduction in personnel compensation and benefits to cover residual agency restructuring costs implemented in FY 2025 that continued into FY 2026, and a \$170,000 decrease in anticipated settlement costs.

Human Resources Solutions

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
HR Solutions	\$301,766,805	338.4	\$519,618,765	298.0	\$217,851,960	(40.4)

Human Resources Solutions (HRS) operationalizes the Administration’s goals and HR policy across Federal agencies to accelerate human capital results in alignment with merit principles. HRS delivers human capital products, services, and technology that enable Federal agencies to meet their missions. Today, HRS provides human capital solutions and technology in three areas: Human resources systems, services, and human capital standards and data. Authorized under the Revolving Fund, HRS is fully funded by Interagency Agreements with Federal agency partners, and Federal customer requirements drive the annual HRS budget. As a Revolving Fund program, HRS sets rates to recover costs and invest in system and service enhancement. Financial estimates rely on historical delivery, customer commitments, innovation, and forecasts to support efficient and responsible operations. Additionally, HRS has \$4.7M in S&E funding provided through congressional appropriations to support EHRI and Federal Workforce Data requirements. This funding is fully applied to a OCIO service-level agreement, which covers the HR IT activities needed to collect, maintain, and distribute the workforce data referenced above.

HRS advances OPM priorities related to transforming Federal human capital management, including streamlining and improving hiring, implementing more effective assessments, improving workforce performance management and accountability, centralizing and streamlining Federal HR systems, and strengthening leadership training and development programs. HRS also supports agencies in implementing applicable Executive Orders and government-wide workforce guidance related to hiring reform and workforce optimization. HRS will continue to pursue economies of scale while maintaining long-term sustainability and cost-effective service delivery. In FY 2027, HRS will advance modernization initiatives to strengthen service delivery and improve Federal human capital management. These efforts build on prior modernization work and respond to OMB guidance emphasizing expanded capabilities and measurable outcomes. Key initiatives include:

Federal HR 2.0 Modernization:

HRS will continue to drive OPM’s Federal HR 2.0 modernization and centralization efforts, improving workforce management and enabling more effective oversight through more secure, interoperable, and efficient HR systems. In FY 2027, HRS’ work will focus on upgrading

technology infrastructure, deploying advanced IT solutions and data analytics, and continue migration of agencies to the new Core Human Capital Management (Core HCM). These initiatives modernize HR systems, enhance workforce quality, and achieve operational efficiency. Key outcomes include reduced duplication in HR systems, improved government-wide analytics and data-driven oversight, integrated industry innovation to drive efficiency and modernization, enhanced workforce capabilities, sustained accountability, improved service delivery, and cost savings from centralized investments and shared capabilities.

In FY 2027, OPM will advance the Core HCM initiative by delivering a secure and functional minimum viable product; and finalizing wave one implications while transitioning wave two agencies as well. OPM will ensure continuity of critical enterprise HR services, including eOPF and USA Learning, throughout the transition while maintaining service reliability and customer support. These efforts will be executed under strong executive governance to manage risk, ensure transparency, and align resources effectively, positioning Core HCM to improve efficiency, strengthen service delivery, and support a modernized Federal human capital infrastructure.

HR QSMO Expansion: The HR Quality Service Management Office (QSMO) provides government-wide oversight of HR service providers and helps agencies adopt modern HR solutions that meet Federal requirements. QSMO sets standards, monitors provider performance, and supports agencies with acquisition and implementation decisions. In FY 2027, HRS will strengthen QSMO governance by expanding hiring assessment availability and continuing to unify the Core HCM platform across the Federal Government.

Merit Hiring Plan:

HRS will continue supporting key initiatives within the Merit Hiring Plan, initiated by Executive Order 14170, through the USAJOBS, USA Staffing, and USA Hire platforms and workforce planning, assessment, and staffing services. This includes expanding available skills-based assessments and supporting agencies in maximally adopting technical assessments and phasing out the use of occupational questionnaires; providing certificates of rigorously assessed candidates via cross-gov announcements; increasing functionality and adoption of USAJOBS features for early career recruitment; and maximizing reporting capabilities to highlight areas for process improvements to reduce time-to-hire. Additionally, HRS will support advancements in Federal performance management through user experience and data analytics enhancements in USA Performance.

HRS will undergo expansion in alignment with modernization initiatives compared to FY 2026

and continued contraction of non-core services This expansion advances the Federal HR 2.0 initiative to modernize Federal HR operations through modern technology and streamlined processes. This includes adopting cloud-based, interoperable platforms that enhance employee and manager self-service while reducing administrative burden. HRS anticipates continuing to draw down its workforce as it gains efficiencies and divests non-core services.

HRS depends on sustaining financial viability, delivering high-quality services, safeguarding sensitive information, and maintaining compliance with Federal standards. Key risks include demand volatility, schedule and cost overruns, workforce capacity constraints, and reporting accuracy. HRS will manage these risks through disciplined cost recovery practices, performance monitoring, and strengthened controls.

Budget Change from FY 2026 to FY 2027:

HRS's FY 2027 request is \$519.6 million, up by \$217.9 million from FY 2026. This increase reflects expanded reimbursable activities and additional contract spending for Federal HR 2.0's Core HCM component and the consolidation of EHRI and HRLOB within HRS, totaling an estimated \$225.7 million in contracts. This is partially offset by an \$8.4 million reduction, including \$7.1 million in personnel compensation and benefits due to restructuring costs and a \$1.3 million decrease in communications, utilities, and rent.

Merit System Accountability and Compliance

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Merit System Accountability & Compliance	\$12,430,768	53.8	\$12,912,620	59.0	\$481,852	5.3

Merit Systems Accountability and Compliance (MSAC) provides oversight to ensure that Federal agency human resources programs are effective, efficient, and fully compliant with merit system principles and applicable civil service regulations. MSAC evaluates agency programs through a combination of OPM-led assessments and participation in agency-led reviews. In addition, MSAC conducts special cross-cutting studies to examine the use of HR authorities and flexibilities across the Federal Government.

MSAC also reviews and issues decisions on agency requests to appoint current or former political appointees to positions in the competitive service, the nonpolitical excepted service, or the Senior Executive Service, verifying that such appointments meet all selection requirements and are free from political influence. Furthermore, MSAC adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and

declinations of reasonable offer appeals.

In FY 2027, MSAC will sustain core oversight and adjudication functions and will prepare to implement new adjudicatory responsibilities proposed in pending rulemakings, subject to final authorities and effective dates. MSAC will develop procedures, training, and case intake and tracking processes needed to support timely, consistent adjudication and to reduce backlog risk as volumes increase. MSAC will also continue risk-based reviews of agency human capital programs and delegated authorities, focusing oversight on the highest-risk compliance areas and emerging workforce policy requirements.

Budget Change from FY 2026 to FY 2027:

MSAC FY 2027 request is \$12.9 million, an increase of \$482,000 over FY 2026. The request includes \$534,000 for additional travel and a net increase of \$541,000 for personnel costs and benefits, driven by \$1.3 million to support RIF and probationary adjudication and the addition of new FTEs, offset by \$517,000 from agency restructuring initiatives. Further offsets include \$192,000 from reduced or eliminated contracts and \$109,000 from reduced training costs. Overall, staffing rises from 53.8 to 59.0 FTEs to meet program requirements.

Retirement Services

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Retirement Services	\$143,648,841	863.0	\$147,084,104	863.0	\$3,435,263	0.0

Retirement Services (RS) administers the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), ensuring that Federal retirees and their eligible survivors receive timely and accurate retirement benefits. OPM, through Retirement Services, serves active civilian employees and over 2 million annuitants, survivors, and family members. The Retirement Services operations are mandated by statutory authorities which establish requirements to adjudicate retirement claims, manage disability retirement benefits eligibility, govern annuities under court decrees of divorce, annulment, or separation, provide health benefits for annuitants, implement cost of living adjustment increases and issue tax statements, regularly train and counsel all Federal agencies and appropriately respond to customer inquiries and to produce guidance to implement retirement provisions, processes bankruptcy and estate cases to recover outstanding debts to the Retirement Fund.

In alignment with Executive Orders, Retirement Services developed a Modernization Roadmap that charts a path to digitize the paper-centric retirement application process. This modernization will deliver faster processing times, enhanced self service capabilities, greater

transparency, improved customer service, and reduced administrative burden for annuitants and agencies.

In FY 2027 OPM, through Retirement Services will continue to advance its modernization agenda, focusing on deploying digital tools to improve service delivery. The modernization effort centers on four key components: the Online Retirement Application (ORA), Employee Retirement Record (ERR), Digital File System (DFS), and the JANUS retirement calculator. Together these innovations will dramatically streamline operations and improve service delivery. The requested resources will achieve near-term modernization milestones in FY 2027 while laying the groundwork for lasting improvements. By automating and digitizing RS processes to replace paper-based systems with modern digital tools, OPM will reduce operational risk, improve efficiency, and strengthen service delivery.

Budget Change from FY 2026 to FY 2027

RS' FY 2027 request is \$147.1 million, an increase of \$3.4 million in resources for advancing modernization and strengthening operational capacity in the following areas:

- **Enhanced Case Processing:** Funding will enable the ORA to ingest and process additional retirement case types, specifically disability and deferred retirements. Expanding ORA's functionality will broaden the scope of services provided, increase automation, and reduce manual interventions. These improvements will result in more timely and accurate case processing and improve service delivery for annuitants and beneficiaries. Integrating the data into JANUS, the retirement calculator will further enhance precision in benefit determinations and streamline end-to-end retirement processing.

This investment will mean more retirement applications enter interim pay faster and more applications move to final approval sooner. This will reduce manual handling, speed intake and adjudication, and improve calculation accuracy through JANUS integration. The result is quicker access to income, fewer delays caused by rework or corrections, and a more reliable retirement process for applicants and survivors.

- **System Integration:** Resources will support the integration of the DFS case management system into a unified platform, consolidating multiple legacy systems into a single adjudicator-facing view. This will reduce fragmentation, improve data integrity, and eliminate duplicative processes. By enabling adjudicators to access case information more efficiently, the modernization effort will accelerate adjudication timelines, reduce processing errors, and enhance overall accountability in retirement services.

- Call Center Modernization and Self-Service Expansion:** Funding will modernize retirement call center operations, including the deployment of automation and digital tools to reduce call volume. By expanding self-service options for annuitants and integrating these tools with Service Online, annuitants will be able to access real-time information, track case status, and resolve common issues without direct intervention from call center staff. These investments will enhance customer satisfaction, decrease waiting times, and allow call center representatives to focus on complex annuitant needs requiring personalized support.

Suitability Executive Agent

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Suitability Executive Agent Programs	\$10,315,685	49.8	\$10,221,123	48.0	(\$94,562)	(1.8)

Suitability Executive Agent Programs (SuitEA) supports the OPM Director’s responsibilities as the Suitability and Credentialing Executive Agent under Executive Order 13467 and leads government-wide improvements in personnel vetting processes. SuitEA provides policy, guidance, training, and oversight to ensure suitability, fitness, and credentialing determinations are consistent, timely, reciprocal, and secure across agencies. It is also responsible for conducting suitability investigations and taking suitability actions to protect the integrity and efficiency of the Federal workforce, and may include debarring individuals from Federal service, removing them from positions, or preventing onboarding.

SuitEA leads OPM’s execution, administration, and enforcement of suitability standards and investigations. SuitEA fulfills its mission by issuing government-wide regulations, guidance, and instructions, delivering training and technical assistance to adjudicators, prescribing standards and procedures, and overseeing delegated functions. In FY 2027, SuitEA will continue to advance government-wide policy, oversight, and training to strengthen consistency, reciprocity, timeliness, and security in suitability, fitness, and credentialing processes.

SuitEA advances several Administration priorities focused on strengthening the suitability of the Federal workforce, improving hiring efficiency to attract and retain top talent and reforming the personnel vetting processes. To meet increased demand for suitability actions, SuitEA will refine internal workflows, prioritize high-risk caseloads, and optimize existing staff resources while maintaining robust support for agencies implementing government-wide requirements.

In FY 2027 SuitEA will also support the adoption of continuous vetting requirements, leveraging

performance data to drive process improvements, reduce backlog risk, and improve adjudication timeliness. Modernization efforts will continue, focusing on reducing manual workload and improving data quality through shared e-filing and enhanced case management capabilities.

Budget Change from FY 2026 to FY 2027:

SuitEA’s FY 2027 request is \$10.2 million, a decrease of \$95,000 from FY 2026. The reduction reflects a decrease of 1.8 FTE from restructuring efforts.

Workforce Policy and Innovation

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Workforce Policy and Innovation	\$31,249,815	124.0	\$38,926,325	109.0	\$7,676,510	(15.0)

The Workforce Policy and Innovation (WPI) Office provides government-wide human capital guidance, oversight, and implementation strategies, supporting agencies in the effective administration of recruitment, hiring, classification, pay, leave, workforce flexibilities, performance management, employee accountability, labor relations, strategic workforce planning, training, and executive services. WPI’s experts align Federal workforce policy with operational outcomes, equipping agencies with tools, flexibilities, and authorities to manage their workforce efficiently. The office also leads the development of legislative and regulatory proposals to modernize and transform Federal personnel systems and processes, supporting the President’s civil service agenda.

WPI positioned its human capital expertise to enable the President’s agenda to reduce, consolidate, modernize, shape, and ultimately transform the Federal workforce. WPI is supporting issuances of guidance memoranda and frequently asked questions, as well as providing practical tools and HR expertise, to execute historic workforce reductions (voluntary and involuntary separations and retirements) aimed at returning agencies to core missions, with streamlined delivery of service to the American people and tax dollar stewardship at the forefront. Additionally, WPI is enabling broad workforce initiatives aimed at reforming the Federal hiring process, supporting a skills-based workforce, restoring merit to Government service, and improving employee accountability and performance management.

WPI will continue to deliver high-impact support for the President’s civil service agenda and vision transforming the Federal workforce and workforce management processes, ensuring agencies are equipped to fulfill their core missions and deliver streamlined services to the American people. These initiatives include supporting workforce reshaping and optimization,

implementing the President’s hiring controls, and advancing reforms to restore accountability for career senior executives and employees. In addition to more stringent performance management and accountability processes, the Senior Executive Service will be modernized and elevated with retooled assessment and selection processes redesigned to support faster and high-quality hiring and improved development programs for aspiring executives, reducing administrative burdens on agencies and employees, and strengthening the SES applicant pool.

For FY 2027, WPI’s priorities will be implementation of the President’s civil service agenda while accelerating progress to transform the Federal workforce through skills-based classification and hiring reforms and improvements to executive and employee performance and accountability. This work supports Executive Order 13932, the Merit Hiring Plan, and the Chance to Compete Act by replacing outdated degree-based hiring models with equitable, skills-first approaches, achieved by foundational changes to classification and qualifications policy enabling skills-based hiring. With an investment in the Skills-Based Hiring Initiative and leveraging artificial intelligence and machine learning technologies, WPI will modernize classification and qualification policies, accelerate updates, identify emerging skills, and reduce sustainment costs. OPM will update standards across all twenty-two occupational families and improve integration with assessments.

Additionally, WPI will strengthen Federal human capital management by streamlining policy and providing guidance that enhances the skills and capacity of Human Resources practitioners to implement value-added human capital strategies. The HR 2.0 Training Initiative establishes a centralized HR training program to standardize technical and leadership development across the HR workforce, modeled on proven workforce development models used for the acquisition workforce. The program includes developing early-career HR talent pipelines, strengthening the capabilities of the existing HR workforce through standardized training and development, and establishing certification and credentialing requirements for HR professionals.

Budget Change from FY 2026 to FY 2027:

WPI’s FY 2027 request is \$38.9 million, an increase of \$7.7 million above FY 2026. Personnel compensation and benefits decrease by \$3.9 million reflecting the culmination of workforce restructuring efforts initiated in 2025. Contract obligations will increase to support two new initiatives: HR 2.0 Training (\$10.0 million) to establish a centralized, standardized HR training and certification program that strengthens workforce capability and addresses GAO high-risk concerns; and Skills-Based Hiring (\$2.5 million) to implement artificial intelligence and machine learning technologies that modernize classification and qualification standards across all occupational families and advance a merit-based, competency-focused Federal hiring process.

Management Offices

Facilities, Security, & Emergency Management

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Facilities, Security & Emergency Management	\$17,439,148	65.0	\$19,106,892	64.0	\$1,667,744	(0.9)

Facilities Security and Emergency Management’s (FSEM) mission is mandated by statutory authorities related to ensuring the health, life, safety, security, and acquisition compliance of the OPM workforce. Across FSEM’s current six divisions (Facilities, Security Services, Personnel Security, Emergency Management, Procurement Services, and Administrative Operations) critical protections are enforced, risks are mitigated, and Federal requirements that directly impact OPM’s ability to operate safely and effectively are upheld.

FSEM is responsible for managing operational aspects of OPM by ensuring the continuity of essential services regardless of workforce reductions and workplace impacts.

As a necessary mission-critical, capacity-enabling support organization, FSEM provides the infrastructure, security, procurement, and mission resilience necessary for OPM to function efficiently. This includes maintaining building operations, ensuring workplace health and safety, managing procurement and contracting services, overseeing security compliance, and sustaining emergency preparedness.

OPM is currently leveraging GSA’s procurement services to award and administer approximately 80% of its contracting portfolio. In accordance with OMB Memorandum M-25-31, OPM is assessing its needs for support to purchase common goods and services as well as OPM’s needs for contracts which are less suitable for centralization.

Budget Change from FY 2026 to FY 2027:

FSEM FY 2027 request is \$19.1 million, up \$1.7 million from FY 2026. This increase mainly covers higher contract spending for OPM’s guard services and inflationary rises in other operational contracts.

Office of the Chief Human Capital Officer

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Chief Human Capital Officer	\$14,052,166	43.5	\$15,139,798	42.0	\$1,087,632	(1.5)

The Office of the Chief Human Capital Officer (OCHCO) provides comprehensive human capital support to OPM leadership and employees, workforce planning, data and accountability, employee and labor relations, benefits administration, and executive resources. In FY 2027, OCHCO will continue to strengthen OPM’s workforce planning and skills gap analyses to align staffing and competencies with mission requirements, address critical skill needs, and promote efficient and effective use of human capital resources.

Budget Change from FY 2026 to FY 2027:

OCHCO’s FY 2027 request is \$15.1 million, an increase of \$1.1 million from FY 2026. This increase reflects increased awards spending on non-performance ratings-based awards for OPM employees.

Office of the Chief Financial Officer

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Chief Financial Officer	\$40,544,764	63.3	\$35,223,603	57.0	(\$5,321,161)	(6.3)

The Office of the Chief Financial Officer (OCFO) is responsible for strategic financial management, fiscal responsibility, transparency, and accountability and advises on all financial matters to enable effective resource allocation and support mission success. Core services include budget operations, accounting, reporting, and financial systems oversight. OCFO manages OPM-wide budgeting and modeling for Earned Benefit programs, ensures compliance with fiscal laws, and oversees financial statements, reporting and investments for over \$1.2 trillion in assets. OCFO also leads financial systems operations, modernization projects, and agency-wide financial services such as payroll and travel.

OCFO will continue to administer OPM’s Common Services cost-sharing model, including rate development, billing, and reconciliation across funding sources. In FY 2027, OCFO will advance governance and transparency by publishing clearer rate methodology documentation, strengthening approval and oversight points, and expanding reporting products, including standardized quarterly summaries and an internal dashboard, to improve enterprise visibility into cost allocation and service value. OCFO will also continue to evaluate longer-term financing options, including the feasibility of a Working Capital Fund approach, to improve funding stability, carryover flexibility, and service-level clarity, consistent with leadership review.

OCFO will continue to rely on shared service providers for streamlined accounting and trust fund management while exploring opportunities to leverage emerging technologies, including

artificial intelligence, to enhance financial and performance reporting, improve internal customer service, and expand data-driven decision-making across OPM.

Budget Change from FY 2026 to FY 2027:

OCFO’s FY 2027 request is \$35.2 million, a decrease of \$5.3 million below FY 2026. The budget reflects targeted efficiencies while maintaining staffing levels. These reductions primarily reflect descope requirements for external vendor support contracts and selected shared service provider agreements, including reduced user software licenses and related support services.

Office of the Chief Information Officer

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Chief Information Officer	\$181,459,740	170.9	\$185,107,660	155.0	\$3,647,920	(15.9)

The Office of the Chief Information Officer (OCIO) defines the enterprise information technology (IT) vision, strategy, policies, and cybersecurity for OPM. OCIO determines the most effective use of technology to support OPM’s strategic plan, including enterprise architecture, platforms, systems, and applications. OCIO is responsible for modernizing IT, developing and maintaining IT security policies, and operating and enhancing the cybersecurity program.

OCIO leads IT governance processes and IT investment management to develop IT strategies and budgets across the OPM. OCIO provides technical guidance, cloud technology and services, application and system development and maintenance, IT project management, agile frameworks, collaboration and communication tools, hardware, software, and infrastructure, including OPM Help Desk services, to support OPM’s business operations. OCIO manages pre- and post-implementation reviews of IT programs and projects and oversees IT acquisitions, services, and spending. OCIO also partners with other agencies on government-wide initiatives such as IT modernization, optimization of enterprise services, and development of long-term human resource IT systems and strategies.

OCIO priorities focus on digitizing retirement processing, modernizing Federal benefits to expand self-service, deploying a Core Human Capital Management (Core HCM) system to replace fragmented HR systems, expanding AI and automation consistent with the OMB guidance, strengthening enterprise data governance and analytics, and improving cybersecurity and resilience through zero trust and automated security.

The projected increase in FTE and contractors reflects added requirements tied to retirement systems modernization, Core HCM deployment and mainframe modernization beginning in FY

2026 and extending into FY 2027, including moving mainframe data to a cloud solution. OCIO also anticipates growth in AI-based applications, mainframe data ingestion, Core HCM, and continued modernization support for HR Solutions’ USA Talent Suite.

The FY 2027 request supports seven Federal FTE for Core HCM and FEHB Protection Act work to build real-time eligibility verification and secure data pipelines, develop a verification application, automate deployments, and maintain cybersecurity compliance.

Priorities include modernizing retirement applications and integrations and building secure eligibility verification capabilities. OCIO will also improve USA Talent Suite performance and resilience, scale cloud-based data and AI platforms for real-time insights and decision support, and advance cybersecurity toward continuous automated authorization through compliance-as-code, continuous monitoring, and AI-enabled risk management.

Budget Change from FY 2026 to FY 2027:

OCIO's FY 2027 request is \$185.1 million, an increase of \$3.6 million from FY 2026. This reflects a \$5.3 million decrease in personnel spending and a reduction of 15 FTEs due to restructuring costs from FY 2025 and FY 2026, along with a \$2.4 million cut in equipment costs. These reductions are balanced by a \$11.4 million increase in license and contract spending.

Auxiliary Organizations

Equal Employment Opportunity

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Equal Employment Opportunity	\$1,434,671	5.3	\$1,009,876	4.0	(\$424,795)	(1.3)

The Equal Employment Opportunity Office ensures adherence to Federal EEO laws and regulations, investigates complaints of discrimination and harassment, monitors workplace policies and practices for compliance, accepts, processes, and investigates internal EEO complaints (formal and informal), facilitates alternative dispute resolution (ADR) such as mediation, provides findings and recommendations after investigations, and maintains records and submits reports to the EEOC. OPM’s EEO office primarily provides all EEO services internally, saving costs by leveraging in-house expertise and limiting the use of vendors.

The EEO office ensures compliance with Federal anti-discrimination laws, supporting the Administration’s focus on ending illegal preferences and discrimination. Despite reduced staffing, the office remains committed to resolving cases within statutory deadlines.

In FY 2027, efforts will center on ensuring timely and thorough complaint processing, upholding compliance with Federal EEO requirements, expanding the incorporation of technology, including AI, into relevant complaint processes, and supporting a workplace environment grounded in equal dignity and respect. The office will continue to adapt its operations to align with Federal priorities and statutory obligations.

Budget Change from FY 2026 to FY 2027:

EEO’s FY 2027 request is \$1 million, a decrease of \$425,000 from FY 2026. This reduction reflects a decrease in personnel compensation costs for 1 FTE and residual costs from the restructuring initiatives implemented in FY 2025 that continued into FY 2026.

Office of the Inspector General

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Inspector General	\$36,031,000	114.0	\$32,428,000	101.0	(\$3,603,000)	(13.0)

The Office of the Inspector General (OIG), created by the Inspector General Act of 1978, provides comprehensive oversight of OPM programs through audits, evaluations, and investigations to protect taxpayer dollars and ensure efficient service delivery. As a Federal law enforcement organization, OIG brings to justice abusive medical providers and those committing financial crimes. Key initiatives include using advanced data analytics to recover improper payments in FEHBP and retirement annuities and ensuring cybersecurity controls. In FY 2025 alone the OPM OIG identified over \$430 million in improper and fraudulent payments.

In FY 2027, OIG intends to leverage generative AI technology and prioritize replacing a small portion of its lost law enforcement staff to further improve the efficiency of its oversight mission.

Budget Change from FY 2026 to FY 2027:

OIG’s FY 2027 request is \$32.4 million, a decrease of \$3.6 million from FY 2026. This reduction reflects a decrease of \$1.5 million in personnel compensation costs and 13 FTE from the agency restructuring initiatives, a \$900,000 reduction in communication, utilities, and rent costs, a \$1.1 million reduction of contract costs in other services, and a \$96 thousand reduction in supplies and equipment costs.

Security, Suitability, Credentialing Line of Business

Organization	FY 2026 Enacted		FY 2027 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$7,450,000	6.0	\$7,550,711	6.0	\$100,711	0.0

The Security, Suitability, and Credentialing Line of Business (SSCLOB) provides dedicated programmatic and operational support to the OMB, chaired Performance Accountability Council (PAC), consistent with Section 1086 of the FY 2016 National Defense Authorization Act. The PAC is accountable to the President for ensuring that Executive Branch agencies effectively vet their personnel for trustworthiness in accordance with Executive Order 13467, as amended. Through this government-wide role, SSCLOB supports improvements to security, suitability, and credentialing processes that enable agencies to onboard trusted persons more efficiently while maintaining rigorous standards for national security and public trust.

SSCLOB, through its Program Management Office, supports the PAC by providing solutions engineering, business case development, and governance support to advance reform initiatives and strengthen interagency coordination. These efforts promote consistent implementation of personnel vetting policies across the Executive Branch, reduce duplication, and improve operational performance. While SSCLOB operationally reports to the OMB PAC Chair, the program is administratively supported by OPM, leveraging OPM's infrastructure and human capital expertise to support effective government-wide execution.

Budget Change from FY 2026 to FY 2027:

SSCLOB's FY 2027 request is \$7.5 million, an increase of \$100,000 from FY 2026. This reflects a reduction in personnel compensation and benefits due to residual costs from the agency restructuring initiatives that continued into FY 2026.

Revolving Fund Activities

Pursuant to Title 5, U.S.C. §1304 (e) (1), OPM is authorized to use Revolving Funds without fiscal year limitations to conduct background investigations, training, and other personnel management services that OPM is authorized or required to perform on a reimbursable basis. Revolving funds are intended to finance cyclical, business-like operations. The activity financed by a revolving fund collects receipts from Federal agencies and uses those receipts to finance the fund's ongoing operations. Under this guidance, OPM operates several programs, which are funded by fees or reimbursement payments collected from other agencies and other payments.

The following programs are authorized to use Revolving Funds:

- **Suitability Executive Agent**
- **Human Resources Solutions; and**
- **Human Resources Solutions Information Technology Program Management Office**

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

OPM Budget Authority	FY 2027	FTE
Suitability Executive Agent	\$10,221,123	48.0
Human Resource Solutions	\$514,827,841	298.0
Human Resources Solutions Information Technology Program Management Office	\$80,241,196	93.0
OPM Total	\$605,290,160	439.0

Credit Monitoring and Identity Protection Services

Following the 2015 cybersecurity incidents, OPM established the Credit Monitoring and Identity Protection Services (CM&IPS) Program to provide credit monitoring and identity protection to affected individuals. OPM began offering services on July 1, 2015. The program is administered by Identity Theft Guard Solutions, Inc. (IDX) under a task order awarded in December 2023 through GSA's Identity Protection Services schedule, with a period of performance ending September 30, 2026.

The program concludes in September 2026 and will not require budget authority in FY 2027.

Suitability Executive Agent Programs

The Suitability Executive Agent (SuitEA) serves as the focal point within OPM for supporting the Director's responsibilities as the Suitability and Credentialing Executive Agent (EO 13467), driving government-wide process improvement and modernization in personnel vetting. SuitEA

leads OPM's execution, administration, and enforcement of suitability standards and investigations (5 U.S.C. §3301, 1103, 7301, and 1104).

SuitEA issues guidance and instruction to agencies to promote uniformity, centralization, efficiency, effectiveness, reciprocity, timeliness, and security in suitability, fitness, and credentialing processes. It delivers government-wide training and oversight to suitability and fitness adjudicators; prescribes suitability, fitness, and credentialing standards and procedures; and oversees functions delegated to agencies. SuitEA also supports an adjudicative operations office tasked with conducting suitability investigations and taking government-wide suitability actions, debarring unsuitable individuals from Federal service, removing them from their position or preventing them from on-boarding, when appropriate, to promote efficiency and protect the integrity of Federal agencies.

SuitEA will create dedicated workstreams for its adjudicative operations, having specific teams focus on certain areas of the adjudication process, will improve timeliness, quality, cost, and efficiency. Additionally, SuitEA will redirect current staff to support adjudicative operations. Repurposing staff into more mission-priority roles will position SuitEA to meet increased demand for suitability actions anticipated from executing the March 20, 2025, Presidential Memorandum (PM) on strengthening suitability, while also allowing for more comprehensive outreach to stakeholders on guidance and oversight of suitability adjudications.

Throughout FY 2026, personnel vetting rule updates will guide new requirements and services and drive FY 2027 goals accordingly. SuitEA will remain agile to meet the objectives and targets to include a potential higher volume of suitability actions and increasing training offerings to support agencies' implementation of new processes. SuitEA is updating its pricing model for the services it provides to its Federal customers. Starting in FY 2027, the cost allocation model will be updated to align its newly provided services with the corresponding use and proportion of each agency.

In FY 2027, SuitEA will support federal investigative service providers in planning and implementation of investigative standards and processes that streamline vetting processes, reduce duplication, eliminate waste, and provide improved risk-management.

Human Resources Solutions (HRS)

Human Resources Solutions (HRS) operates within OPM's Revolving Fund and provides government-wide human capital products, services, and human resources information technology (HRIT) support to Federal agencies through reimbursable agreements. Agencies pay

for services through customer transactions, orders, fixed fees, or proportional contributions to cost.

HRS sets rates to recover the full cost of operations, including both direct and indirect costs such as technology systems, staffing, rent, and utilities. HRS monitors demand and adjusts pricing as workload and market conditions change while managing carryover to ensure continuity of operations. From FY 2027 through FY 2029, HRS expects revenue to exceed expenses by no more than 3 percent.

Financial Management and Retained Earnings

HRS maintains retained earnings to manage revenue volatility, potential government shutdowns, unexpected requirements, and program liquidation risks without seeking supplemental appropriations. HRS's retained earnings tolerance level is approximately 30 percent of annual operating revenues, based on assumptions related to ongoing operations and potential liquidation costs.

Between FY 2025 and FY 2026, HRS reduced staffing from 685 to 300 and cut obligations by \$278 million, drawing down approximately \$40 million in retained earnings. The effects of these reductions extend into at least FY 2026.

Estimated carryover, including balances from prior fiscal years, is shown below:

Fiscal Year	RF Beginning Balance	Current Year	RF Ending Balance
FY 2027	\$55,467,000	\$1,060,052	\$56,527,052
FY 2028	\$56,527,052	\$1,475,333	\$58,002,385
FY 2029	\$58,002,385	\$1,554,677	\$59,557,062

HRS continuously monitors costs and aligns spending with customer requirements and efficiency opportunities while maintaining cost savings for the Federal Government and the American taxpayer. As the Core HCM system is implemented government-wide, HRS will restructure pricing to reflect efficiencies gained through consolidation of systems and services.

Anticipated Opportunities and Presidential Directives

HRS anticipates new opportunities to expand value for OPM and Federal agencies in upcoming fiscal years. A primary focus is supporting implementation of the Core Human Capital Management system as part of Federal HR 2.0.

HRS will also support agencies in implementing the following Presidential directives:

1. The Chance to Compete Act of 2024

2. Reforming the Federal Hiring Process and Restoring Merit to Government Service (January 2025)
3. Implementing the Department of Government Efficiency Workforce Optimization (February 2025)
4. Commencing the Reduction of the Federal Bureaucracy (February 2025)

In addition, HRS aligns with OPM's strategic goals to attract and retain top talent; deliver high-quality, efficient service; and lead America's AI-ready workforce. As HRS continues to operationalize Administration priorities and advance OPM's mission, its impact will expand by achieving government-wide economies of scale, driving long-term sustainability, operational efficiency, and cost savings across Federal human capital functions.

Anticipated Interagency Agreements

From FY 2027 through FY 2029, HRS will serve existing customers and support new interagency agreements to provide human capital services and systems. Services will include classification, assessments, hiring, position management, employee development, and talent management systems supporting workforce restructuring, talent acquisition, and performance management.

HRS systems include:

- USAJOBS – the Federal government's official career portal, connecting job seekers with Federal opportunities across the U.S. and worldwide. Its primary purpose is to provide Federal agencies with a centralized, secure platform to recruit and retain a world-class government workforce.
- USA Staffing – a talent acquisition system to, assess, certify, select, and onboard qualified candidates. USA Staffing includes real-time reporting on key hiring metrics and interconnections with agency HRIT systems including request processing, new hire, and data self-service.
- USA Hire – a platform designed to provide valid, reliable, and fair online assessment solutions to help agencies identify top talent.
- USA Performance – a software solution for performance management streamlines the entire performance and appraisal process for Senior Executives, Senior Professionals, and non-SES/SP performance programs, making it easier to track, review, and manage performance throughout the full rating cycle.
- Electronic Official Personnel Folder (eOPF) – facilitates the electronic filing of SF-50 data covering a civilian Federal employee's employment history and automates employee

notification of actions through email alerts.

- Enterprise Human Resources Integration (EHRI) - centralized Federal workforce data to support human capital management across government. OPM collects workforce, payroll, and training data from agencies, prepares the data for analysis, and provides access to the data through the Federal Workforce Data site.

These agreements are designed to deliver near-term and long-term human capital outcomes, expand economies of scale, and accelerate mission delivery.

FY 2026 Anticipated Agreements	FY27 Anticipated Agreements	FY28 Anticipated Agreements	FY29 Anticipated Agreements
\$205,297,000	\$266,366,790	\$277,036,210	\$285,702,339

Federal HR 2.0 and Core HCM

HRS leads the Federal HR 2.0 initiative, with a major FY 2027 milestone focused on implementation of the Core HCM system. HRS will procure and centrally manage a modern HRIT suite to replace more than 100 outdated and duplicative systems across the Federal Government. The system will support personnel action processing, employee records, employee and manager self-service, analytics and dashboards, time and attendance, and learning modules.

Once implemented, Core HCM will streamline HR operations, improve transparency through near real-time data, reduce friction in policy implementation, strengthen government-wide data management, improve employee experience, and generate savings on a government-wide basis. HRS's FY 2027 budget anticipates \$264 million in revenue and implementation costs related to Core HCM.

Enterprise Human Resource Integration HRI and HR Line of Business

In FY 2027, HRS will continue advancing Federal human capital modernization through two critical functions: **Enterprise Human Resource Integration (EHRI)** and **HR Line of Business (HRLoB)**. EHRI serves as the government-wide platform for workforce data integration, analytics, and reporting, enabling agencies to meet statutory requirements and improve decision-making. Transitioning from legacy systems to Core HCM, EHRI will strengthen data quality and transparency through enhanced analytics and integration with talent management tools such as USA Staffing and USA Performance.

HRLoB provides the standards and frameworks that ensure interoperability and consistency across all Federal shared services platforms. By maintaining the Human Capital Information

Model (HCIM) and delivering implementation guidance, HRLoB supports agencies in adopting modern, standardized HR processes. Together, these functions drive efficiency, compliance, and innovation in Federal human resources, aligning with HRS's mission to deliver secure, data-driven solutions for the workforce of the future.

Revolving Fund Stewardship

HRS operates in a Federal entrepreneurial environment and manages its Revolving Fund to remain results-oriented and market-based. Customer demand, high satisfaction, and repeat business reflect HRS's ability to deliver high-quality human capital solutions on time and within budget. The Revolving Fund model enables OPM to avoid duplication, achieve economies of scale, and ensure government-wide outlays net to zero while maintaining sufficient retained earnings to hold the fund harmless in the event of liquidation without requiring supplemental appropriations.

In FY 2027, the Human Resources Quality Service Management Office (HR QSMO) will advance government-wide human capital service delivery by strengthening the Federal HR services marketplace, improving service quality, and supporting adoption of modern, interoperable HR solutions. HR QSMO establishes standards and performance expectations for HR service providers and supports agencies in identifying and implementing solutions that improve hiring assessments and workforce analytics.

Human Resources Solutions Information Technology Program Management Office

The Human Resources Solutions Information Technology Program Management Office (PMO) offers information technology services government-wide in the Healthcare and Insurance, Retirement Services, Workforce Policy and Innovation and Merit System Accountability and Compliance fields.

The PMO delivers innovative, high-quality information technology products and services that enhance organizational effectiveness and boosts productivity. It has three lines of business (LOBs): Benefits Engineering, Talent Engineering, and Data & Artificial Intelligence Engineering. These lines of business include information technology systems that support Federal policy and compliance for the entire human resources journey, from initial employee hiring to retirement, including healthcare and insurance.

In FY 2025, the PMO focused on maintaining and sustaining various existing systems, including OPM's Talent Acquisition System, USA Staffing; OPM's Federal Government job board, USAJOBS; OPM's Performance system, USA Performance; the USA Data Platform, Enterprise

Human Resources Integration; eOPF; and numerous other web-based applications used by multiple Federal agencies across government. In FY 2026, several new priorities and system upgrades are planned. Notably, the PMO will complete its migration to the cloud for appropriate systems by the end of FY 2025, enabling these systems to leverage the efficiency and security of the cloud in FY 2026.

For FY 2027 the PMO will maintain focus to deliver solutions support and development for existing USA Suite efforts, and new efforts such as Core HCM, to help with managing data, enabling real-time eligibility verification, and sustaining compliant, secure data pipelines. The PMO will help modernize both talent and retirement applications and integrations, improve performance and resilience, scale cloud-based data platforms for real-time insights and decision support, and advance cybersecurity support through automated compliance and continuous monitoring.

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Earned Benefits Trust Funds

OPM administers the following Earned Benefits Trust Funds:

- FEHB – Federal Employees Health Benefits Fund;
- FEGLI – Federal Employees’ Group Life Insurance Fund;
- CSRDF – Civil Service Retirement and Disability Fund; and
- PSRHBFB – Postal Service Retiree Health Benefits Fund.

OPM manages the risk reserve account for the Federal flexible spending account program (FSAFEDS). These trust funds are among the largest held by the United States Government. For FY 2027, the net assets combined total is \$1.3 trillion, receipts total \$245 billion, and outlays total \$212 billion. These trust funds will finance: the Retirement Program for Federal civilian employees and provide retirement benefits for 2.8 million retirees and survivors; finance the health insurance for an estimated 8.2 million employees, retirees, and eligible family members; and provide life insurance coverage for 4.6 million employees and retirees.

FY 2027 All Earned Benefits Funds (millions)

Budget Items	CSRDF	FEHB/REHB	FEGLI	PSRHBFB	FSAFEDS	Total
FY 2027 Start of Year Fund Balance	\$1,143,034	\$24,775	\$59,865	\$20,173	\$144	\$1,247,991
FY 2027 Receipts	\$150,653	\$85,292	\$7,382	\$1,363	\$17	\$244,707
FY 2027 Outlays	\$119,099	\$83,846	\$3,835	\$5,589	\$17	\$212,386
FY 2027 End of Year Fund Balance	\$1,174,588	\$26,221	\$63,412	\$15,947	\$144	\$1,280,312
FY 2027 Participants (Thousands):						
Actives	2,405	2,261	2,827			
Annuitants	2,860	1,909	1,764			

Trust Fund Financing

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

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

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026- 2027 Variance
Start of Year Balance	\$23,662	\$23,343	\$24,775	\$1,432
Receipts from the Public	\$22,705	\$25,972	\$27,753	\$1,781
Receipts from Federal Sources	\$48,567	\$53,495	\$56,801	\$3,306
Interest Earnings	\$1,146	\$841	\$738	(\$103)
Total Program Outlays	\$72,737	\$78,876	\$83,846	\$4,970
End of Year Balance	\$23,343	\$24,775	\$26,221	\$1,446

Federal Employees Health Benefits Fund

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

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

- active employees, including employees of the United States Postal Service who participate in the Postal Service Health Benefits Program;
- employees who retired after June 1960, or their survivors;
- annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by P.L. 93-246;
- employees of Indian tribes or tribal organizations carrying out programs under the Indian Self-Determination and Education Assistance Act or the Tribally Controlled Schools Act of 1988 and urban Indian organizations carrying out programs under Title V of the Indian Health Care Improvement Act; and
- eligible family members.

It also provides for OPM expenses to administer the program.

Retired Employees Health Benefits Fund

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

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

The REHB program is closed to new enrollees and its enrolled population is dwindling. The projected population is 19 for FY 2026 and 16 for FY 2027.

The FEHB and REHB funds are financed by:

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

OPM maintains a contingency reserve that is funded by employee and Government contributions that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause, such as unexpected claims experience or variations from expected community rates. In determining a biweekly subscription rate to cover program costs, 1.0 percent is added for administrative expenses and 3.0 percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

Employees Life Insurance Fund (millions)

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026- 2027 Variance
Start of Year Balance	\$53,257	\$56,240	\$59,865	\$3,625
Receipts from the Public	\$3,635	\$3,852	\$3,903	\$51
Receipts from Federal Sources	\$815	\$754	\$764	\$10
Interest Earnings	\$2,246	\$2,773	\$2,715	(\$58)
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$3,713	\$3,754	\$3,835	\$81
End of Year Balance	\$56,240	\$59,865	\$63,412	\$3,547

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

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

Civil Service Retirement and Disability Fund (millions)

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026 – 2027 Variance
Start of Year Balance	\$1,072,349	\$1,106,882	\$1,143,034	\$36,152
Receipts from the Public	\$8,529	\$9,040	\$9,438	\$398
Receipts from Federal Sources	\$106,704	\$108,212	\$107,154	(\$1,058)
Interest Earnings	\$29,416	\$33,962	\$34,061	\$99
Total Program Outlays	\$110,116	\$115,062	\$119,099	\$4,037
End of Year Balance	\$1,106,882	\$1,143,034	\$1,174,588	\$31,554

The Civil Service Retirement and Disability Fund (CSRDF) is the oldest and largest of the four trust funds administered by OPM. The fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecasted in advance and must be determined at some future point in time (for example, when actual receipts and expenses become known). The above table highlights the receipts and outlays for the Federal retirement and disability fund.

The CSRDF finances two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. CSRS is largely a defined benefit plan, covering Federal employees hired prior to 1984. Some CSRS employees (CSRS-Offset) participate in the Social Security system. FERS is one element of a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a Thrift Savings Plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS. For FY 2026, it is estimated that employees will contribute \$8.8 billion to finance FERS and CSRS retirement benefits. Those contributions will come in the form of salary withholdings of 0.8 percent for most employees under FERS-Regular, 3.1 and 4.4 percent for FERS Revised Annuity Employees (FERS-RAE) and FERS Further Revised Annuity Employees (FERS-FRAE) employees, and 7.0 percent for those enrolled in CSRS.

CSRS has been financed under a statutory funding method passed by the Congress in 1969. This funding method is based on the “static” economic assumptions of no future inflation, no future general schedule salary increases, and a 5.0 percent interest rate. Under CSRS, regular employees contribute 7.0 percent of pay. Law enforcement officers, firefighters, and congressional employees contribute an extra 0.5 percent of pay, and members of the Congress contribute an extra 1.0 percent of pay. Under the static funding method for CSRS, the Treasury also pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for non-Postal employees that occurred during the year and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a dynamic entry age normal funding method as prescribed in Chapter 84 of Title 5, United States Code. Employees and agencies together contribute the full amount of

the dynamic normal cost rate. The normal cost rate is for the defined benefit plan only and does not include the cost of Social Security or the Thrift Savings Plan. FERS regular employees contribute a percentage of salary of 0.8 percent that, combined with the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance portion of Social Security, is equal to the contribution rate for CSRS employees of 7.0 percent. Greater employee contribution rates apply for FERS-RAE, and FERS-FRAE.

The Board of Actuaries of the Civil Service Retirement System makes periodic actuarial determinations, valuations and recommendations as required by 5 U.S.C. 8347(f). The Board recently recommended revision of assumptions regarding future rates of mortality improvement that result in the revaluation of the normal cost to provide FERS benefits.

The provisional normal cost rates beginning in FY 2027 are as follows: Regular FERS Non-Postal employees (other than RAE and FRAE), the normal cost rate will be 18.7 percent of pay (employee’s share, 0.8 percent, and employer’s share, 17.9 percent); Regular FERS Postal employees will be 16.6 percent of pay (employee’s share, 0.8 percent, and employer’s share, 15.8 percent); FERS-RAE Non-Postal employees, the normal cost rate will be 19.0 percent of pay (employee’s share, 3.1 percent, and employer’s share, 15.9 percent); FERS-RAE Postal employees will be 16.9 percent of pay (employee’s share, 3.1 percent, and employer’s share, 13.8 percent); FERS-FRAE Non-Postal employees, the normal cost rate will be 19.3 percent of pay (employee’s share, 4.4 percent, employer’s share, 15.9 percent, and less excess of 1.0 percent to be credited back to the assets of the CSRDF); and FERS-FRAE Postal employees will be 17.2 percent of pay (employee’s share, 4.4 percent, and employer’s share, 12.8 percent).

Postal Service Retiree Health Benefits Fund (millions)

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026 – 2027 Variance
Start of Year Balance	\$28,197	\$24,072	\$20,173	(\$3,899)
Receipts from the Public (Postal Service)	\$0	\$793	\$909	\$116
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$575	\$525	\$454	(\$71)
Total Program Outlays	\$4,700	\$5,217	\$5,589	\$372
End of Year Balance	\$24,072	\$20,173	\$15,947	(\$4,226)

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L.108–18)

that were held in escrow during 2006; 2) payments defined within P.L.109–435, and modified by P.L. 111–68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; 3) beginning April 1, 2024, payments (defined within P.L. 117-108) of late enrollment Medicare Part B for those Medicare-eligible USPS employees and annuitants who have not enrolled in Medicare Part B; and 4) beginning in 2026, pursuant to provisions of the Postal Service Reform Act of 2022 (P.L. 117-108) codified at 5 U.S.C. 8909a(d), the amount (if any) where Government contributions from the Fund exceeded the estimated net claims costs, under the enrollment of Postal Service annuitants or survivors, for the most recently concluded fiscal year. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service. The above table highlights the receipts and outlays for the Postal retiree health benefit fund.

Effective FY 2017, as provided under the current law, the Postal Service stopped paying annual premium costs for its current annuitants and these premium payments are paid directly from the Postal Service Retiree Health Benefits Fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service continues to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Federal Flexible Spending Account Program (millions)

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026 – 2027 Variance
Start of Year Balance	\$141	\$168	\$144	(\$24)
Receipts from the Public	\$42	\$16	\$16	\$0
Receipts from Federal Sources	\$1	\$1	\$1	\$0
Net Sequestration	(\$1)	(\$1)	(\$1)	\$0
Total Program Outlays	\$15	\$40	\$16	(\$24)
End of Year Balance	\$168	\$144	\$144	\$0

The Federal Flexible Spending Account Program (FSAFEDS) is a voluntary tax-advantaged benefit plan established under Section 125 of the Internal Revenue Code. These accounts allow Federal employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. By reducing taxable income, the average person will save about 30.0 percent on eligible health and dependent care expenses.

There are three types of accounts under the FSAFEDS:

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

Funds cannot be transferred between accounts. For 2026, DCFsAs have a minimum annual election of \$100 and maximum of \$7,500 per household (\$3,750 per individual if married and filing separate tax returns). HCFsAs and LEX HCFsAs have a minimum annual election of \$100 and a \$3,400 maximum. As of January 20, 2026, there are 448,816 unique participants (516,636 total accounts) in FSAFEDS. Participant counts by type are as follows: 411,309 HCFsAs; 14,651 LEX HCFsAs; and 90,676 DCFsAs.

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

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

Payment Accounts

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

Government Payment for Annuitants, Employees Health Benefits (millions)

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026 – 2027 Variance
Budget Authority	\$16,750	\$17,540	\$18,677	\$1,137
Obligations	\$16,750	\$17,540	\$18,677	\$1,137
Outlays	\$16,199	\$17,417	\$18,590	\$1,173

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

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

For FY 2027, budget authority and obligations will increase by \$1,137 million due to projected growth in the cost of health insurance.

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

Government Payment for Annuitants, Employees Life Insurance (millions)

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026- 2027 Variance
Budget Authority	\$42	\$43	\$44	\$1
Obligations	\$42	\$43	\$44	\$1
Outlays	\$42	\$43	\$44	\$1

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

each \$1,000 of coverage). As with active Federal employees, the Government is required to contribute one-third of the cost of the premium (currently \$0.17 per month for each \$1,000 of coverage) for basic coverage for annuitants. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution for annuitants' post-retirement basic life coverage.

For FY 2027, budget authority and obligations will increase \$1.0 million due to the number of annuitants under age 65 with FEGLI coverage.

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

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

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026 – 2027 Variance
Budget Authority	\$51,630	\$53,524	\$53,924	\$400
Obligations	\$51,630	\$53,524	\$53,924	\$400
Outlays	\$51,630	\$53,524	\$53,924	\$400

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

Detail of Payment Account (millions)

Budget Items	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2026 – 2027 Variance
Current Appropriation	\$22,893	\$25,700	\$26,900	\$1,200
Permanent Indefinite Authorization	\$28,713	\$27,800	\$27,000	(\$800)
Payment for Spouse Equity	\$24	\$24	\$24	\$0
Total	\$51,630	\$53,524	\$53,924	\$400

Current Appropriation: Payment of Government Share of Retirement Costs

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

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

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5.0 percent interest on the Civil Service Retirement System’s current static unfunded liability, which is calculated based on static economic assumptions and annuity disbursements attributable to credit for military service. These values reflect the additional liability for military service credit of former United States Postal Service employees. This provision was enacted by the Postal Accountability and Enhancement Act (P.L.109-435).

For FY 2027, the Permanent Indefinite Authorization will increase \$400 million due to an increase in the amount of interest to be transferred from the Treasury.

Payment for Spouse Equity

P.L. 98-615 provides the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

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Office of the Inspector General

Overview

The OPM Office of the Inspector General (OIG) fiscal year (FY) 2027 Budget request totals \$32,428,000. This amount is comprised of \$6,217,000 from the Salaries and Expenses (S&E) General Fund and \$26,211,000 from the OPM Trust Funds. This represents a reduction of \$3.6 million from its enacted FY 2026 appropriation.

The OPM OIG greatly appreciates the support that Congress has shown the OPM OIG through the annual appropriations process. The OPM OIG respectfully requests that Congress continue to make the OPM OIG a funding priority in FY 2027.

Fiscal Year 2027 Budget Request

	Salaries & Expenses		Trust Fund		Total	
	\$	FTE	\$	FTE	\$	FTE
FY 2026 Enacted	\$6,839,000	17.0	\$29,192,000	97.0	\$36,031,000	114.0
FY 2027 Adjustments	(\$200)	(6.0)	(\$2,981,000)	(3.0)	(\$2,981,200)	(9.0)
FY 2027 Total Request	\$6,217,000	12.0	\$26,211,000	89.0	\$32,428,000	101.0

OPM OIG Investment Priorities

The OPM OIG was established as a statutory entity on April 16, 1989. It operates under the authority of the Inspector General Act of 1978 (Public Law 95–452), as amended.

The OPM OIG provides comprehensive and cohesive oversight of OPM programs to safeguard taxpayer resources and ensure accountability. Ongoing key initiatives include identifying improper payments related to the Federal Employees’ Health Benefits Program (FEHBP) and CSRS and FERS Retirement Programs, ensuring OPM and its contractors implement critical cybersecurity controls, and using proactive data analytics methods to combat the effects of the COVID-19 pandemic and opioid epidemic on the FEHBP and its enrollees. Investments in the OPM OIG consistently provide a significant positive return on investment. In FY 2025 alone the OPM OIG identified more than \$430 million in improper and fraudulent payments demonstrating the value of strong oversight supported by modern technology tools.

To further improve operational efficiency, it is imperative that the OPM OIG continue to invest in information technology (IT) solutions that will greatly enhance its ability to recover taxpayer

dollars lost to fraud, waste, and abuse. In addition to IT investments, the OPM OIG must continue to appropriately position itself to protect public safety through its criminal investigations and protect the financial integrity of OPM programs through improper payment recoveries. As a result, it must also prioritize the hiring of law enforcement staff.

These initiatives align directly with the President’s Management Agenda priorities to:

- Reduce waste, fraud, and abuse across Federal programs and ensure responsible stewardship of taxpayer resources;
- Strengthen accountability and integrity across Federal programs; and
- Leverage emerging technologies, including AI, to improve efficiency oversight, and service delivery.

Leveraging Data Analytics and AI to Combat Healthcare Fraud

The OPM OIG’s recently modernized information systems are the foundation for its expanding and evolving health care advanced data analytics program – specifically, its data warehouse environment containing billions of medical and pharmaceutical claim records related to the FEHBP. This system is a key pillar in the OPM OIG’s ability to identify and recover wasteful and improper spending in the FEHB.

In FY 2025, OPM OIG made significant strides in enhancing the accuracy of its data and incorporating machine learning solutions into this environment. It modernized the data layouts for medical claims to better align with current business needs and fraud and abuse threats. This involved processing over 2 billion historical claim records in this new layout. The OPM OIG also deployed generative AI components within its data analytics platform and developed oversight-specific generative AI use cases. The near-term goal is to deploy these components into full-scale production programs.

Once migrated to a production environment, the generative AI technology will dramatically increase the efficiency in which the OPM OIG detects fraud, waste, and abuse by transforming its healthcare claims data warehouse into an interactive insight-on-demand platform. It will empower auditors and investigators with intelligent tools to identify anomalous claims and prioritize candidates for audit or investigation. The OPM OIG has also developed (and intends to deploy to production) natural-language to database-query capabilities that allow auditors and investigators to pose plain English questions to its claims data warehouse and receive instant, policy-aware query results without the need to develop complex custom code. In addition, a

conversational search agent will be trained on the structured data from the claims data warehouse as well as unstructured data from a variety of sources such as health plan benefit brochures and historical audit and investigation reports. Finally, generative AI pipelines will automatically profile patients, doctors, medical facilities, and pharmacies. The improved technology facilitates the identification of health care providers, pharmacies, medical facilities, and patients that are associated with likely fraud, waste or abuse, flagging them for deeper review by OPM OIG personnel.

Law Enforcement Personnel

The OPM OIG's Office of Investigations detects and investigates improper and illegal activities involving OPM programs, personnel, contractors, or operations. OPM OIG investigations remove dangerous and malicious actors from the FEHBP health care system and curtail retirement fraud. This work stops fraud, waste, and abuse that otherwise costs millions in taxpayer dollars.

The OPM OIG is the last line of defense for combating fraud, waste, and abuse in OPM programs. From FY 2022 through FY 2025, OPM OIG law enforcement operations returned \$57 million to OPM trust funds and secured 69 convictions. OPM OIG investigations referred over \$1.4 billion to prosecutors for judicial action in the past 4 years. On average, the OPM OIG refers to the U.S. Department of Justice approximately \$34 million of fraud loss per year per investigative staff member.

Sufficient manpower to execute this mission is critical to the OPM OIG's ability to keep up with the demand for criminal, civil, and administrative investigations into fraud, waste, and abuse against OPM programs and operations. Investigative personnel are necessary to maximize the OPM OIG's analytically driven proactive oversight model and lead priority investigations of patient harm, opioids, and large-dollar health care fraud. The OPM OIG has embraced AI as a new tool for law enforcement and has experienced a dramatic increase in FEHBP dollars referred for judicial action.

OPM OIG Organizational Components

The Office of Audits

The Office of Audits conducts comprehensive, independent, and risk-based audits of OPM programs, operations, and contractors. One of the office's core responsibilities is auditing OPM contractors that underwrite and provide health and life insurance benefits to Federal employees, annuitants, and their eligible dependents and survivors through the FEHBP and the

Federal Employees' Group Life Insurance program. There are over 200 insurance carriers participating in the FEHBP with annual premium payments that exceed \$55 billion. In addition, the office conducts audits of OPM's Retirement Programs, which has over \$1 trillion in net assets available for benefits and makes monthly payments to almost 3 million annuitants and survivors of approximately \$100 billion annually. Audits issued by the office annually lead to the recovery of tens of millions of dollars of improper payments from the OPM trust funds. The Office of Audits also conducts broad, issue-based evaluations of OPM programs that focus on program effectiveness and rely on in-depth analysis using multiple sources of data. The office combines the scoping and planning of traditional audits with a more reactive nature similar to investigations to quickly respond to high priority issues requiring immediate attention.

The Office of Investigations

The Office of Investigations conducts criminal, civil, and administrative investigations of fraud, waste, and abuse related to OPM programs and operations and investigates OPM employee and contractor misconduct or violations of criminal law. The office actively coordinates with the U.S. Department of Justice and other Federal, state, and local law enforcement authorities on investigations that lead to criminal prosecutions, criminal and civil monetary recoveries, administrative corrective actions, and exclusions on harmful medical providers from participation in the FEHBP.

The Office of Management

The Office of Management is responsible for managing OPM OIG functions related to IT, data analytics, human capital, budget, procurement, and facilities. The OPM OIG independently maintains its own internal IT infrastructure within the broader OPM technical environment and manages an advanced data analytics and AI program to support the OPM OIG's oversight work.

The Office of Legal and Legislative Affairs

The Office of Legal and Legislative Affairs provides legal advice and representation to the IG and OPM OIG employees nationwide. The office also renders opinions on OPM programs and operations; provides legal support for the OPM OIG's internal operations, including personnel and administration; and serves as the liaison to Congress and the media. The Debarring Official also resides within the office and is responsible for suspending and debarring from participation in the FEHBP health care providers who have committed various criminal and professional violations. These actions mitigate potential patient harm and reduce improper payments to those providers.

Additional Reporting Requirements

FY 2027 Budget Request by Object Class

Salaries and Expenses by Object Class

Object Class	FY 2026 Enacted	FY 2027 Request	Increase/Decrease
Personnel compensation	\$2,286,000	\$2,147,000	(\$139,000)
Personnel benefits	\$924,000	\$792,000	(\$132,000)
Travel and transportation of persons	\$10,000	\$10,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$1,911,000	\$1,500,000	(\$411,000)
Printing and reproduction	\$0	\$0	\$0
Other services	\$1,708,000	\$1,768,000	\$60,000
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
Total Object Class	\$6,839,000	\$6,217,000	(\$622,000)
FTE	17.0	12.0	(5.0)

Trust Fund Limitations – Budget by Object Class

Object Class	FY 2026 Enacted	FY 2027 Request	Increase/Decrease
Personnel compensation	\$17,000,000	\$14,870,000	(\$2,130,000)
Personnel benefits	\$7,000,000	\$6,149,000	(\$851,000)
Travel and transportation of persons	\$606,000	\$606,000	\$0
Transportation of things	\$10,000	\$10,000	\$0
Communications, utilities, and rent	\$500,000	\$500,000	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$3,822,000	\$3,822,000	\$0

Object Class	FY 2026 Enacted	FY 2027 Request	Increase/Decrease
Supplies and materials	\$115,000	\$115,000	\$0
Equipment	\$139,000	\$139,000	\$0
Land and structures	\$0	\$0	\$0
Total Object Class	\$29,192,000	\$26,211,000	(\$2,981,000)
FTE	97.0	89.0	(8.0)

OPM OIG Revolving Fund Oversight

Budget Source	FY 2026 Enacted		FY 2027 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$1,270,000	5.0	\$1,997,000	7.0	\$727,000	2.0
OIG Total (dollars)	\$1,270,000	5.0	\$1,997,000	7.0	\$727,000	2.0

Revolving Fund

For FY 2027, the OPM OIG estimates that \$1,997,000 for 7 FTEs will be required for OPM Revolving Fund (RF) oversight activities. Currently, the OPM RF consists of the following programs: Human Resources Solutions (HRS), HRS Information Technology Program Management Office, and Suitability Executive Agent.

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

Participation in Council of the Inspectors General on Integrity and Efficiency (CIGIE) Resource Summary – includes all resources (dollars)

Budget Source	FY 2026 Enacted		FY 2027 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$27,356	0.0	\$24,869	0.0	(\$2,487)	0.0
OIG Trust Funds	\$116,768	0.0	\$104,844	0.0	(\$11,924)	0.0
OIG Total (dollars)	\$144,124	0.0	\$129,713	0.0	(\$14,411)	0.0

Training Resource Summary – includes all resources (dollars)

Budget Source	FY 2026 Enacted		FY 2027 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$0	0.0	\$0	0.0	\$0	0.0
OIG Trust Funds	\$181,766	0.0	\$181,766	0.0	\$0	0.0
Revolving Fund (Estimated)	\$0	0.0	\$0	0.0	\$0	0.0
OIG Total (dollars)	\$181,766	0.0	\$181,766	0.0	\$0	0.0

OPM OIG Performance Metrics and Other Statistical Information

Performance Metrics

The following performance metrics demonstrate how the OPM OIG measures improvements in organizational effectiveness in the accomplishment of its mission and goals.

Metrics	FY 2024	FY 2025	FY 2026	FY 2027
	Result	Result	Goal	Goal
Percentage of items completed on Audit Agenda, in accordance with Yellow Book Standards	97%	100%	90%	90%
Percentage of Audit Reports issued that meet OIG timeliness and quality guidelines	97%	96%	90%	90%
Percentage of investigative cases closed during a fiscal year which resulted in a successful outcome (i.e., criminal action, civil action, or administrative action)	94%	95%	90%	90%
Percentage of quality improvement recommendations (revisions to contracts, policies, carrier letters, etc.) accepted by OIG senior staff and referred to stakeholders to mitigate fraud, waste, and abuse	90%	96%	90%	90%
Percentage of Suspension and Debarment referrals that are issued within OIG timeliness and regulatory standards	99%	100%	90%	90%

Other Statistical Information

The following statistical information demonstrates to the public the impact of the collective efforts of the OPM OIG, OPM, and its contractors in reducing fraud, waste, and abuse. The statistical information reported by the OPM OIG, while indicative of the effectiveness of its oversight, is not solely under the control of or based on the OPM OIG's efforts.

	FY 2023 Result	FY 2024 Result	FY 2025 Result
Positive Financial Impact Using Questioned Costs	\$54,709,279	\$103,444,662	\$438,854,477
Return On Investment (ROI) Using Questioned Costs per dollar invested (5-year average)	\$1.73	\$3.05	\$12.40
Positive Financial Impact Using Management Commitment to Recover Funds	\$41,958,326	\$42,064,315	\$60,144,723
ROI Using Management Commitment to Recover Funds per dollar invested (5-year average)	\$1.34	\$1.30	\$1.70
Positive Financial Impact Using Funds Recovered	\$26,336,828	\$41,478,910	\$52,947,380
ROI Using Funds Recovered per dollar invested (5-year average)	\$1.26	\$1.28	\$1.50
FEHBP Audit Cycles (in years) ^A	<u>Target</u>		
Experience-Rated Carrier Audits	7	12	20
Community-Rated Carrier Audits	5	18.8	18.2
Carrier IT Security Audits	6	13.6	34.0
Audit Recovery Rate ^B	64%	34%	30%
Number of FEHBP Debarments and	935	992	1,018

	FY 2023 Result	FY 2024 Result	FY 2025 Result
Suspensions			
Number of FEHBP Debarment and Suspension Inquiries	2,683	4,339	3,799

^AAn audit cycle measures the frequency of completed audits of carriers or other auditees in an audit universe. For FEHBP carriers, regulations require that they maintain documentation supporting rates and costs for 6 years. The target audit cycle for these carriers is based on this and the realization that the older the information is that the OPM OIG is trying to audit, the less efficient the audit will be.

^B The audit recovery rate represents the percentage of questioned costs from audit reports that are ultimately recovered and returned to the FEHBP Trust Fund (a small percentage of questioned costs may relate to other programs). The recovery rate presented is a 5-year average, but because it is not unusual for the audit resolution process of the agency to take multiple years, the reported rate is based on incomplete information.

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Appendix: GAO-IG Act Reporting for Budget Fiscal Year 2026

The following information is provided in compliance with The Good Accounting Obligation in Government Act (GAO-IG Act), Pub. L. No. 115-414, 132 Stat. 5430 (2019). It describes the agency's implementation status of each GA recommendation that is designated as "open" or "closed, unimplemented.

The Good Accounting Obligation in Government Act (GAO-IG Act, Pub. L. No. 115-414, 132 Stat. 5430 (2019)) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by the Government Accountability Office (GAO) and the agency's Inspectors General (IGs) which has remained "open" or "closed, unimplemented" for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR). In compliance with the GAO-IG Act, OPM provides reports listing each public recommendation from GAO and OPM's Office of the Inspector General (OIG).

Recommendation Detail	Status
<p>To improve federal training investment decision-making processes, the Director of OPM should include in existing or new OPM guidance or technical assistance additional information in the following areas: (1) Steps agencies should take and factors they should consider when prioritizing federal training investments agency-wide, including developing a process to rank training using criteria, such as expected demand for the investment from internal sources, availability of resources to support the effort, potential for increased revenue, and risk of unfavorable consequences if investments are not made. (2) Steps agencies should take and factors they should consider for comparing the merits of different delivery mechanisms and determining the mix of mechanisms to use, in order to ensure efficient and cost-effective delivery of federal training. Such guidance could include requesting that agencies consistently utilize Standard Form-182 to document and report training costs associated with the different delivery mechanisms employed.</p>	<p>Corrective actions have been completed and are being reported to GAO to address the recommendation.</p>

Recommendation Detail	Status
<p>In line with statutory and regulatory provisions on maintenance and reporting of training information, work with the CHCO Council to improve the reliability of agency training investment information by:</p> <p>ensuring that agencies are familiar with and follow guidance outlined in OPM’s Guide for the Collection and Management of Training Information regarding which training events should be documented as training and reported to OPM; developing policies to strengthen the utilization of Standard Form-182 to document and report training costs; encouraging agencies through guidance and technical assistance, to develop policies that require consistent reporting of training data to their learning management systems; and encouraging each agency to assess its existing training information system(s) and identify whether it is providing complete and reliable data and, if not, to develop approaches to improve the system(s), in order to do so.</p>	<p>Corrective actions have been completed and are being reported to GAO to address the recommendation.</p>
<p>Provide software license management training to appropriate agency personnel addressing contract terms and conditions, negotiations, laws and regulations, acquisition, security planning, and configuration management.</p>	<p>OPM concurs with this recommendation to provide software license management training addressing contract terms and conditions, negotiations, laws and regulations, acquisition, security planning, and configuration management.</p> <p>The agency is developing software asset management procedures that will include both required and optional training curricula for appropriate personnel. OPM will finalize training processes and comprehensive documentation following completion of technology process changes currently underway. This action aligns with the MEGABYTE Act of 2016 (Pub. L. No. 114-210,</p>

Recommendation Detail	Status
	130 Stat. 824), which codified software license management requirements for executive agencies.
<p>PR: Director of OPM, working through the Chief Human Capital Officer Council, and in conjunction with key stakeholders such as the Office of Management and Budget, unions, and others, should use prior studies and lessons learned from demonstration projects and alternative systems to examine ways to make the GS system's design and implementation more consistent with the attributes of a modern, effective classification system. To the extent warranted, develop a legislative proposal for congressional consideration.</p>	<p>Corrective actions are in progress to address the recommendation.</p>
<p>Provide updated and specific guidance to payroll service providers on which activities to report, or not to report, to the paid administrative leave data element in EHRI.</p>	<p>GAO has marked this recommendation partially addressed pending a review of payroll service providers' use of OPM's updated guidance.</p>

Recommendation Detail	Status
<p>PR: To help strengthen the government's ability to compete in the labor market for top talent, and to improve the federal hiring process, the Director of OPM, in conjunction with the CHCO Council, should use this information to determine whether opportunities exist to refine, consolidate, eliminate, or expand agency-specific authorities to other agencies and implement changes where OPM is authorized, including seeking presidential authorization (as necessary) in order to do so. In cases where legislation would be necessary to implement changes, OPM should work with the CHCO Council to develop legislative proposals.</p> <p>GAO previously noted that this recommendation may necessitate a longer term effort to address, given that OPM would likely need to use its completed, ongoing, and planned studies on specific hiring authorities from recommendation 1 to determine whether opportunities exist to refine, consolidate, eliminate, or expand access to authorities. As of 8/15/2017, this is still the case.</p>	<p>Corrective actions are in progress to address the recommendation.</p>
<p>PR: To support its strategic and open data goals, the Director of OPM should improve the availability of the EHRI payroll data--for example, by preparing the data for analytics, making them available through online tools such as FedScope, and including them among the EHRI data sources on the OPM website and Data.gov.</p>	<p>OPM concurs with this recommendation to improve the availability of EHRI payroll data through online analytics tools such as Federal Workforce Data (formerly FedScope) and inclusion among EHRI data sources on the OPM website and Data.gov.</p> <p>In June 2024, the agency developed an implementation plan targeting public publication of EHRI payroll data by Q4 FY 2026. However, workforce reductions within the Data Systems Management and Modernization component in FY 2025 have required restructure planning that impacts original implementation timelines.</p>

Recommendation Detail	Status
	<p>OPM is currently assessing resource requirements and organizational capacity following restructuring. The agency remains committed to supporting its strategic and open data goals by making EHRI payroll data accessible for analytics and decision-making and will provide updated target dates for public availability once restructuring is complete.</p>
<p>PR: To integrate the payroll data into the larger suite of EHRI databases, the Director of OPM should evaluate existing internal control activities and develop new control activities for EHRI payroll data, such as implementing transactional edit checks that leverage the information in the other EHRI datasets.</p>	<p>OPM concurs with this recommendation to integrate payroll data into the larger suite of EHRI databases by evaluating existing internal control activities and developing new control activities for EHRI payroll data.</p> <p>The agency has implemented nearly 250 new validation edits for EHRI payroll data. In June 2024, OPM developed an updated plan with a schedule for implementing relational and cross-relational edits for EHRI payroll data by Q4 FY 2025, including leveraging information from other EHRI datasets.</p> <p>However, workforce reductions within the Data Systems Management and Modernization component in FY 2025 have required restructure planning that impacts implementation timelines. The agency is currently conducting restructure planning and will provide updated target dates for completing control activities once resource assessments are finalized. OPM remains committed to improving EHRI data quality and integration across datasets.</p>

Recommendation Detail	Status
<p>To address demonstrated noncompliance with section 15(k) of the Small Business Act, as amended, the Director of the Office of Personnel Management should comply with sections 15(k)(2), (k)(8), and (k)(17) or report to Congress on why the agency has not complied, including seeking any statutory flexibilities or exceptions believed appropriate.</p>	<p>OPM is developing corrective actions to address compliance with sections 15(k)(2), (k)(8), and (k)(17) of the Small Business Act, as amended. The agency is evaluating reporting requirements and will either come into compliance or report to Congress on why the agency has not complied, including seeking any statutory flexibilities or exceptions believed appropriate.</p>
<p>The Director of OPM should ensure that the CIO of OPM updates the agency's policy and process for the CIO's certification of major IT investments' adequate use of incremental development, in accordance with OMB's guidance on the implementation of FITARA, and confirm that it includes a description of the CIO's role in the certification process and a description of how CIO certification will be documented.</p>	<p>OPM concurs with this recommendation to update the agency's policy and process for the CIO's certification of major IT investments' adequate use of incremental development, in accordance with OMB's guidance on FITARA implementation. The agency is incorporating incremental development guidance into its revised IT Portfolio Management policy. However, implementation has been delayed due to competing priorities. OPM is drafting an IT Portfolio Management Guide that will provide detailed information regarding the CIO's role in the certification process and how CIO certification will be documented. The agency will provide updated timelines for completion of both the policy and guide.</p>
<p>PR: The Director of OPM, after consultation with the CHCO Council, should provide guidance to agencies to enhance the training received by managers/supervisors and human capital staff to ensure that they have the guidance and technical assistance they need to effectively address misconduct and maximize the productivity of their workforces.</p>	<p>Corrective actions have been completed and are being reported to GAO to address the recommendation.</p>

Recommendation Detail	Status
<p>PR: The Director of OPM, in consultation with the CHCO Council, should develop and implement a mechanism for agencies to routinely and independently share promising practices and lessons learned, such as through allowing agencies to post such information on OPM’s Performance Management portal.</p>	<p>Corrective actions have been completed and are being reported to GAO to address the recommendation.</p>
<p>PR: The Director of OPM, in consultation with the CHCO Council, should develop a strategic approach for identifying and sharing emerging research and innovations in performance management.</p>	<p>Corrective actions have been completed and are being reported to GAO to address the recommendation.</p>
<p>The Associate Director of OPM's Retirement Services should develop and implement policies and procedures for assessing strategies intended to improve processing times, including collecting and improving data needed to support those strategies, such as collecting better productivity data or staffing data and linking them to processing outcomes.</p>	<p>OPM partially concurs with this recommendation to develop and implement policies and procedures for assessing strategies intended to improve processing times.</p> <p>The agency uses multiple strategies to improve claim processing times, including overtime, special project teams, and resource reallocation based on workload levels. In May 2024, OPM implemented a weekly production report to prioritize workloads and monitor workload levels to shift resources as needed.</p> <p>In FY 2025, OPM implemented the Digital File System (DFS), which complements prior reporting approaches by providing enhanced capability to monitor internal retirement processing. DFS enables real-time visibility into retirement applications, including retirement type, processing stage (intake, development, review, and adjudication), the responsible business unit, and assigned staff.</p>

Recommendation Detail	Status
	<p>DFS also allows OPM to track updates, measure time spent in each processing stage, and monitor movement into pay status, including the transition from interim pay to final adjudication.</p> <p>With the full implementation of the Online Retirement Application (ORA) for submitting digital retirement packages across all federal agencies, integrated with internal reporting within DFS, OPM will have the operational data and visibility needed to assess processing strategies and their impact on processing times. OPM expects this capability to support full implementation of this recommendation</p>
<p>PR: The Director of the Office of Personnel Management should ensure that the agency fully implements each of the eight key IT workforce planning activities it did not fully implement.</p> <p>GAO Comments: When we confirm what actions the agency has taken in response to this recommendation, we will provide updated information.</p>	<p>OPM concurs with this recommendation to fully implement eight key IT workforce planning activities.</p> <p>The agency has implemented six of the eight activities: developing competency and staffing requirements; assessing gaps in competencies and staffing; developing strategies and plans to address gaps; implementing activities that address gaps; monitoring progress in addressing gaps; and reporting to agency leadership on progress.</p> <p>In March 2025, OPM reported that it expects to approve or finalize its IT workforce plan by Q3 FY 2025, complete competency assessments by Q4 FY 2025, and complete the related analysis by Q2 FY 2026.</p> <p>Completing these actions to address the two remaining workforce planning activities will provide OPM greater assurance that it has IT staff with the necessary knowledge, skills, and abilities to support its mission and goals.</p>

Recommendation Detail	Status
<p>The Director of the Office of Personnel Management should establish a time frame to develop an inventory of electronic information systems used to store agency records that includes all of the required elements.</p>	<p>OPM concurs with this recommendation to establish a timeframe for developing an inventory of electronic information systems used to store agency records that includes all required elements.</p> <p>In October 2025, the agency began the process of digitizing its permanent and temporary records and has established a timeframe for developing an agency inventory of electronic systems. OPM will provide documentation of the inventory development schedule and completion timeline.</p>
<p>The Director of the Office of Personnel Management should establish a time frame to update its policies and procedures to include all of the required electronic information system functionalities for recordkeeping systems.</p>	<p>OPM concurs with this recommendation to establish a timeframe to update policies and procedures to include all required electronic information system functionalities for recordkeeping systems.</p> <p>In March 2022, the agency updated its records management policy to require that the Chief Information Officer (CIO) implement IT systems that provide records management and retention capabilities. This includes requiring that the CIO address records management and archival functions, provide guidance on the security of electronic records over the life of the records, and ensure that electronic records are properly stored as information systems are being planned. These policy updates address the required electronic information system functionalities for recordkeeping systems.</p>

Recommendation Detail	Status
<p>The Director of the Office of Personnel Management should establish a time frame to update the agency's policies and procedures on retention and management for email to include retaining electronic calendars and draft documents.</p>	<p>OPM concurs with this recommendation to establish a timeframe to update the agency's policies and procedures on retention and management for email to include retaining electronic calendars and draft documents. The agency provided copies of its records management policy and electronic mail usage and maintenance policy in March 2022. However, these documents do not currently include retention and management requirements related to electronic calendars and draft documents. OPM is updating its policies and procedures to incorporate these requirements and will provide a timeframe for completion.</p>
<p>The Acting Director of the Office of Personnel Management should use OPM's oversight authority to monitor career SES reassignments to ensure that federal agencies meet requirements contained in statute or regulation, and follow OPM's related guidance. In situations where OPM finds that an agency has taken a career SES reassignment action contrary to these requirements, it should use its authority to require the agency to take corrective action, as appropriate.</p>	<p>OPM does not concur with this recommendation and does not plan to take corrective action.</p>
<p>The Director of OPM should establish a process and update its guidance to obtain complete and accurate data about the number of non-federal mobility program participants on detail to federal agencies.</p>	<p>OPM does not concur with this recommendation and does not plan to take corrective action.</p>

Recommendation Detail	Status
<p>The Director of OPM should establish a time frame for updating the agency’s policy for creating, reviewing, and publishing system of records notices, and make these updates.</p>	<p>OPM partially concurs with this recommendation to establish a timeframe for updating the agency's policy for creating, reviewing, and publishing system of records notices (SORN).</p> <p>While the agency has a process for SORNs and adheres to the requirements of the Privacy Act of 1974 and OMB Circular A-108 in publishing new or updated SORNs, OPM acknowledges that it may benefit from an updated policy regarding the SORN process. In January 2024, the agency committed to reviewing the current SORN process and policy documentation by the end of Q2 FY 2024, as operational priorities and resources permit. The OPM privacy program will put a policy in place to address this recommendation by the end of FY 2026.</p>
<p>The Director of OPM should fully define and document a policy and process for ensuring that the senior agency official for privacy or other designated privacy official is involved in assessing and addressing the hiring, training, and professional development needs of the agency with respect to privacy.</p>	<p>OPM did not concur with this recommendation, noting that it has processes in place for the senior agency official for privacy's involvement in workforce planning. In particular, the agency described steps it has taken in this area, including developing a memo in 2020 outlining strategic workforce needs for the Office of Privacy and Information Management. However, OPM has not formalized the role of the SAOP in addressing hiring, training, and professional development needs with respect to privacy, helping to ensure the privacy program's ability to advocate for the skilled and qualified staff it needs on an ongoing basis. Accordingly, we believe our recommendation continues to be warranted. In January 2024, OPM stated that it will consider formally</p>

Recommendation Detail	Status
	<p>documenting the SAOP's role in hiring, training, and professional development by the end of fiscal year 2024 as priorities and resources allow. However, the previous office that handled the privacy program has experienced a complete turnover. The new privacy program will document the SAOP's role in hiring and training for the program by the end of FY26.</p>
<p>The Director of OPM should incorporate privacy into an organization wide risk management strategy that includes a determination of risk tolerance.</p>	<p>OPM does not concur with this recommendation to fully define and document a policy and process for ensuring that the senior agency official for privacy is involved in assessing and addressing hiring, training, and professional development needs with respect to privacy.</p> <p>The agency has processes in place for the senior agency official for privacy's involvement in workforce planning, including a 2020 memo outlining strategic workforce needs for the Office of Privacy and Information Management. However, OPM has not formalized the role of the SAOP in addressing hiring, training, and professional development needs with respect to privacy. In January 2024, the agency stated it will consider formally documenting the SAOP's role in hiring, training, and professional development by the end of FY 2024 as priorities and resources allow. OPM will provide an update on this consideration.</p>
<p>The Director of OPM should fully develop and document a continuous privacy monitoring strategy.</p>	<p>OPM partially concurs with this recommendation to fully develop and document a privacy continuous monitoring strategy.</p>

Recommendation Detail	Status
	<p>The agency's privacy and security programs work collaboratively to implement revision 5 of the National Institute of Standards and Technology's Special Publication 800-53. The privacy program will put documentation in place reflecting its privacy continuous monitoring strategy by the end of FY2026. The agency will provide documentation of the privacy continuous monitoring strategy once evaluation is complete.</p>
<p>The Director of OPM should implement a monitoring mechanism to ensure employing offices and carriers are verifying family member eligibility as required by OPM's 2021 guidance.</p>	<p>OPM concurs with this recommendation to implement a monitoring mechanism to ensure employing offices and carriers are verifying family member eligibility as required by OPM's 2021 guidance.</p> <p>The FEHB Protection Act of 2025 (FPA) requires OPM to strengthen eligibility verification and oversight of the FEHB Program. OPM is directed to issue regulations and implement verification processes by July 4, 2026, conduct a comprehensive family member eligibility audit between July 4, 2026 - July 4, 2029, and establish a process for removal of ineligible individuals (completed in December, 2025 per statutory deadline).</p>
<p>The Director of OPM should implement a monitoring mechanism to identify and remove ineligible family members from the FEHB program.</p>	<p>OPM concurs with this recommendation to implement a monitoring mechanism to identify and remove ineligible family members from the FEHB program.</p> <p>In July 2025, Congress enacted The FEHB Protection Act (H.R.1, Sec. 90101), which requires OPM to identify and remove ineligible family members from the FEHB program. The agency is implementing the Act's requirements to conduct the first comprehensive audit to verify the eligibility</p>

Recommendation Detail	Status
	<p>of family members covered under the FEHB and PSHB Programs. This action represents an important step in identifying ineligible family members, with potential net savings of more than \$2 billion over ten years, according to the Congressional Budget Office.</p>
<p>PR: The Director of OPM should establish an action plan to address OPM's skills gaps identified in the workforce assessment, either as an update to its HCOP or a separate effort.</p>	<p>OPM concurs with this recommendation to establish an action plan to address OPM's skills gaps identified in the workforce assessment, either as an update to its Human Capital Operating Plan (HCOP) or a separate effort.</p> <p>The agency has taken several actions to address skills gaps within its own workforce. To fully implement this recommendation, OPM is developing an action plan that includes a list of mission-critical occupations, identification of which occupations have skills gaps, and metrics to measure progress toward closing skills gaps. This action plan will help OPM improve its capacity to provide human capital services and guidance to agencies. The agency will provide the completed action plan and implementation timeline.</p>
<p>The Director of OPM should examine how the public information on political appointees OPM is mandated to provide under the PLUM Act can be used by agencies to better identify political appointees subject to OPM's pre-appointment reviews.</p>	<p>OPM concurs with this recommendation to examine how public information on political appointees provided under the PLUM Act can be used by agencies to better identify political appointees subject to OPM's pre-appointment reviews.</p> <p>In December 2023, the agency began implementing the requirements of the PLUM Act to provide information on political appointees through a publicly accessible web-based site. In March 2024, OPM</p>

Recommendation Detail	Status
	<p>released guidance stating that the PLUM reporting website would include historical data from January 20, 2021, including start and end dates of political appointees' appointments.</p> <p>As of March 2025, the PLUM reporting website (https://www.opm.gov/about-us/open-government/plum-reporting/) provides data on current political appointees as reported by agencies in 2024. The agency is working to add historical data on start and end dates of past appointments to allow agency human resources personnel to search and confirm historical incumbencies for applicants and potential selectees prior to appointment. This information should not be considered the sole source agencies use to identify whether a selection is subject to OPM's pre-appointment review. OPM will provide timelines for adding historical data to the PLUM website.</p>
<p>The Director of OPM should work with agencies to collect and disseminate information about the scope of its pre-appointment review authority, including information that identifies those agencies and positions that are not subject to OPM's authority.</p>	<p>OPM concurs with this recommendation to work with agencies to collect and disseminate information about the scope of its pre-appointment review authority, including information that identifies those agencies and positions that are not subject to OPM's authority.</p> <p>The agency continues to provide agencies updates through memoranda and briefings on OPM's pre/post-appointment review process and their related responsibilities. These briefings reinforce issued guidance, communicate key reminders, and provide updates about agencies and/or components</p>

Recommendation Detail	Status
	<p>not subject to OPM's pre-appointment review authority.</p> <p>In December 2024, OPM provided information about briefings conducted for agency officials regarding OPM's pre-appointment reviews. The briefing materials include information about categories of appointments not subject to OPM's review, including positions in the intelligence community. However, staffing constraints limit the agency's ability to undertake additional collection and dissemination efforts beyond current activities, such as issuance of letters to Congress and Chief Human Capital Officers identifying intelligence community positions falling outside OPM's review authority.</p>
<p>The Director of the Office of Personnel Management should ensure that the agency fully implements all event logging requirements as directed by OMB guidance.</p>	<p>OPM concurs with this recommendation to ensure that the agency fully implements all event logging requirements as directed by OMB guidance. Corrective actions are in progress to address this recommendation. The agency will provide implementation timelines and documentation of completed event logging capabilities.</p>
<p>The Director of OPM should ensure that the agency (a) establishes or updates and improves an existing occupational series with AI-related positions; (b) establishes an estimated number of AI-related positions, by federal agency; and, based on the estimate, (c) prepares a 2-year and 5-year forecast of the number of federal employees in these positions, in accordance with federal law.</p>	<p>Corrective actions have been completed and are being reported to GAO to address the recommendation.</p>

Recommendation Detail	Status
<p>PR: The Director of the Office of Personnel Management, in coordination with the Director of the Defense Counterintelligence and Security Agency, should develop and implement a plan to ensure that current and future IT systems used for personnel vetting contain complete and accurate information required to make suitability, fitness, and credentialing reciprocity determinations.</p>	<p>OPM concurs with this recommendation to develop and implement a plan, in coordination with the Director of the Defense Counterintelligence and Security Agency (DCSA), to ensure that current and future IT systems used for personnel vetting contain complete and accurate information required to make suitability, fitness, and credentialing reciprocity determinations.</p> <p>DCSA, in coordination with OPM, has developed a plan to provide more complete and accurate information for reciprocity decisions by improving DISS JVS (Defense Information System for Security Joint Verification System) and migrating records from CVS (Central Verification System) into DISS JVS. This plan includes several elements: adding data fields to DISS JVS to address current information gaps; designing DISS JVS to force users to enter all required fields; adding capability for DISS JVS to integrate data from other IT systems or validate data accuracy; migrating existing records from CVS into DISS JVS with analysis to ensure records meet requirements; and examining agencies' existing CVS records to require agencies to update missing data fields.</p> <p>Components of this plan have varying implementation timelines. The eApp user interface is currently being integrated into DISS-JVS. OPM and DCSA plan to implement other components in FY 2025 and 2026, while some components do not yet have implementation dates. The agency is working with DCSA to implement all components of</p>

Recommendation Detail	Status
	the plan and will provide updated timelines for completion.
<p>The Director of the Office of Personnel Management should develop and implement supplemental policies to ensure that federal agencies consistently share information with other agencies attempting to grant suitability, fitness, and credentialing reciprocity.</p>	<p>OPM concurs with this recommendation to develop and implement supplemental policies to ensure that federal agencies consistently share information with other agencies attempting to grant suitability, fitness, and credentialing reciprocity. The agency is developing policies that promote timely information sharing among agencies by building on Trusted Workforce 2.0 policies that have emphasized information sharing. In October 2024, OPM referenced information sharing provisions in several Trusted Workforce 2.0 policies, including the PMIG (Personnel Management Information Guide) and the Federal Personnel Vetting Core Doctrine. While these provisions are constructive, the agency recognizes the need for supplemental policies to ensure consistent information sharing across agencies. OPM is developing additional guidance and will provide implementation timelines.</p>
<p>The Director of OPM should ensure that the agency consistently tracks software licenses that are currently in use for its widely used licenses by, at a minimum, consistently implementing its procedures for tracking license usage.</p>	<p>OPM concurs with this recommendation to ensure that the agency consistently tracks software licenses currently in use for its widely used licenses by consistently implementing its procedures for tracking license usage. To support alignment with business need and consistent tracking, OPM routinely reviews the cost and number of software and enterprise licenses, including at least annually and prior to contract renewal or</p>

Recommendation Detail	Status
	<p>recompete activities. The agency has established procedures for tracking license usage and is implementing these procedures consistently across widely used software licenses.</p>
<p>PR: The Director of OPM should ensure that the agency compares the inventories of software licenses that are currently in use with information on purchased licenses to identify opportunities to reduce costs and better inform investment decision making for its widely used licenses on a regular basis. At a minimum, it should consistently implement its procedures for comparing the inventories of licenses in use to purchase records.</p>	<p>OPM concurs with this recommendation to ensure that the agency compares inventories of software licenses currently in use with information on purchased licenses to identify opportunities to reduce costs and better inform investment decision-making. The agency reviews the cost and number of software licenses routinely, including at least annually and prior to contract renewal or recompile activities. OPM also reviews the number of software licenses and enterprise licenses for continuous reevaluation of business need. The agency is consistently implementing its procedures for comparing inventories of licenses in use to purchase records to identify cost reduction opportunities and inform investment decisions.</p>
<p>The Director of OPM should ensure that the CIO of OPM updates guidance to put a cloud SLA in place with every vendor when a cloud solution is deployed. The guidance should include language that addresses OMB's required element for SLAs: remediation plans for non-compliance.</p>	<p>OPM concurs with this recommendation to ensure that the CIO updates guidance to put a cloud service level agreement (SLA) in place with every vendor when a cloud solution is deployed, including language that addresses OMB's required element for SLAs regarding remediation plans for non-compliance. Corrective actions are in progress to address this recommendation. The agency is updating guidance to require cloud SLAs with all vendors and will include provisions for</p>

Recommendation Detail	Status
	remediation plans when vendors fail to meet SLA requirements. OPM will provide updated guidance documentation and implementation timelines.
<p>The Director of the Office of Personnel Management should update and implement guidance to fully address identifying, analyzing, and mitigating the impacts of restrictive software licensing practices on cloud computing efforts.</p>	<p>OPM concurs with this recommendation to update and implement guidance to fully address identifying, analyzing, and mitigating the impacts of restrictive software licensing practices on cloud computing efforts. In FY 2025, the agency completed the transfer of most procurement functions to the General Services Administration, as planned. This transfer addresses the recommendation by consolidating procurement expertise and ensuring consistent application of guidance on restrictive software licensing practices. The agency has completed this action.</p>
<p>The Director of the Office of Personnel Management should assign and document responsibility for identifying and managing potential impacts of restrictive software licensing practices across the agency.</p>	<p>OPM concurs with this recommendation to assign and document responsibility for identifying and managing potential impacts of restrictive software licensing practices across the agency. In FY 2025, the agency completed the transfer of most procurement functions to the General Services Administration, as planned. This transfer addresses the recommendation by clearly assigning responsibility for identifying and managing restrictive software licensing practices. The agency has completed this action.</p>

Recommendation Detail	Status
<p>The Director of the Office of Personnel Management should direct its agency CIO to work with OMB to ensure that annual reviews of their IT portfolio are conducted in conjunction with the Federal CIO, as prescribed by FITARA.</p>	<p>OPM concurs with this recommendation to direct its agency CIO to work with OMB to ensure that annual reviews of the IT portfolio are conducted in conjunction with the Federal CIO, as prescribed by FITARA.</p> <p>In May 2025, the OCIO submitted the draft OPM IT Portfolio Management policy for clearance. The policy indicates that the CIO will perform an annual IT portfolio review including representatives from the Office of the Director and OMB in conjunction with OPM's annual budget request submission to ensure consideration of the best mix of proposed and continuing IT investments during budget formulation. The OCIO will schedule an annual IT portfolio review in preparation for the Budget Year 2028 IT submission. The agency will provide the final policy and documentation of portfolio review completion.</p>
<p>The Director of the Office of Personnel Management should direct its agency CIO to ensure they conduct a review in conjunction with the investment's program manager and in consultation with the Federal CIO, for major IT investments that have been designated as high risk for four consecutive quarters, as prescribed by FITARA, including identifying (1) the root causes of the high level of risk of the investment; (2) the extent to which these causes can be addressed (e.g., action items and due dates); and (3) the probability of future success (e.g., outcomes).</p>	<p>OPM concurs with this recommendation to direct its agency CIO to ensure reviews are conducted in conjunction with the investment's program manager and in consultation with the Federal CIO for major IT investments designated as high risk for four consecutive quarters, as prescribed by FITARA.</p> <p>In May 2025, the agency reported that it continues to review major IT investments' cost, schedule, performance, and cybersecurity risks per FITARA's requirements. The OCIO is revising the OPM's CIO Risk Rating evaluation criteria to enhance OMB's requirements. The revised criteria will consider evidence-based input from IT</p>

Recommendation Detail	Status
	<p>investment owners and managers to enhance risk assessment of the IT investment's ability to accomplish its goals, including identifying root causes of high risk, the extent to which causes can be addressed with action items and due dates, and the probability of future success with expected outcomes. The agency will provide updated evaluation criteria and documentation of high-risk investment reviews.</p>
<p>The Director of the Office of Personnel Management should direct the CIO to establish a plan and time frame for completing the covered IoT inventory, as directed by OMB.</p>	<p>OPM concurs with this recommendation to establish a plan and timeframe for completing the covered IoT inventory, as directed by OMB.</p> <p>In May 2025, the agency developed an initial project plan confirming timeframes and resources to complete the covered IoT inventory. OPM is evaluating options for IoT inventory management. The agency will provide a target completion date once resource requirements are finalized.</p>
<p>The Director of OPM should develop and implement a plan to collect and assess the evidence OPM needs to identify factors impacting hiring trends of existing Pathways Programs.</p>	<p>Corrective actions are in progress to address the recommendation.</p>

Recommendation Detail	Status
<p>The Director of OPM should develop and implement a plan to collect and evaluate feedback data from Pathways participants on their satisfaction with existing Pathways Programs.</p>	<p>Corrective actions are in progress to address the recommendation.</p>
<p>The Director of OPM should develop and implement a process for collecting and sharing lessons-learned associated with recruitment and outreach for existing Pathways Programs.</p>	<p>Corrective actions are in progress to address the recommendation.</p>
<p>The Director of OPM should clarify, as expeditiously as possible, which entity will serve as the dedicated entity for leading fraud risk management activities.</p>	<p>OPM concurs with this recommendation to clarify which entity will serve as the dedicated entity for leading fraud risk management activities. Corrective actions are in progress to address this recommendation. The agency is evaluating organizational options and will document the designated entity's responsibilities. OPM will provide clarification and implementation timelines.</p>
<p>The Director of OPM should document the responsibilities of its antifraud entity, as distinct from its ERM responsibilities, to include the responsibility for serving as a repository of knowledge on fraud risk and controls; managing the fraud risk-assessment process; leading or assisting with trainings and other fraud-awareness activities; and coordinating antifraud initiatives across the program.</p>	<p>Corrective actions are in progress to address the recommendation.</p>
<p>The Director of OPM should design and conduct a robust fraud risk assessment that will identify the inherent fraud risks facing the FEHB program.</p>	<p>Corrective actions are in progress to address the recommendation.</p>
<p>The Director of OPM should develop and maintain documentation of its fraud risk assessments.</p>	<p>Corrective actions are in progress to address the recommendation.</p>

Recommendation Detail	Status
The Director of OPM should ensure that it documents the results of its assessment of inherent fraud risks facing the FEHB program on its fraud risk profile.	Corrective actions are in progress to address the recommendation.
The Director of OPM should involve relevant stakeholders—including OPM’s OIG and health insurance carriers -by including their participation in its fraud risk assessment process.	Corrective actions are in progress to address the recommendation.

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List of Acronyms

ADR	Alternative Dispute Resolution
AI	Artificial Intelligence
CBJ	Congressional Budget Justification
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officers Council
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CIO	Chief Information Officer
CM IPS	Credit Monitoring & Identity Protection Services
COLA	Cost of Living Adjustment
Core HCM	Core Human Capital Management
CSRDF	Civil Services Retirement and Disability Fund
CSRS	Civil Service Retirement System
CR	Continuing Resolution
DCFSA	Dependent Care Flexible Spending Account
DFS	Digital File System
DOGE	Department of Government Efficiency
DST	Decision Support Tool
EEO	Equal Employment Opportunity
EEOC	U.S. Equal Employment Opportunity Commission
EHRI	Enterprise Human Resources Integration
EO	Executive Order
eOPF	Electronic Official Personnel Folders
ER	Employee Relations

ERR	Employee Retirement Record
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHBP	Federal Employees Health Benefits Program
FEHBF	Federal Employees Health Benefits Fund
FEHB	Federal Employees Health Benefits
FERCCA	Federal Erroneous Retirement Coverage Correction Act
FERS	Federal Employees Retirement System
FLTCIP	Federal Long-Term Care Insurance Program
FOIA	Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FRAE	Further Revised Annuity Employees
FSAFEDS	Flexible Spending Accounts for Federal Employees
FSEM	Facilities, Security, and Emergency Management
FTE	Full-time Equivalent
FWA	Fraud, Waste and Abuse
FY	Fiscal Year
GAO	Government Accountability Office
GS	General Schedule
GSA	General Services Administration
HC	Human Capital
HCFSA	Health Care Flexible Spending Accounts
HCM	Human Capital Management
HI	Healthcare and Insurance
HMO	Health Maintenance Organization
HR	Human Resources

HRIT	Human Resources Information Technology
HRLOB	Human Resource Line of Business
HRS	Human Resources Solutions
HRITPMO	Human Resources Solutions Information Technology Program Management Office
IAA	Inter-agency Agreement
IDX	Identity Theft Guard Solutions, Inc.
IPS	Identity Protection Services
IT	Information Technology
LEX HCFA	Limited Expense Health Care Flexible Spending Account
LA	Legislative Affairs
LOB	Line of Business
MSAC	Merit System Accountability & Compliance
MSPB	Merit Systems Protection Board
OA	Office of Audits
OC	Office of Communications
OCFO	Office of the Chief Financial Officer
OCHCO	Office of the Chief Human Capital Officer
OCIO	Office of the Chief Information Officer
OD	Office of the Director
OGC	Office of the General Counsel
OI	Office of Investigations
OIG	Office of the Inspector General
OLLA	Office of Legal and Legislative Affairs
OM	Office of Management
OMB	Office of Management and Budget

OPM	Office of Personnel Management
ORA	Online Retirement Application
P.L.	Public Law
PAC	Performance Accountability Council
PRA	Paperwork Reduction Act
PIN	Personal Identification Number
PMO	Program Management Office
PSHB	Postal Service Health Benefits Program
PSRHB	Postal Service Retiree Health Benefit Fund
QSMO	Quality Service Management Office
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RF	Revolving Fund
ROI	Return on Investment
RS	Retirement Services
S&E	Salaries & Expenses
SES	Senior Executive Service
SL	Senior Level
SSCLOB	Security, Suitability, and Credentialing Line of Business
SuitEA	Suitability Executive Agent
TFA	Trust Fund Annual
U.S.C.	United States Code
USDS	U.S. Digital Service
WPI	Workforce Policy and Innovation



OPM

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