

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Congressional Budget Justification

Fiscal Year 2020



Table of Contents

Executive Summary	1
FY 2020 Budget Overview.....	1
FY 2018-2019 Agency Priority Goals	13
President’s Management Agenda	15
Legislative Proposals	19
Appropriations Language	29
Organizational Framework	31
Performance Budget by Strategic Goal	39
Additional Mission Activities Aligned to Key Functions.....	47
Additional Mission Support Activities.....	51
Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce.....	53
Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions.....	63
Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs.....	71
Strategic Goal 4: Optimize agency performance.....	75
Earned Benefits Trust Funds	85
Revolving Fund Activities	95
Other Requirements	111
Table of Acronyms	113

Executive Summary

FY 2020 Budget Overview

Over 40 years ago, the U.S. Office of Personnel Management (OPM) was established to serve as the chief human resources (HR) and personnel policy manager for the Federal Government. The mission of the agency is to lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce. OPM directs HR and employee management services, administers retirement benefits, manages healthcare and insurance programs, oversees merit-based and inclusive hiring into the civil service, and provides an appropriately vetted workforce to attain this mission.

The Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations* in June 2018. This plan presents recommendations for structural realignment of the Executive Branch to better serve the mission, service, and stewardship needs of the American people. To address workforce management issues, the Administration proposes to merge most of OPM's functions with the General Services Administration (GSA), to move the National Background Investigations Bureau (NBIB) to the Department of Defense (DOD), and to elevate elements of OPM's Government-wide enterprise strategic human capital policy role to the Executive Office of the President. The reorganization will begin in FY 2019 for some functions that can move via existing authorities. The remaining functions, including Retirement Services, Healthcare and Insurance, and Merit System Accountability and Compliance, will reorganize upon enactment of authorizing legislation during FY 2020. OPM's Fiscal Year (FY) 2020 budget request reflects the end state of this reorganization proposal.

OPM will continue to play a critical role in supporting the people management needs of Government agencies in a manner that furthers merit-based system principles used to improve the mission, service, and stewardship of every agency.

OPM requests **\$265,255,000** in discretionary resources for FY 2020 to support OPM's executive leadership, administrative operations, and services to the Federal Government, its employees, retirees, and the American public. The OPM OIG budget request is included in the FY 2020 GSA OIG budget request.

OPM Budget FY 2018 through FY 2020 – Discretionary Resources

OPM Budget Authority	FY 2018 Enacted	FY 2019 CR	FY 2020 CBJ
Salaries and Expenses Total	\$129,341,000	\$129,341,000	\$132,809,000
Salaries & Expenses	\$108,341,000	\$108,341,000	\$123,809,000
IT Modernization S&E	\$21,000,000	\$21,000,000	\$9,000,000
Trust Fund Total	\$131,414,000	\$131,414,000	\$132,446,000
Trust Fund Annual	\$131,414,000	\$131,414,000	\$132,446,000
Discretionary Appropriation	\$260,755,000	\$260,755,000	\$265,255,000
Salaries & Expenses - OIG	\$5,000,000	\$5,000,000	\$0

OPM Budget Authority	FY 2018 Enacted	FY 2019 CR	FY 2020 CBJ
Trust Fund Annual - OIG	\$25,000,000	\$25,000,000	\$0
OIG Discretionary Appropriation	\$30,000,000	\$30,000,000	\$0
OPM Total	\$290,755,000	\$290,755,000	\$265,255,000

Note: The amounts included for 2019 in all tables reflect the annualized level provided by the continuing resolution.

OPM’s FY 2020 budget request includes funding to sustain existing statutory responsibilities, address the goals set forth in the President’s Management Agenda (PMA), and advance the President’s Reform Plan. Included in OPM’s budget is funding for continued work to (1) strengthen our information technology and cybersecurity posture, and (2) modernize the financial system used to account for and manage Federal Earned Benefits Trust Funds.

President’s Management Agenda (PMA)

The President’s Management Agenda lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. The PMA addresses critical challenges for the Government and focuses on improvements in three areas:

- IT modernization;
- a modern workforce; and
- data transparency and accountability.

Improvements in these areas will be made through transformational CAP goals. OPM supports the PMA and is a co-leader for two of the CAP goals. These two goals are CAP Goal 3, “Developing a Workforce for the 21st Century” and CAP Goal 13, “Security Clearance, Suitability, and Credentialing Reform.” OPM is a key contributor for nine more.

OPM initiatives that support the PMA include Civil Service Modernization, which aligns to CAP Goal 3 “Developing a Workforce for the 21st Century.”

OPM’s contributions to the PMA are more fully detailed in the “President’s Management Agenda” chapter of this submission.

Modernizing the Civil Service and Federal Retirement Benefits

OPM Strategic Goal: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce

OPM aims to modernize the Federal personnel system to better enable agencies to acquire and leverage talent to meet critical mission objectives in a world where change is constant and increasing exponentially. The agency has designed legislative and administrative proposals to help meet agency needs for hiring and managing the Federal workforce. In addition, OPM has developed proposals to improve healthcare quality and affordability in the Federal Employees Health Benefits Program and to reduce the cost of future Federal employee retirement benefits. More information on the legislative proposals for modernizing the Civil Service and Federal retirement benefits is provided in the “Legislative Proposals” chapter of this submission.

Information Technology

In support of the PMA's focus to modernize information technology to prioritize stability and sustainability in the agency's IT systems, the Office of the Chief Information Officer (OCIO) has focused on reducing risks and enhancing customer benefits of OPM's IT systems, applications, and infrastructure through the migration of its systems to strategic data centers or other shared services. It is also modernizing the existing computing infrastructure with common security controls, current technology, and modern operations practices. Success in OCIO's modernization efforts has improved security, reduced risks to IT operations, and improved services to internal and external OPM customers. The budget for OCIO increases in FY 2020 in order to support the transition of the IT function to GSA while maintaining parallel capacities and providing additional Help Desk service to users.

OPM Strategic Priorities

In addition to the PMA priorities, OPM's Strategic Plan sets forth four goals: three strategic goals to transform the way OPM delivers on its core mission, and one operational excellence goal to improve operations and management functions. The strategic goals and related objectives are designed to advance our core mission, contribute to efficiency across Government in the area of human capital management, and more effectively serve customers – employees, beneficiaries and other Federal agencies. Our goals are as follows:

- Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce
- Lead the establishment and modernization of human capital information technology and data management systems and solutions
- Improve integration and communication of OPM services to Federal agencies to meet emerging needs
- Optimize agency performance

OPM also performs key functions required by law or Executive Order. These functions fall within three areas: *Human Capital Leadership*, which includes policy, service, and oversight; *Benefits*, which includes the policy shaping and the delivery of Federal benefits for employees and annuitants as well as retirement benefits, and related oversight and adjudicative functions; and *Vetting*, which includes policy, adjudications, and oversight functions related to suitability, and new responsibilities relating to fitness, and credentialing.

OPM's Strategic Plan supports the PMA and serves as a blueprint for allocating resources, guides leadership decision-making to attain goals and improve outcomes, and communicates its core values to customers and stakeholders. OPM's divisions, offices, and their employees implement the programs and deliver the services that enable the agency to achieve its mission. By focusing on the areas defined in the Strategic Plan and aligning resources to these areas, OPM will lead and serve Federal agencies in human capital management.

Trust Funds Modernization

One strategic priority that is vital to meeting the “optimize agency performance” goal and shifting the focus to high value work is the replacement of the financial system used to manage OPM’s Earned Benefits Trust Funds. The Federal Financial System (FFS), the core centralized accounting system deployed in 1998, supports accounting and financial management activities associated with \$1 trillion in combined assets for the Retirement, Health Benefits, and Life Insurance programs for Federal employees, with over 8 million participants in the Federal Employees Health Benefits program and more than 2.7 million monthly annuitant payments. Currently, FFS is unable to support many trust fund accounting activities and/or related business processes (to include steps required to comply with changes in governing law), leading to manual workarounds and inefficiencies across multiple areas within OPM. Trust Funds Modernization will provide stability, service, and sustainability through the automation of trust fund financial management, reduced manual work effort and time needed to complete financial management and accounting activities, elimination of human errors, and reduction of overall cost of operation and maintenance by optimizing and automating related business processes into other legacy systems.

In late FY 2017, OPM began the planning phase to implement a modernized financial platform to replace FFS. OPM focused on establishing the Trust Funds Modernization Program Office as well as program and project frameworks.

In FY 2018, OPM completed Trust Funds Modernization (TFM) pre-acquisition activities, which included completion of the TFM Business Needs Definition, development of the conceptual solution architecture -- a tailored implementation strategy based on the GSA USSM (SSPI) Modernization and Migration Management (M3) implementation framework, and an incremental business capability delivery strategy. The incremental delivery strategy mitigates transition risks, mitigates OPM’s security and operational risks from obsolete and unsustainable technology components, and allows additional time for the chosen service provider to fully analyze and implement unique OPM trust fund capabilities.

OPM requested resources in FY 2019 to continue the agency’s trust funds modernization effort. Planned activities include data management activities, development, and deployment of an integrated technical strategy and secured environment, and execution of organizational change management strategies internal and external to the agency. These efforts will begin the migration from the legacy environment.

OPM is following an incremental delivery strategy that has the following three increments: FFS replacement (FY 2021), investment management automation (FY 2022), and 2812 sub-ledger replacement (FY 2024). SF-2812 is used to record the amounts and details of withholdings and contributions that OPM receives from payroll providers for health benefits, life insurance, and retirement. The information in 2812 is essential to performing the transactions between the Government and our health insurance carriers. In FY 2020, OPM will begin the analysis and development to replace 2812. The FY 2020 budget will also fund a portion of the FFS replacement and investment management functionality. This replacement will provide OPM with the core Federal financial management trust fund accounting functionality, e.g., the general ledger and the investment management module and sub-ledger functionality.

The outcomes of this multi-year endeavor will include streamlined investment accounting, transaction processing, and debt collection. Streamlining OPM’s financial management and accounting systems improves efficiencies, and reduces errors while potentially realizing a costs savings to the agency due to automation. This will provide more information to customers and will enhance the quality of OPM’s financial management services.

FY 2020 Budget Request by Fund

OPM estimates that its total operating budget in FY 2020 will be **\$1,238,832,000**. OPM is funded by a variety of sources. One of its largest sources is the Revolving Fund, which was created by statute and is comprised of fees and reimbursements provided by agencies for various required activities and other services OPM provides. Revolving Fund activity reflected below includes background investigations ordered on or prior to September 30, 2019, human resources services, and the policy, adjudicative, and oversight work of the Suitability Executive Agent, as well as the administration of tools and technologies used to carry out such services, or statutory requirements, such as the posting requirement effectuated through USAJOBS. Another large funding source for OPM is the transfers from OPM’s Earned Benefits Trust Funds for administrative activities.

OPM Budget by Fund FY 2018 through FY 2020

OPM Budget Authority	FY 2018 Enacted	FY 2019 CR	FY 2020 CBJ
Discretionary Appropriation	\$260,755,000	\$260,755,000	\$265,255,000
Salaries and Expenses Total	\$129,341,000	\$129,341,000	\$132,809,000
Salaries & Expenses	\$108,341,000	\$108,341,000	\$123,809,000
IT Modernization S&E	\$21,000,000	\$21,000,000	\$9,000,000
Trust Fund Annual Total	\$131,414,000	\$131,414,000	\$132,446,000
Mandatory Administrative Authorities	\$63,850,684	\$59,186,688	\$65,966,000
Trust Fund Mandatory Authority	\$63,850,684	\$59,186,688	\$65,966,000
5 USC 8348 (a)(1)(B) - Retirement	\$53,140,880	\$49,179,613	\$55,593,000
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$6,420,146	\$5,989,086	\$7,184,000
5 USC 9004(f)(B) - Long-Term Care	\$2,120,065	\$1,977,626	\$1,015,000
FERCCA (P.L. 106-265) - Retirement	\$2,169,593	\$2,040,363	\$2,174,000
Revolving Fund¹	\$1,755,930,234	\$1,814,932,309	\$896,847,000
Advance and Reimbursements	\$8,600,000	\$10,492,562	\$10,764,000
OIG Discretionary Appropriation	\$30,000,000	\$30,000,000	\$0
Salaries & Expenses - OIG	\$5,000,000	\$5,000,000	\$0
Trust Fund Annual - OIG	\$25,000,000	\$25,000,000	\$0
OPM Total	\$2,119,135,918	\$2,175,366,559	\$1,238,832,000

1. Amounts above also reflect Revolving Fund resources used to conduct OIG oversight activities concerning this fund.

OPM’s FY 2020 discretionary request for general activities is **\$265,255,000**. OPM’s discretionary request consists of appropriations for OPM’s general activities. This request contains salaries and

expenses and limitations on transfers from the Earned Benefits Trust Funds under OPM management. OIG's FY 2020 request is included in GSA's OIG appropriations language for FY 2020.

OPM also manages the mandatory appropriations that provide for the transfer of resources from the Department of the Treasury'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. Each fund is described below.

Salaries and Expenses

OPM requests **\$132,809,000** in Salaries and Expenses (S&E) funds for personnel and non-personnel resources, to include **\$9,000,000** of No-Year funds for IT Modernizations. The IT Modernization efforts will be focused on continuing the Trust Fund Modernization initiated in FY 2017. The S&E appropriation funds the agency's various program offices as they implement OPM's strategic plan and perform OPM's traditional statutory roles, including providing direction and oversight to other Federal agencies.

Trust Fund Transfers

For the administration of the civil service retirement and insurance programs, OPM requests **\$132,446,000** in administrative transfers from the Earned Benefits Trust Funds. OPM is responsible for managing the Federal Government's health benefits and life insurance programs under the Federal Employees Health Benefits (FEHB) Program and 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 partially fund Retirement Services (RS), Healthcare and Insurance (HI), Office of the Chief Information Officer (OCIO), and Office of the Chief Financial Officer (OCFO) operations.

These transfers are described as Trust Fund Annual in this request and come from the following Trust Funds subject to Congressional limitation:

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

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 CSRDF for the following activities:

1. Administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);

2. Making discretionary allotments and assignments and withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request; and,
3. Withholding taxes pursuant to section 3405 of Title 26 or section 8345(k) or 8469 of this Title.

Within the CSRDF, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (P.L. 106-265, Title II, §2302). OPM may incur expenses to administer the Federal Long Term Care Insurance Program (FLTCIP) from FEGLI (Id. at Title I, §1002(a), codified at 5 U.S.C. §9004(f)(B)). Within FEHBP, 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 funds by the participating insurance carriers.

Revolving Fund Activities

Business Line ⁴		FY 2019 Estimate	FY 2020 Estimate	Increase Decrease
USAJOBS ⁵	Revenue	\$15,293,618	\$0	(\$15,293,618)
	Obligations	\$14,770,284	\$0	(\$14,770,284)
Human Resources Tools & Technology	Revenue	\$56,000,000	\$63,258,000	\$7,258,000
	Obligations	\$54,926,853	\$66,141,000	\$11,214,147
Enterprise Human Resources Integration	Revenue	\$45,180,000	\$42,624,000	(\$2,556,000)
	Obligations	\$41,133,098	\$40,983,000	(\$150,098)
National Background Investigations Bureau ¹	Revenue	\$1,361,688,884	\$546,600,000	(\$815,088,884)
	Obligations	\$1,367,727,684	\$546,600,000	(\$821,127,684)
Suitability Executive Agent ³	Revenue	\$0	\$8,342,000	\$8,342,000
	Obligations	\$0	\$8,342,000	\$8,342,000
Human Resource Solutions ⁶	Revenue	\$317,705,746	\$235,677,000	(\$82,028,746)
	Obligations	\$333,224,390	\$231,631,000	(\$101,593,390)
HR Line of Business	Revenue	\$3,150,000	\$3,150,000	\$0
	Obligations	\$3,150,000	\$3,150,000	\$0
Total Revenue		\$1,799,018,248	\$899,651,000	(\$899,367,248)
Total Obligations²		\$1,814,932,309	\$896,847,000	(\$918,085,309)

Notes:

1. The FY 2020 NBIB amount of \$546,600,000 shown above represents the anticipated value of the existing background investigation inventory on September 30, 2019. This funding does not indicate new FY 2020 work to be received. Any new cases ordered on or after October 1, 2019 will be processed by DOD
2. When obligations exceed revenue it is because business lines use unobligated balances from prior years (i.e. carryover).
3. In FY 2019, Suitability Executive Agent was included in NBIB's budget authority.
4. The table excludes the Office of the Inspector General's planned use of approximately \$3M in Revolving Fund resources to audit background investigation activities.
5. USAJOBS has reorganized into the Human Resources Solutions program and will no longer be reported separately.
6. Based on the revised obligation budget estimates for FY 2019, HRS had unanticipated business activity with DOD which resulted in an increase of approximately \$101M.

OPM requests authority in FY 2020 to incur **\$896,847,000** of obligations in our Revolving Fund. Our Revolving Fund was established by the Congress as a means of financing those activities that OPM is required or authorized to perform on a reimbursable basis (such as OPM’s obligation to investigate and assess the suitability of applicants for the competitive service), and also allows us to extend critical HR services to other Federal agencies via several well-established programs. Federal agencies pay OPM based on customer transactions, orders, fixed fees, or proportional contribution to cost. Broadly classified into three groups -- the Office of the Suitability Executive Agent (SuitEA), Human Resources Solutions (HRS), and Enterprise Human Resources Integration (EHRI) -- these activities are performed by Federal staff and contractors qualified for the service throughout several OPM organizations.

NBIB is the primary provider of background investigations for the Federal Government, and currently performs approximately 95 percent of background investigations Government-wide. With the mission of delivering efficient and effective background investigations, NBIB plays a critical role in promoting the integrity and trustworthiness of the Federal workforce and employees of contractors who need to have access to classified information or require logical or physical access to Federal systems or facilities.

Section 925 of the National Defense Authorization Act (NDAA) for Fiscal Year 2018 establishes that the Secretary of Defense has the authority to conduct all types of background investigations for Department of Defense (DOD) personnel and mandates that, not later than October 1, 2020, the Secretary of Defense shall commence carrying out its implementation plan developed pursuant to section 951(a)(1) of the NDAA for Fiscal Year 2017. In June 2018, the Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, which identified its intent to keep the NBIB background investigation mission together, subsequently realigning the entire program from OPM to DOD. This budget request therefore, reflects the complete shift of NBIB to DOD in FY 2020.

FY 2019 & FY 2020 Comparison of FTE —All Resources

OPM Budget Authority	FY 2019 CR	FY 2020 CBJ
Salaries and Expenses	824.7	786.1
Trust Fund Annual	808.2	781.7
Trust Fund Mandatory Authority	446.4	489.0
5 USC 8348 (a)(1)(B) - Retirement	427.3	456.0
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	3.4	15.0
5 USC 9004(f)(B) - Long-Term Care	3.7	6.0
FERCCA (P.L. 106-265) - Retirement	12.0	12.0
Revolving Fund	4,003.2	682.0
Advances & Reimbursements	20.0	28.0
OIG Discretionary Total	152.0	0.0
Salaries & Expenses - OIG	20.0	0.0
Trust Fund Annual - OIG	132.0	0.0
OPM Total	6,254.5	2,766.8

In FY 2020, OPM expects funding will support approximately 2,767 full-time-equivalent (FTEs) employees. Of this total, the discretionary appropriation and Mandatory Trust Fund transfers will fund 2,057 FTEs (the sum of the Salaries and Expenses total, Trust Fund Annual total, and Mandatory Authority total). These employees deliver OPM’s Government-wide responsibilities relating to HR policy, retirement and insurance programs, and execute OPM’s day-to-day operations. The agency’s remaining allocation of 710 FTEs are funded by the Revolving Fund and Advances and Reimbursements. The FY 2020 FTE level is 3,488 FTEs lower than the FY 2019 CR level. This difference is primarily due to a decrease of 3,315 Revolving Fund FTEs resulting from the transfer of the NBIB background investigation mission from OPM to DOD, and a decrease of 152 OIG FTEs is now being reflected in GSA’s budget.

FY 2020 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM intends to utilize our resources.

Discretionary Appropriation Budget by Object Class

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel Compensation	\$117,945,917	\$119,139,000	\$1,193,083
Personnel Benefits	\$39,262,033	\$41,479,000	\$2,216,967
Travel and transportation of person	\$1,187,184	\$1,259,000	\$71,816
Transportation of things	\$21,535	\$63,000	\$41,465
Communications, utilities and rent	\$27,821,398	\$28,766,000	\$944,602
Printing and Reproduction	\$607,436	\$749,000	\$141,564
Other Services	\$72,681,185	\$71,199,000	(\$1,482,185)
Supplies and Materials	\$685,771	\$913,000	\$227,229
Equipment	\$542,541	\$1,688,000	\$1,145,459
Total Object Class	\$260,755,000	\$265,255,000	\$4,500,000
FTE	1,632.9	1,567.8	(65.1)

Salaries and Expenses Budget by Object Class

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel Compensation	\$48,508,075	\$52,343,000	\$3,834,925
Personnel Benefits	\$16,122,397	\$18,014,000	\$1,891,603
Travel and transportation of person	\$742,156	\$720,000	(\$22,156)
Transportation of things	\$4,660	\$2,000	(\$2,660)
Communications, utilities and rent	\$14,297,292	\$13,209,000	(\$1,088,292)
Printing and Reproduction	\$196,813	\$211,000	\$14,187
Other Services	\$49,172,945	\$47,583,000	(\$1,589,945)
Supplies and Materials	\$192,215	\$215,000	\$22,785
Equipment	\$104,447	\$512,000	\$407,553
Total Object Class	\$129,341,000	\$132,809,000	\$3,468,000
FTE	824.7	786.1	(38.6)

Trust Fund Limitations – Budget by Object Class

Object Class	FY 2019 CR	FY 2020 CBJ	Increase/Decrease
Personnel Compensation	\$69,437,842	\$66,796,000	(\$2,641,842)
Personnel Benefits	\$23,139,636	\$23,465,000	\$325,364
Travel and transportation of person	\$445,028	\$539,000	\$93,972
Transportation of things	\$16,875	\$61,000	\$44,125
Communications, utilities and rent	\$13,524,106	\$15,557,000	\$2,032,894
Printing and Reproduction	\$410,623	\$538,000	\$127,377
Other Services	\$23,508,240	\$23,616,000	\$107,760
Supplies and Materials	\$493,556	\$698,000	\$204,444
Equipment	\$438,094	\$1,176,000	\$737,906
Total Object Class	\$131,414,000	\$132,446,000	\$1,032,000
FTE	808.2	781.7	(26.5)

OPM’s FY 2020 discretionary budget is \$4.5 million more than the FY 2019 Annualized CR. This is due to increases in both the Salaries and Expenses (S&E) as well as in Trust Fund Limitation funds.

The FY 2020 S&E budget increased by \$3.5 million from the FY 2019 Annualized CR. This is partly attributable to the change of financing of the Office of the Director (OD), the Office of Congressional, Legislative and Intergovernmental Affairs (CLIA), and the Office of Communications (OC) from Common Services to S&E, totaling approximately \$8 million. The OCIO’s budget also increased by approximately \$9 million to increase staff, modernize OPM’s IT infrastructure and to align OPM’s infrastructure with that of GSA. These increases were offset by savings of roughly \$3 million from maintaining staffing at existing onboard levels in MSAC and ES and saving approximately \$4 million from contracting the Multi-State Plan (MSP) program in HI. Rent estimates in S&E decreased by approximately \$6 million due to new occupancy measurements within OPM’s headquarters. Considering the S&E budget by object class, the increase of personnel compensation and benefits of \$5.7 million reflects the OD, CLIA, OC realignment and OCIO staff increases. The decreases in the ‘Communications, utilities, rent’ and ‘Other Services’ object classes reflect the decline in rent estimates.

The requested FY 2020 Trust Fund Limitation is approximately \$1 million more than the 2019 Annualized CR. The largest cost increase is the portion of the cost of renting OPM’s headquarters that is attributed to programs that administer OPM’s earned benefits programs (the cost of renting OPM’s headquarters is proportionately shared by all activities based on occupancy, while the total cost of the facility has not significantly changed, updated occupancy measurements were recently incorporated in the cost distribution). The decrease in personnel compensation largely represents a shift of Retirement Services personnel financed from this limitation to workloads that are financed from other financing authorities available to Retirement Services. The overall number of staff within Retirement Services is not expected to significantly change.

OPM Budget FY 2019 CR & FY 2020 CBJ by Organization and Fund - Discretionary Resources

Organization	Salaries and Expenses	FY 2019 Annualized CR			Salaries and Expenses	FY 2020 CBJ		
		Trust Fund Annual	Common Services	OPM Total		Trust Fund Annual	Common Services	OPM Total
Office of the Chief Information Officer	\$29,584,972	\$9,190,642	\$44,383,333	\$83,158,947	\$38,300,000	\$8,272,000	\$52,151,000	\$98,723,000
Congressional, Legislative and Intergovernmental Affairs	\$0	\$0	\$2,421,816	\$2,421,816	\$1,969,000	\$0	\$0	\$1,969,000
Employee Services	\$33,038,047	\$0	\$0	\$33,038,047	\$29,841,000	\$0	\$0	\$29,841,000
Equal Employment Opportunity	\$0	\$0	\$1,013,124	\$1,013,124	\$0	\$0	\$1,026,000	\$1,026,000
Facilities, Security & Emergency Management	\$0	\$0	\$12,686,047	\$12,686,047	\$2,000,000	\$0	\$12,532,000	\$14,532,000
Federal Prevailing Rate Advisory Committee	\$205,845	\$0	\$0	\$205,845	\$167,000	\$0	\$0	\$167,000
Healthcare & Insurance	\$4,834,872	\$28,361,710	\$0	\$33,196,582	\$955,000	\$29,362,000	\$0	\$30,317,000
HR Solutions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Merit System Accountability & Compliance	\$13,025,812	\$0	\$1,346,777	\$14,372,589	\$12,781,000	\$0	\$1,200,000	\$13,981,000
Office of Communications	\$0	\$0	\$2,296,466	\$2,296,466	\$2,269,000	\$0	\$0	\$2,269,000
Office of Procurement Operations	\$584,000	\$0	\$4,604,876	\$5,188,876	\$1,068,000	\$0	\$4,631,000	\$5,699,000
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$530,850	\$530,850	\$0	\$0	\$431,000	\$431,000
Office of the Chief Financial Officer	\$10,830,000	\$9,894,242	\$24,439,477	\$45,163,719	\$11,425,000	\$8,370,000	\$23,155,000	\$42,950,000
Office of the Director	\$1,958,182	\$0	\$5,038,670	\$6,996,852	\$5,568,000	\$0	\$0	\$5,568,000
Office of the General Counsel	\$0	\$0	\$7,602,080	\$7,602,080	\$0	\$0	\$6,179,000	\$6,179,000
Planning and Policy Analysis	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent/Centrally Funded Items	\$16,572,621	\$9,156,499	\$0	\$25,729,120	\$10,340,000	\$12,786,000	\$0	\$23,126,000
Retirement Services	\$0	\$60,629,585	\$0	\$60,629,585	\$0	\$59,748,000	\$0	\$59,748,000
Security, Suitability and Credentialing Line of Business	\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
White House Fellows	\$849,312	\$0	\$0	\$849,312	\$808,000	\$0	\$0	\$808,000
Office of Strategy and Innovation	\$7,067,968	\$0	\$0	\$7,067,968	\$5,754,000	\$0	\$0	\$5,754,000
OPM Human Resources	\$0	\$0	\$8,100,909	\$8,100,909	\$0	\$0	\$7,608,000	\$7,608,000
OPM Sub Total	\$118,551,631	\$117,232,678	\$114,464,425	\$350,248,734	\$123,745,000	\$118,538,000	\$108,913,000	\$351,196,000
Appropriated Contribution to Common Services	\$10,789,369	\$14,181,322			\$9,064,000	\$13,908,000		
Non-Appropriated Contribution to Common Services								(\$85,941,000)
Total	\$129,341,000	\$131,414,000	\$114,464,425	\$260,755,000	\$132,809,000	\$132,446,000	\$108,913,000	\$265,255,000

The most notable increases in discretionary resources by program are in OCIO and Facilities. OCIO will receive additional funding for transition and technical integration costs in FY 2020. This will help fund additional contractors on the current Help Desk support contract to address anticipated higher call volumes. In addition to Help Desk support, the hardware and software requirement for the transition of applications to a new environment will be supported. FSEM will receive additional funding to reconfigure and improve space efficiency for transition-related activities. The OPM's executive offices increases shown above are a result from changing the financing for the OD, CLIA and OC from Common Services in FY 2019 CR to S&E in FY 2020. OCIO and RS continue to be the programs with the largest discretionary funding in FY 2020.

FY 2020 Budget Request by Strategic Goals

OPM's FY 2018-2022 Strategic Plan contains four key goals that are focused on improving OPM systems and processes, which enable the agency to provide more efficient and effective services to the agency's customers. As required by the Government Performance and Results Modernization Act of 2010 (GPRAMA) (P.L. 111-352), OPM's budget request maps to its Strategic Plan.

OPM's FY 2020 performance budget reflects how the agency will fulfill its mission to *Lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted, effective civilian workforce*. The agency's long-term vision is *Empowering Excellence in Government through Great People*.

The Performance Budget by Strategic Goal section of this document describes each strategic goal and the resources budgeted for each objective in FY 2020. The following table displays OPM's planned resource allocation against each strategic goal, excluding Revolving Fund program activities.

OPM Budget FY 2020 by Strategic Goal—Discretionary Resources

STRATEGIC_GOAL	FY 2020 CBJ	
	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	\$35,477,000	189.8
Lead the establishment and modernization of human capital information technology and data management systems and solutions	\$4,152,000	21.9
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	\$13,245,000	90.0
Optimize Agency Performance	\$84,911,000	633.9
Additional Mission and Mission Support Activities	\$213,411,000	632.2
Sub Total	\$351,196,000	1,567.8
Non-Appropriated Contribution to Common Services	(\$85,941,000)	
OPM Total	\$265,255,000	1,567.8

FY 2018-2019 Agency Priority Goals

Agency Priority Goals (APGs) reflect the top performance improvement priorities of agency leadership and the Administration. APGs reflect measurable results that leadership wants to accomplish over a two-year period, advancing progress toward longer-term strategic goals and objectives in the agency's strategic plan.

For the FY 2018-2019 cycle, OPM developed APGs in two areas where agency leadership will drive progress:

1. **Enable Federal employees to seamlessly transfer from one agency to another, with paperless processing.** By September 30, 2019, OPM will ensure implementation of Employee Digital Record (EDR) data standards and associated application program interfaces (APIs) that demonstrate an initial capability toward Federal employees being able to transfer between agencies using paperless processing. (*Related objective: 2.3*)
2. **Improve the hiring process.** Strengthen the capabilities of Federal HR professionals by relaunching a delegated examining (DE) certification program that creates a level standard for all HR delegated examiners. By September 30, 2019, at least 43 percent of delegated examiners will complete the updated certification program. (*Related objective: 1.1*)

The Federal Government uses a three-pronged approach to manage APGs: 1) public goal setting, 2) data-driven performance review meetings with agency leadership no less than quarterly, and 3) quarterly public updates on Performance.gov. For additional information on APGs, please refer to www.Performance.gov.

President's Management Agenda

Contributions to Cross-Agency Priority Goals

OPM supports the President's Management Agenda and is the co-leader for Cross-Agency Priority (CAP) Goal 3: Developing a Workforce for the 21st Century, and CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform. Further, OPM contributes to nine other CAP goals.

Per the GPRA Modernization Act requirement to address CAP Goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to www.Performance.gov for the agency's contributions to these goals and progress where applicable.

A brief description of OPM's contribution to CAP goals is provided below.

CAP Goal 3: Developing a Workforce for the 21st Century

OPM is a co-leader for CAP Goal 3: Developing a Workforce for the 21st Century. OPM is leading efforts to modernize the Federal civil service by:

- improving employee performance management and engagement;
- reskilling and redeploying human capital resources; and
- enabling simple and strategic hiring practices.

To improve employee performance management and engagement, and reward high-performing employees and those with mission-critical skill sets, OPM is implementing strategies to provide additional support to managers as they perform their supervisory duties, streamlining performance management and dismissal procedures, and strengthening the link between pay and performance. OPM is updating performance management policies and offering support to human resources staff on performance management. Using a proactive approach to performance management will help OPM assess the workforce needs of agencies and fill gaps in the critical skills needed to support the mission of agencies.

By reskilling and redeploying human capital resources, the Federal Government can better capitalize on opportunities to increase efficiency by adopting automation. To do this, OPM is championing ways to identify emerging and mission critical skills and invest in opportunities to develop these skillsets in the Federal workforce so employees can be reskilled and redeployed to higher-value work. Through the simple and strategic hiring sub goal, OPM is making it easier and faster to recruit and hire top talent by pursuing legislative and administrative changes; piloting new automation and upskilling HR professionals; improving the differentiation of applicants' qualifications, competencies, and experience; and developing the capacity of the HR workforce to serve managers and applicants. The Federal HR curriculum development and certification program is currently underway and expected to be completed in FY 2020.

In addition to these sub goals, human capital research findings are being integrated into Federal human capital practices through a continuous learning effort that complements the broader policy changes pursued by the Administration.

CAP Goal 13: Security Clearance, Suitability, and Credentialing Reform

OPM is also a co-leader of the CAP Goal on Security Clearance, Suitability, and Credentialing Reform. The agency will continue to direct significant resources to this goal in FY 2020 to continue mitigating risks posed by personnel with access to Government facilities, systems, and other personnel. To achieve this objective, agencies will work through the Performance Accountability Council to achieve the following:

- develop aligned and consistent policy for reporting potential security risks or observable behaviors of concern;
- establish an agile, data-driven, and transparent policy-making process that simplifies traditional policy development processes, as appropriate;
- review current end-to-end SSC processes and identify the most cost-effective and efficient methods to vet the Federal workforce;
- modernize the lifecycle through the use of agency federated systems and shared services; and
- expand the use of outcome-based performance metrics and measures.

The Performance Accountability Council's Program Management Office (PAC PMO) is administratively housed at OPM. The PAC PMO manages the Security, Suitability, and Credentialing Line of Business (SSCLoB) which is responsible for driving Government-wide implementation of these goals, and identifying recommended solutions to further safeguard personnel and protect the nation's most sensitive information.

Other CAP Goals

OPM also contributes to the following CAP goals:

CAP Goal 1: Modernize IT and Increase Productivity and Security. OPM continues to lead efforts to improve the way the Federal government recruits, retains, and reskills IT and cybersecurity talent.

CAP Goal 2: Leveraging Data as a Strategic Asset. By developing solutions to provide training and close competency gaps related to data management and data transformation skills, OPM plans to support strategies to improve the use of data, as appropriate, in decision-making and to improve accountability across Government.

CAP Goal 4: Improving Customer Experience with Federal Services. OPM is improving the customer experience with respect to Federal employment services and retirement services.

CAP Goal 5: Sharing Quality Services. Through the development of the automated hiring assistant, OPM is improving the use of centralized solutions to improve the efficiency and effectiveness of administrative processes.

CAP Goal 6: Shifting from Low-Value to High-Value Work. OPM, along with GSA and OMB, is exploring possible ways of reducing the burden of compliance with requirements for Federal agencies.

CAP Goal 7: Category Management. OPM leads the Human Capital Category to identify ways to help the Government improve the procurement of human capital services and manage spending under this

category.

CAP Goal 9: Getting Payments Right. OPM is a participating agency in efforts to prevent improper payments that result in a monetary loss to taxpayers.

CAP Goal 11: Improve Management of Major Acquisitions. OPM is strengthening the talent capabilities of program and project managers with respect to managing major acquisitions by issuing regulations and guidance on the program and project management job series, and developing program and project management competencies and career paths.

CAP Goal 12: Modernizing the Infrastructure Permitting Process. OPM is providing guidance on integrating permitting-related performance goals into appropriate agency personnel performance plans.

Legislative Proposals

The Office of Personnel Management (OPM) prepares various legislative proposals during the preparation of its annual budget submission, which align with the strategic goals and objectives of the agency. OPM designs these proposals to enhance and improve its programs, increase efficiency in executing these programs, and reduce overall costs for the Government.

The FY 2020 legislative proposals for OPM are divided into three groups: Civil Service modernization, Healthcare and Insurance, and modernizing Federal retirement benefits.

Civil Service Modernization Proposals

The following proposals are designed to help meet agency needs for hiring and managing the Federal workforce:

Noncompetitive term-limited appointment of Highly Qualified Experts

This proposal creates a new authority to allow agencies to appoint and compensate individuals with exceptional qualifications to positions that require specific education, experience, or competence beyond the usual level of expertise. These appointments would be term limited for up to 3 years, with option for two additional one-year extensions. No competition would be required, and appointees would serve at the pleasure of the agency (i.e., removals would not be subject to procedures for performance-based or adverse actions or grievance and arbitration). Pay could be set at any rate up to EX II without regard to classification and basic pay provisions, and the OPM Director would have authority to cap the number appointments that could be made under this authority.

Noncompetitive Term/Temporary hiring authority for critical needs

Acknowledging the 21st century “gig” economy, the trend toward “non-permanent” workers and project or skills-based work, this proposal would provide new flexibility including noncompetitive Term/Temporary appointment for up to 18 months to address any critical hiring need.

Industry Exchange Program for STEM occupations

This proposal would create a mechanism to provide for the exchange of ideas and expertise between the Federal Government and the private sector. Many agencies increasingly need specialized talent that is not commonly found in the Federal Government to work on specific projects or initiatives. This is particularly the case in science, technology, mathematics, and other fields where rapidly evolving skillsets present challenges. While programs exist that provide for the exchange of ideas and talent between the Federal Government, state and local governments, and academia, the programs do not include the private sector. This proposal is modeled after an expired statutory authority that allowed private industry exchange for information technology positions.

Improve the criteria for Direct Hire Authority

This proposal would modify the existing statute to enable Direct Hire Authority to be granted when there is a demonstrated shortage of “highly qualified” candidates (compared to the current threshold of “qualified” candidates).

Authority to establish minimum qualification requirements

This proposal would clarify that OPM has authority to prescribe minimum qualification requirements for any alternative pay/classification systems that may be established under the special occupational pay system authority in subchapter IX of 5 U.S.C. chapter 53. This is necessary because OPM's current authority to establish qualification requirements derives from chapter 51 (classification), and because chapter 51 would be waived under the new alternative pay/classification system, OPM would otherwise not have authority to define minimum standard qualification requirements that would be needed for such alternative systems.

Create a new Critical Skills Incentive

This proposal would allow the OPM Director to authorize agencies to pay a Critical Skills Incentive to employees (or subsets of employees) who possess high-demand or shortage skills that serve a critical need, up to 25 percent of basic pay. This new pay flexibility would assist agencies in closing mission-critical skills gaps and support employee reskilling efforts. The proposal would allow OPM to delegate authority to agency heads to identify high-demand or shortage skills. Agencies would be required to document such critical skills in their human capital strategy and review the skills designated for an incentive payment at least once a year. An agency would be required to recertify, revise, or eliminate the designated skills as a result of this review. Agencies would be able to pay a critical skill incentive to an employee who possesses the identified critical skills if related to the duties and responsibilities of the employee's position.

The proposal would also allow OPM to designate high-demand or shortage skills that serve a critical need across the Federal Government and to review such critical skills at least once each year for recertification, revision, or elimination. For example, OPM could identify certain cybersecurity skills as high-demand or in a shortage category for purposes of paying a critical skill incentive. Agencies would have discretion to pay a critical skill incentive to employees who possess the OPM-identified skills if they are related to the duties and responsibilities of the employee's position without the need for separate documentation. The proposal would require employees to sign a written agreement to complete a specified period of employment with the agency, and would bar collective bargaining and grievances related to critical skills incentive payments.

Streamline procedures for addressing unacceptable performance

This proposal would streamline the procedures for taking an adverse or performance-based action on the basis of unacceptable performance by shortening the length of certain notice and response periods, such as:

- Limiting the time period to demonstrate acceptable performance to generally not more than 30 days while providing agencies sole and exclusive discretion to extend this period if circumstances warrant.
- Reducing from 30 days to 20 days:
 - the amount of advance notice (notice period) that must be provided to employees when an agency is proposing to take an action for unacceptable performance under chapter 43 procedures.

- the amount of time an agency may extend the notice period provided to employees when an agency is proposing to take an action for unacceptable performance under chapter 43 procedures. An agency may extend the notice period beyond 20 days only for reasons provided in regulations by the Office of Personnel Management.
- the amount of time an agency has to make decisions on proposed actions for unacceptable performance.

Streamline and improve adverse action procedures covered by Chapter 75

The following proposals would improve adverse action procedures:

- Remove references to taking actions for discourteous conduct to the public confirmed by an immediate supervisor’s report of four such instances within any one-year period or any other pattern of discourteous conduct. With the removal of this language, agencies will no longer be limited concerning when they can suspend an employee for 14 days or less for discourteous conduct to the public as long as the action is for the efficiency of the service.
- Establish a maximum advance notice period of not more than 15 days for employees when an agency is proposing to suspend an employee for 14 days or less for the efficiency of the service. The law currently has no specified advance notice period so agencies have discretion on how much advance notice to provide.
- Establish a time limit of 5 days for an employee to respond to a proposed suspension of 14 days or less. The law currently has no time limit for how long an employee has to respond to a proposed suspension of 14 days or less.
- Establishes a time limit of 20 days after the employee answers or the expiration of the reply period, whichever occurs first, for agencies to make decisions on proposed suspensions of 14 days or less. The law currently only requires a written decision “at the earliest practicable date” which means agencies have discretion to take longer to make a decision.
- Modifies the definition of “employee” to provide greater flexibility for agencies to use longer probationary periods. OPM can provide for longer probationary periods under its current authority, but any practical benefit of this authority is constrained by the current statutory definition of employee, which defines when an individual becomes an employee for purposes of challenging a removal from the Federal service.
- Establishes a 20 day advance notice period (reduced from 30 days) provided to employees (including SES) when an agency is proposing to take an action for the efficiency of the service and limits this notice to not more than 20 days.
- Modifies adverse action procedural requirements (including SES) to clarify that the term “written notice” does not import any heightened pleading requirements and instead means providing sufficient information so that the employee may reasonably understand the action or failure to act that is the basis for the proposed action. This will simplify adverse action “written notice” requirements reducing the time burden in drafting notices and reduce technical reversals of actions taken for employee misconduct.

- Establishes a 10 day period for an employee (including SES) to respond to a proposed adverse action involving removals, suspensions for more than 14 days, reductions in grade, reductions in pay, or furloughs for 30 days or less. Current law provides “a reasonable time, but not less than 7 days” which means agencies have discretion to provide longer time periods.
- Establishes a time limit of 20 days after the employee (including SES) answers or the expiration of the reply period, whichever occurs first, for an agency to make decisions on proposed adverse actions for the efficiency of the service. Current law only requires agencies to make decisions at the earliest practicable date.

Clarify essential management prerogatives while preserving the important role and rights of unions in the Federal labor relations system

These proposals reflect the premise that while Federal unions retain core collective bargaining rights, they should be precluded from exercising those rights in a way that would unreasonably deter, divert, or delay managers from meeting their mission for the American people.

The following provisions would be reflected in Chapter 71 to clarify matters that are basic management prerogatives:

- Pay
 - Exclude from the negotiated grievance process management determinations regarding an employee’s pay involving the exercise of managerial discretion or judgment. Any claimed violation, misinterpretation, or misapplication of any nondiscretionary law, rule, or regulation involving management determinations on an employee’s pay could still be subject to a negotiated grievance process;
 - Exclude from the definition of conditions of employment matters related to any step increase under subchapter III or subchapter IV of 5 U.S.C. chapter 53; and
 - Excludes matters related to any alternative classification and pay system established under subchapter IX of U.S.C. chapter 53.
- Carrying out agency mission during emergencies
 - Adds a definition for the word “emergency,” which is currently undefined in chapter 71 but has been defined through case law by the Federal Labor Relations Authority (FLRA) and its reviewing courts with regard to management exercising its right at 5 U.S.C. 7106(a)(2)(D) to take whatever actions may be necessary to carry out the agency’s mission during emergencies. Providing a statutory definition will promote greater deference to agencies, rather than outside third-parties, to determine when an emergency occurs.
- Simplified process for resolution of bargaining disputes
 - Directs the Chairman of the FLRA to establish a single, integrated process to resolve all matters associated with a bargaining dispute. Collective bargaining on one issue could result in unfair labor practices being filed; negotiability appeals being filed; and negotiation impasses declared. Today, each situation is resolved through a different process and filed with a different part of the

FLRA. This proposal would streamline the processes with the goal of expediting the resolution of collective bargaining disputes. The proposal would also restrict the FLRA from imposing status quo ante remedies in certain collective bargaining disputes where such remedies would adversely affect the mission or budget of the agency involved in the dispute, the activity's mission or budget, or the public interest. Finally, it would provide the Director of the Office of Personnel Management the right at any time to intervene or otherwise participate in any proceeding before the FLRA where the Director believes that an erroneous decision will have a substantial impact on civil service law, including chapter 71, rule, or regulation. This is comparable to authority that the Director currently possesses regarding proceedings with the Merit Systems Protection Board under 5 U.S.C. chapter 77. While the FLRA may seek advisory opinions from OPM regarding OPM regulations that are connected to labor relations disputes before the FLRA, the FLRA isn't required to seek such opinions and does render decision interpreting OPM regulations without always seeking OPM's opinion. This provision simply confers on the OPM Director the same authority which exists with regard to MSPB cases.

- Discussions with employees on operational matters
 - The proposal more clearly defines the parameters of what constitutes a “formal discussion” for purposes of when an agency must invite a union representative to a meeting between bargaining unit employees and agency management officials. A meeting must have a purpose of discussing, announcing, or discussing and announcing, new, or substantially changed personnel policies, practices or working conditions to be considered a “formal” discussion. A “formal” discussion does not occur if the purpose of the meeting is to discuss operational matters where any discussion of personnel policies, practices, or working conditions simply reiterates existing policies; the discussion is incidental or otherwise peripheral to the announced purpose of the meeting; or the discussion does not result in an announcement of a change or a promise to change policies.
- Limiting collective bargaining obligations to changes that are foreseeable, substantial, and significant in terms of impact and duration
 - The proposal revises the criteria to determine when there is an obligation to bargain or consult on otherwise negotiable subjects. Current case law provides that a change must be more than “de minimis” to trigger a collective bargaining obligation. The proposal clarifies the threshold to ensure that collective bargaining is focused on changes which are foreseeable, substantial, and significant in terms of impact and duration.
- Protection from certain grievances that are frivolous, or regarding matters that already have established appeal provisions, such as:
 - A performance rating that does not constitute the basis for a performance-based or adverse action against the employee (e.g., grieving an “Exceeds” rating to get it raised to “Outstanding”), and
 - Any matters covered under sections 4303 and 7512 which are otherwise appealable to the Merit Systems Protection Board (MSPB), thus restoring unity of review in MSPB.

Restore the unity of review by the Merit Systems Protection Board

This proposal would remove the option for bargaining unit employees to file a negotiated grievance and seek binding arbitration on matters where established statutory appeals processes exist, such as agency actions taken for performance or misconduct and which otherwise are appealable to the Merit Systems Protection Board.

Healthcare and Insurance Proposals

Government Contribution Adjustment Based on Plan Performance Assessment

Effective with the plan year beginning no earlier than 18 months after enactment, this proposal would revise the calculation of the Government contribution to premium so that the contribution is adjusted based on a plan's score from the FEHB Plan Performance Assessment (PPA). All FEHB health plans are required to participate in the PPA, which includes measures of quality, customer service, and resource use pursuant to 48 CFR 1615.404-70.

Currently, the Government contribution that a health plan option receives for an annuitant or non-Postal employee is the lesser of 72 percent of the weighted average premium of all health plans or 75 percent of that plan option's individual premium. Under this proposal, FEHB plans will be divided into two groups representing higher performing plans and all other plans. The base Government contribution would be established as 71 percent of the weighted average of all plan premiums up to 75 percent of an individual plan's premium. For higher performing plans, the Government contribution would be raised by 5 percent, up to a maximum of 80 percent of the plan's premium. Health plans not categorized in the high-performing group would receive the base contribution amount. OPM would support informed decision-making by designating the plans receiving the additional Government contribution on plan informational material.

OPM estimates this proposal would result in a savings of 1 percent of the Government share of premium for annuitants and non-Postal employees, who represent nearly 90 percent of those enrolled in FEHB. This estimate was calculated using 2018 premium amounts and enrollment. The U.S. Postal Service's contribution toward premiums for Postal employees would continue to be subject to collective bargaining pursuant to the Postal Reorganization Act of 1970 (39 U.S.C. §1005(f)).

This proposal aligns with OPM's strategic goal 1.4 to improve healthcare quality and affordability in the FEHB Program with 75 percent of enrollees in quality, affordable plans.

OPM is currently drafting legislative language for this proposal.

Tax Preemption for the Federal Employees Dental and Vision Insurance Program

This proposal provides a technical change to align FEDVIP with other Federal benefit programs. This technical correction would ensure that all Federal insurance programs are treated equally and clarify that no tax, fee, or other monetary payment may be imposed on a FEDVIP carrier by any State, the District of Columbia, or the Commonwealth of Puerto Rico, or by any political subdivision or other Governmental authority thereof.

Medical Liability Reform

The Administration's medical liability reform proposal would:

- Cap awards for noneconomic damages at \$250,000 indexed to inflation;
- Allow evidence of a claimants' income from other sources such as workers compensation and auto insurance to be introduced at trial;
- Provide for a three-year statute of limitations;
- Establish a fair-share rule to replace the current rule of joint and several liability;
- Provide safe harbors for providers based on clinical standards;
- Authorize the Secretary of Health and Human Services to provide guidance to States to create expert panels and administrative health care tribunals;
- Allow courts to modify attorney's fee arrangements;
- Exclude provider expressions of regret or apology from evidence; and
- Require courts to honor a request by either party to pay damages in periodic payments for any award equaling or exceeding \$50,000.

If enacted, the Administration's medical liability reform proposal would affect the FEHB Program beginning in 2022. Capping awards and shortening the statute of limitations could potentially reduce costs for malpractice insurance carriers. Additional costs to carriers are reflected in malpractice insurance premiums. Therefore, this proposal has the potential to lower malpractice insurance premiums, which in turns lowers healthcare costs overall. In addition, these reforms have the potential to reduce unnecessary healthcare utilization, or 'defensive medicine,' also reducing healthcare costs.

Retirement Proposals

Change Retirement Calculation from High-3 to High-5 Years

This proposal would change the annuity benefit calculation of future retirees. Rather than using the current average of a Federal employee's three highest salary earning years (High-3), the calculation would use the highest five consecutive salary years.

The financial impact of utilizing the High 5 average salaries versus the High 3 for all new retirees would create a savings to the Government of approximately \$7.0 billion over ten years. Annual savings are projected to reach approximately \$1.1 billion in FY 2029, and are expected to continue to grow because of an increasing fraction of retirees would receive annuity benefits under this new calculation.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in the Congress.

Elimination of the Cost-of-Living Adjustment (COLA) for current and future Federal Employee Retirement Systems (FERS) participants and Reduce the COLA for Civil Service Retirement System (CSRS) retirees by 0.5 percent

This proposal would eliminate the COLA for current and future FERS annuitants. Under current law, FERS retirees (starting at age 62) receive a full COLA if the Consumer Price Index (CPI) is up to 2

percent and up to 1 percent less than the change in the CPI if the change is more than 2 percent. This legislative proposal would change the policy by eliminating the FERS COLA and reducing the COLA for CSRS retirees by 0.5 percent. Approximately 75 percent of current retirees receiving benefits are from the CSRS population.

The financial impact of eliminating the COLA for FERS annuitants and reducing the COLA by 0.5 percent for CSRS retirees would create a savings to the Government of approximately \$15.0 billion over five years and \$56.0 billion over ten years.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in Congress.

Eliminate the Annuity Supplement for all new Federal Employee Retirement Systems (FERS) retirees

This proposal would eliminate the annuity supplement FERS employees get until they reach age 62, the age when they become eligible for Social Security. It would apply to all new FERS retirees.

The financial impact of eliminating the Annuity Supplement for FERS retirees would create a savings to the Government of approximately \$18.6 billion over ten years.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in the Congress.

Increase in employee contributions to 50 percent of cost, phased in at 1 percent per year

This proposal would increase employee contributions to the Federal Employees Retirement System (FERS) such that an employee and employer would each pay half the normal cost. Under current law, Federal employees contribute between 0.8 percent and 4.4 percent of their salary towards their Federal pension. Federal agencies contribute the remainder of the normal cost. To mitigate the impact on employees, this provision would be phased in over several years, with individuals contributing an additional 1 percent of their salary each year until equalized.

The financial impact of this proposal, agency contributions decreasing and employee contributions increasing, would create a savings to the Government of \$2.1 billion in the first phased-in year, approximately \$21.8 billion over five years, and approximately \$78.8 billion over ten years.

OPM included this proposal in its FY 2019 Congressional Budget Justification. It is currently under review in the Congress.

Federal Employees' Defined Contribution Plan for Term Employees

This proposal would provide new term employees with an enhanced defined contribution retirement plan during their appointment. Currently, certain term employees receive both a defined benefit through the Federal Employees Retirement System (FERS) as well as a defined contribution plan through the Thrift Savings Plan (TSP). Typically, private employers provide only one type of retirement plan, usually through a defined contribution plan. This proposal helps bring Federal retirement benefits more in line with the private sector, and more in line with the expectations of the next generation of civil servants, by

increasing the mobility of benefits for term employees. Increasing mobility of benefits is in line with the expectations of America's workforce.

Prospectively, new term employees would receive an agency automatic contribution to TSP increased to 5 percent of basic salary from the current 1 percent. The Government TSP matching contribution will increase to 5 percent of basic salary, dollar for dollar, on top of the automatic contribution. Term employee contributions above 5 percent would not be matched; however, employees would retain the right to contribute up to the \$18,500 of salary to their TSP.

Under the Federal Employees Retirement System Defined Contribution Plan for Term Employees, employees that maximize the matching contributions would aggregate a total of 15 percent of pay contributed to their TSP account.

For certain new term employees in the public safety field, the automatic Government contribution will be 7 percent of basic pay, with a Government match of up to 7 percent. Employees that maximize the matching contributions would aggregate a total of 21 percent of pay contributed to their TSP account.

By aligning Federal benefits with prospective term employee expectations, our Government will be better positioned to attract qualified talent. Additionally, the increased mobility of benefits will allow for a natural cycle where employees can enter the public sector, transition to the private sector, and re-enter the public sector – bringing with them the best practices of industry to foster continued revitalization of Government processes while never having to part with their hard-earned benefits.

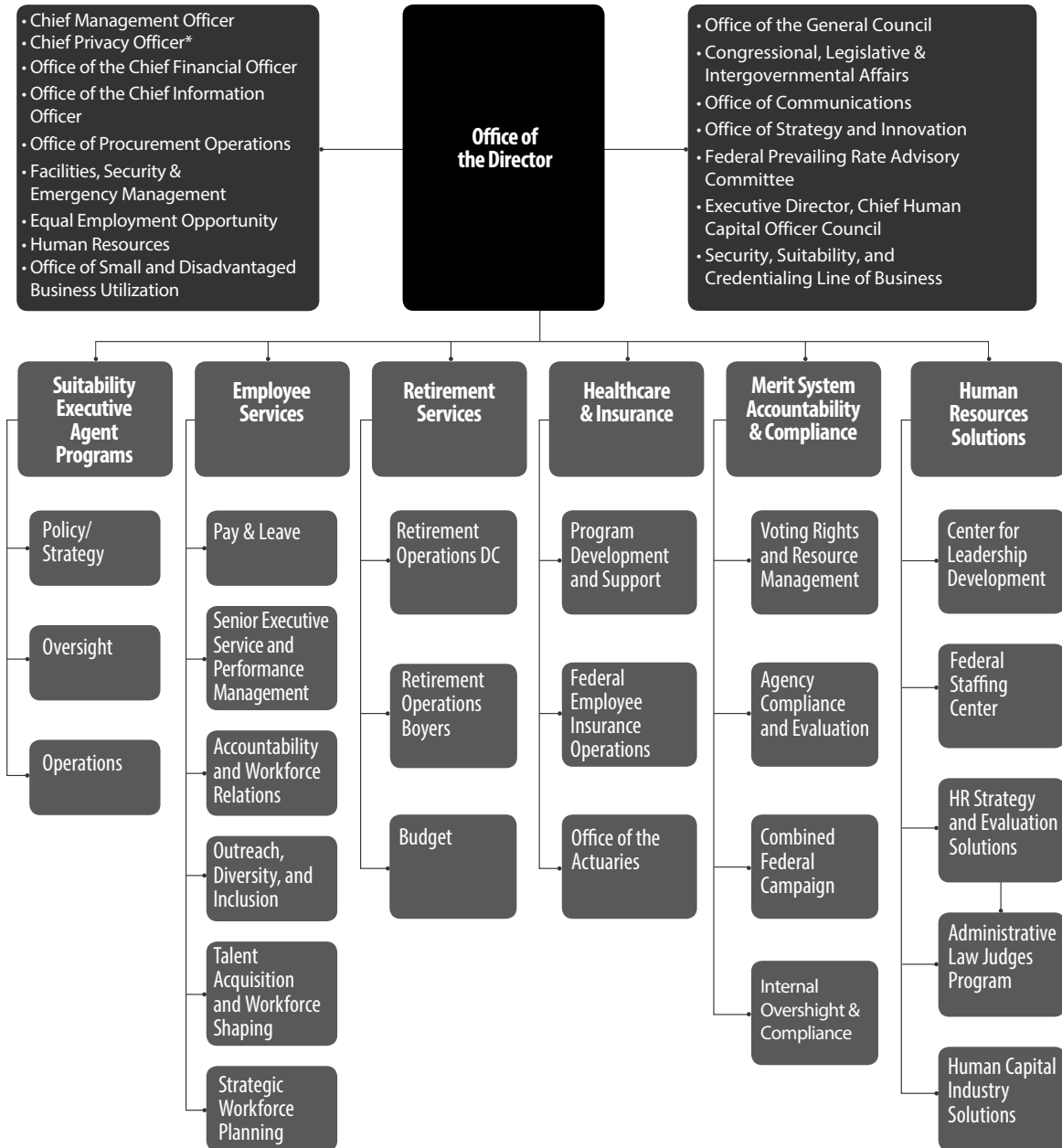
Appropriations Language

SALARIES AND EXPENSES (INCLUDING TRANSFER OF TRUST FUNDS)

Contingent upon enactment of authorizing legislation to reorganize the Office of Personnel Management (OPM) and transfer certain of its functions to the General Services Administration (GSA), for necessary expenses to carry out functions formerly vested in 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, \$132,809,000, of which \$1,068,000 may be used for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management, and of which \$9,000,000 shall remain available until expended for Trust Fund Federal Financial System migration or modernization, and shall be in addition to funds otherwise made available for such purposes; and in addition \$132,446,000 for administrative expenses, to be transferred from the appropriate trust funds of OPM's successor division at GSA without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 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's successor division at GSA 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 2020, 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.

Organizational Framework

OPM’s divisions and offices and their employees implement the programs and deliver the services that enable the agency to meet its strategic goals. The agency’s organizational framework consists of program divisions and offices that both directly and indirectly support the agency’s mission.



*The Office of Privacy and Information Management is currently being established.

OPM Budget FY 2019 & FY 2020 by Organization- All Resources

Organization	FY 2019 CR		FY 2020 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Chief Human Capital Officer Council	\$997,219	5.0	\$900,000	6.0	(\$97,219)	1.0
Congressional, Legislative and Intergovernmental Affairs	\$2,421,816	16.0	\$1,969,000	13.0	(\$452,816)	(3.0)
Employee Services	\$33,038,047	197.8	\$29,841,000	182.3	(\$3,197,047)	(15.5)
Equal Employment Opportunity	\$1,013,124	7.0	\$1,026,000	7.0	\$12,876	0.0
Facilities, Security & Emergency Management	\$12,686,047	73.0	\$14,532,000	67.0	\$1,845,953	(6.0)
Federal Prevailing Rate Advisory Committee	\$205,845	1.0	\$167,000	1.0	(\$38,845)	0.0
Healthcare & Insurance	\$41,071,227	157.4	\$38,424,000	166.0	(\$2,647,227)	8.6
HR Solutions	\$333,224,390	472.2	\$231,631,000	502.0	(\$101,593,390)	29.8
Merit System Accountability & Compliance	\$16,867,932	114.0	\$16,457,000	97.8	(\$410,932)	(16.2)
National Background Investigations Bureau	\$1,361,688,884	3,315.0	\$546,600,000	0.0	(\$815,088,884)	(3,315.0)
Office of Communications	\$2,296,466	19.0	\$2,269,000	14.0	(\$27,466)	(5.0)
Office of Procurement Operations	\$5,188,876	35.0	\$5,699,000	33.0	\$510,124	(2.0)
Office of Small and Disadvantaged Business Utilization	\$530,850	2.0	\$431,000	2.0	(\$99,850)	0.0
Office of the Chief Financial Officer	\$45,641,100	114.1	\$44,138,000	120.3	(\$1,503,100)	6.2
Office of the Chief Information Officer	\$197,258,982	296.0	\$209,334,000	302.9	\$12,075,018	6.9
Office of the Director	\$6,996,852	37.0	\$8,718,000	32.0	\$1,721,148	(5.0)
Office of the General Counsel	\$7,602,080	41.0	\$6,179,000	34.0	(\$1,423,080)	(7.0)
Office of the Inspector General	\$30,000,000	152.0	\$0	0.0	(\$30,000,000)	(152.0)
Planning and Policy Analysis	\$3,150,000	0.0	\$0	0.0	(\$3,150,000)	0.0
Rent/Centrally Funded Items	\$26,729,966	0.0	\$24,190,000	0.0	(\$2,539,966)	0.0
Retirement Services	\$99,671,403	1,040.3	\$104,734,000	1,038.0	\$5,062,597	(2.3)
Security, Suitability and Credentialing Line of Business	\$7,000,000	12.0	\$7,500,000	13.0	\$500,000	1.0
Suitability Executive Agent Programs	\$6,038,800	53.0	\$8,342,000	56.0	\$2,303,200	3.0
White House Fellows	\$849,312	5.0	\$808,000	5.0	(\$41,312)	0.0
Office of Strategy and Innovation	\$7,067,968	32.0	\$5,754,000	32.0	(\$1,313,968)	0.0
OPM Human Resources	\$8,100,909	57.7	\$7,608,000	42.5	(\$492,909)	(15.2)
OPM Total	\$2,257,338,095	6,254.5	\$1,317,251,000	2766.8	(\$940,087,095)	(3,487.7)

* This table includes revolving fund-financed organizations, common services funding, and Advances & Reimbursements. Therefore, this table varies from the tables in the Executive Summary section.

OPM's gross budget decreased from FY 2019 Annualized CR by \$940 million, largely because of the move of NBIB investigations to DOD. This section describes each organization and the key roles and responsibilities it plays in contributing to the achievement of OPM's mission.

OPM's organizations are categorized into four different types of offices: Executive, Program, Mission Support, and Others, which are detailed below:

Executive Offices

The Office of the Director (OD) provides guidance, leadership and direction necessary to lead and serve the Federal Government by delivering policies and services to achieve a trusted effective civilian workforce. The Human Resources Line of Business (HRLOB) and the Suitability, and Security Clearance Reform Performance Accountability Council's Program Management Office (PAC PMO) are housed within the OD. Also included within OD is the Executive Secretariat (ExecSec) function, which is responsible for coordination and review of agency correspondence, policy and program proposals, regulations, and legislation. The ExecSec serves as the agency's regulatory interface with the Office of Management and Budget and the Federal Register. The office is also responsible for the administrative and resource management support for the OD and other executive offices. Additionally, the ExecSec coordinates OPM's international affairs activities and contacts.

Within OD, the Chief Privacy Officer/Senior Agency Official for Privacy serves as the principal privacy advisor to the OPM Director and is responsible for formulating and implementing OPM policies related to the collection, maintenance, and use of personally identifiable information. These responsibilities include compliance throughout OPM with the Privacy Act, the privacy provisions of the E-Government Act, and other privacy-related laws, regulations, and guidance.

Security, Suitability, and Credentialing Line of Business (SSCLOB) is an interagency organization that is administratively housed within OPM's Office of the Director. The SSCLOB was established by and supports the Security, Suitability, and Credentialing Performance Accountability Council (PAC) through its Program Management Office (PAC PMO). The PAC is chaired by the Deputy Director for Management of the Office of Management and Budget, and is accountable to the President for enterprise-wide personnel vetting reforms. Through the PAC PMO, the PAC establishes the overall direction for and oversees the SSCLOB's work to identify and assist with implementing solutions that optimize personnel vetting investments, simplify delivery of personnel vetting services, establish shared services, and promote reciprocity, efficiency, and effectiveness across the personnel vetting enterprise.

Office of the General Counsel (OGC) provides legal advice and representation to the Director and OPM managers and leaders so they can work to provide the Federal Government an effective and trusted civilian workforce. OGC does this by rendering opinions, reviewing proposed policies and other work products, and commenting on their legal efficacy, serving as agency representatives in administrative litigation, and supporting the Department of Justice in its representation of the Government on matters concerning the civilian workforce. OGC also carries out several programmatic, substantive functions that fulfill other statutory or regulatory mandates and, thus, benefit other OPM offices or the Executive Branch as a whole. For example, OGC is responsible for the Government-wide Hatch Act regulations, administers the internal agency Hatch Act and ethics programs, and serves in a policy and legal role in the Government-wide function of determining which Merit Systems Protection Board and arbitral decisions

are erroneous and have a substantial impact on civil service law, and, thus, merit judicial review.

Congressional, Legislative and Intergovernmental Affairs (CLIA) is the OPM office that fosters and maintains relationships with Members of the Congress and their staff. CLIA accomplishes its mission by keeping informed of issues related to programs and policies administered by OPM. CLIA staff attend meetings, briefings, markups, and hearings in order to interact, educate, and advise agency leadership and the Congress, as well as state and local governments. CLIA is also responsible for supporting congressional efforts through providing technical assistance and substantive responses to congressional inquiries.

Office of Communications (OC) coordinates a comprehensive effort to inform the public of the Administration's and OPM's goals, plans, and activities through various media outlets. The OC provides the American public, Federal agencies, and pertinent stakeholders with accurate information to aid in their planning and decision-making process. The OC coordinates the publication and production of all video products, printed materials, and websites generated by OPM offices. The office develops briefing materials for the Director and other OPM officials for various activities and events. The OC also plans events that amplify the Administration's and OPM's key initiatives within the agency as well as Government-wide.

Office of Strategy and Innovation (OSI) uses data and research to develop human capital strategy and leads human resources innovation throughout the Federal Government. OSI includes both the Data Analysis Group and the Survey Analysis Group.

Program Offices

Employee Services (ES) administers statutory and regulatory provisions related to recruitment, strategic workforce planning, pay, leave, performance management and recognition, leadership and employee development, reskilling, work/life/wellness programs, diversity and inclusion, and labor and employee relations efforts with tools, education, and direct support.

Retirement Services (RS) is responsible for administering, developing, and providing Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving nearly 2.6 million Federal retirees and survivors who receive monthly annuity payments. Even after a case is adjudicated and added to the annuity roll, OPM continues to serve annuitants by making address or tax status changes to annuitant accounts, sending out 1099-Rs, surveying certain annuitants to ensure their continued eligibility to receive benefits, and conducting other post adjudication activities.

Healthcare and Insurance (HI) consolidates OPM's healthcare and insurance responsibilities into a single organization. This includes contracting and program development and management functions the Federal Employees Health Benefits (FEHB) Program, Federal Employees' Group Life Insurance (FEGLI), the Federal Long Term Care Insurance Program (FLTCIP), the Federal Employees Dental and Vision Insurance Program (FEDVIP), the Federal Flexible Spending Account Program (FSAFEDS), and the Multi-State Plan Program.

Merit System Accountability & Compliance (MSAC) ensures through rigorous oversight that Federal agency human resources programs are effective and efficient, and comply with merit system principles and related civil service requirements. MSAC evaluates agencies' programs through a combination of OPM-led evaluations and as participants in agency-led reviews. The evaluations may focus on all or some of the four systems of OPM's Human Capital Framework: (1) strategic planning and alignment of human resources to mission, (2) performance culture, (3) talent management, and (4) evaluation systems. MSAC reports may identify required corrective actions, which agencies must show evidence of implementing, as well as recommendations for agencies to improve their systems and procedures. MSAC also conducts special cross-cutting studies to assess the use of HR authorities and flexibilities across the Government. Moreover, MSAC reviews and renders decisions on agencies' requests to appoint political appointees to competitive or non-political excepted service positions to verify that such appointments are free of political influence. MSAC also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable appeals, all of which provides Federal employees with administrative procedural rights to challenge compensation and related agency decisions without having to resort to seeking redress in Federal courts. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program deploys Federal observers to monitor polling sites (as determined by the Attorney General) and provides written reports to the Department of Justice. Finally, MSAC manages OPM's Office of Internal Oversight and Compliance (IOC). IOC drives the resolution of audit recommendations, and conducts program evaluations to strengthen OPM's risk management and operational performance.

Human Resources Solutions (HRS) Human Resources Solutions (HRS), comprised of four practice areas, is a fee-based organization offering a complete range of tailored and standardized human resources products and services, on a reimbursable basis, designed to meet the unique and dynamic needs of the Federal Government, including operationalizing Government-wide HR policies and other key human capital initiatives. As such, HRS provides customer agencies with innovative, high quality Government-to-Government solutions to help them develop leaders, attract and build a high quality public sector workforce, and achieve long-lasting mission success. This includes recruiting and examining candidates for positions for employment by Federal agencies nationwide; managing the Leadership for a Democratic Society program and other leadership, management, and professional development programs; automating the full range of Federal rules and procedures for staffing, learning and performance management; operating the USAJOBS online recruitment site; developing specialized assessments and performance management strategies; providing comprehensive HR strategy; and offering Federal customers human capital management, organizational performance improvement, and training and development expertise procured through best-in-class contracts.

Suitability Executive Agent (SuitEA) was established as a distinct program office within OPM in December 2016 to strengthen the effectiveness of suitability, fitness, and credentialing vetting across the Government. SuitEA prescribes suitability standards and conducts oversight of functions delegated to the heads of agencies while retaining jurisdiction for certain suitability determinations and taking

Government-wide suitability actions when appropriate. SuitEA also issues guidelines and instructions to the heads of agencies to promote appropriate uniformity, centralization, efficiency, effectiveness, reciprocity, timeliness, and security in suitability/fitness/credentialing processes.

Mission Support Services

Human Resources (HR) is responsible for OPM's internal human resources management programs. OPM HR supports the human capital needs of program offices throughout the employment lifecycle, from recruiting and hiring candidates for employment opportunities at OPM, to coordinating career development opportunities, to processing retirement applications. The Chief Human Capital Officer leads HR, and is responsible for shaping corporate human resources strategy, policy, and solutions to workforce management challenges within the agency.

Office of the Chief Financial Officer (OCFO) provides leadership and coordination of OPM financial management services, accounting, financial systems, budget, performance, enterprise risk management, and internal controls programs which enable the agency to achieve strategic objectives and mission. Additionally, the OCFO ensures the completion of timely and accurate financial reports that support decision making, comply with Federal requirements, and demonstrate effective management of taxpayer dollars.

Office of the Chief Information Officer (OCIO) develops the Information Resource Management Plan and defines the information technology vision and strategy to include information technology policy and security for OPM. The OCIO manages the IT infrastructure that supports OPM business applications and operations. The OCIO shapes the application of technology in support of the agency's strategic plan, including information technology that outlines the long-term strategic architecture and systems plans for agency information technology capital planning. The OCIO supports and manages pre- and post-implementation reviews of major information technology programs and projects, as well as project tracking at critical review points. The OCIO provides review and oversight of major information technology acquisitions for consistency with the agency's architecture and the information technology budget, and is responsible for the development of the agency's information technology security policies. The OCIO leads the agency's information technology architecture engineering to further architecture integration, design consistency, and compliance with Federal standards. The OCIO also works with other agencies on Government-wide projects such as IT Modernization, Cloud Email Adoption, and developing long-term plans for human resource information technology strategies.

Facilities, Security & Emergency Management (FSEM) manages the agency's personal and real property, building operations, space design and layout, mail management, physical security and safety, and occupational health programs. FSEM provides personnel security, suitability, and national security adjudicative determinations for OPM personnel. FSEM oversees OPM's Personal Identification Verification program and provides shared service adjudicative services to other government agencies. FSEM directs the operations and oversees OPM's preparedness and emergency response programs. In addition, it oversees publishing and printing management for internal and external design and reproduction.

Office of Procurement Operations (OPO) awards and administers several thousand contract actions and interagency agreements annually, with an estimated value of \$1 billion. OPO provides acquisition support to OPM programs and provides assisted acquisition services in support of other Federal agencies that require support under OPM contracts. OPO supports the agency suspension and debarment program, as well as supports the small business utilization efforts for OPM in conjunction with public law, Federal regulations, and OPM contracting policies. The Acquisition Policy and Innovation function within OPO provides acquisition policy development and guidance agency-wide, as well as provides compliance and oversight over OPM's procurement program. OPO provides acquisition support and oversight for all Contracting Officers and Contracting Officer Representatives, and manages and provides oversight of the purchase card program. OPO serves as OPM's liaison to the Office of Federal Procurement Policy, Chief Acquisition Officers Council, and other key external agency partnerships.

Office of Small and Disadvantaged Business Utilization (OSDBU) manages the development and implementation of appropriate outreach programs aimed at heightening the awareness of the small business community to the contracting opportunities available within OPM. The office's responsibilities, programs, and activities are managed under three lines of business: advocacy, outreach, and unification of the business process.

Equal Employment Opportunity (EEO) provides a fair, legally-correct, and expeditious EEO complaints process (for example, EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO also designs and implements all required internal OPM diversity and inclusion efforts to promote diversity management.

Other Offices

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

Performance Budget by Strategic Goal

This section aligns OPM’s FY 2020 budget request to the agency’s strategic plan. Funding amounts, performance measures and targets, and next steps are detailed for each objective in the strategic plan. It is intended to meet the requirements of the Office of Management and Budget (OMB) Circular A-11, Part 6, Section 240 – *Annual Performance Planning*.

The OPM Strategic Plan includes three strategic goals as well as one operational excellence goal to improve both program operations and cross-cutting management functions. The agency’s goals and objectives will guide efforts to accomplish OPM’s mission to *lead and serve the Federal Government in enterprise human resources management by delivering policies and services to achieve a trusted effective civilian workforce* and achieve its vision for “*Empowering Excellence in Government through Great People.*”

Goals

Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce.

Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions.

Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs.

Operational Excellence Goal 4: Optimize agency performance.

Additional Mission Activities Aligned to Key Functions

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. Such functions include, for example, the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice (DOJ), and operating the President’s Commission on White House Fellowships.

Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions. These administrative and executive leadership activities are grouped in the strategic plan as capacity-enabling functions.

The following table shows the resources budgeted against each of OPM’s goals. All resources are shown for each goal, including financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council;
- Common Services, which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions within the agency.

FY 2020 Budget Request by Goal and Fund—All Resources

Strategic Objectives	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	\$589,106,000	245.8
Salaries & Expenses	\$11,479,000	68.8
Trust Fund Annual	\$23,998,000	121.0
Revolving Fund	\$553,629,000	56.0
Lead the establishment and modernization of human capital information technology and data management systems and solutions	\$9,256,000	23.9
Common Services	\$0	0.0
Salaries & Expenses	\$4,152,000	21.9
Revolving Fund	\$5,104,000	2.0
IT Modernization S&E	\$0	0.0
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	\$13,580,000	92.0
Salaries & Expenses	\$13,245,000	90.0
Revolving Fund	\$335,000	2.0
Optimize Agency Performance	\$133,384,000	1,100.9
Common Services	\$12,418,000	38.5
Salaries & Expenses	\$3,730,000	0.0
IT Modernization S&E	\$2,257,000	1.4
Trust Fund Annual	\$66,506,000	594.0
5 USC 8348 (a)(1)(B) - Retirement	\$46,522,000	455.0
FERCCA (P.L. 106-265) - Retirement	\$1,951,000	12.0
Additional Mission and Mission Support Activities	\$571,925,000	1,304.2
Common Services	\$96,495,000	330.0
Salaries & Expenses	\$82,139,000	230.3
IT Modernization S&E	\$6,743,000	5.2
Trust Fund Annual	\$28,034,000	66.7
Revolving Fund	\$337,779,000	622.0
Advances & Reimbursements Annual	\$8,288,000	22.0
Advances & Reimbursements No Year	\$2,476,000	6.0
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$7,060,000	15.0
5 USC 9004(f)(B) - Long-Term Care	\$934,000	6.0
5 USC 8348 (a)(1)(B) - Retirement	\$1,963,000	1.0
FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
Salaries & Expenses - OIG	\$0	0.0
Trust Fund Annual - OIG	\$0	0.0
OPM Total	\$1,317,251,000	2,766.8

Note: This table includes the budget of administrative activities funded by OPM's Common Services. Financing for Common Services from the Revolving Fund is also reflected.

The following table is a more granular view of the prior table. It shows the operating resources budgeted to each objective within the goals, and includes financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council (CHCOC) and the Security, Suitability, and Credentialing Line of Business;
- Resources spent as Common Services, which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions of the agency.

FY 2020 Budget Request by Goal and Objective—All Resources

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	1.1	Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner	\$15,691,000	112.6
	1.2	Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets	\$1,844,000	12.0
	1.3	Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform	\$1,573,000	10.2
	1.4	Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans	\$23,398,000	111.0
	1.5	Transform the background investigation process to improve investigation timeliness	\$546,600,000	0.0
	Strategic Goal Total			\$589,106,000
Lead the establishment and modernization of human capital information technology and data management systems and solutions	2.1	Improve collection and analysis of data to better inform human capital management decisions	\$2,678,000	14.9
	2.2	Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022	\$5,578,000	9.0
	2.3	Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements	\$1,000,000	0.0
	Strategic Goal Total			\$9,256,000
Improve integration and communication of OPM services to Federal agencies to meet emerging needs	3.1	Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies’ achievement of human capital objectives	\$13,156,000	88.8
	3.2	Achieve recognition as the trusted human capital management advisor	\$424,000	3.2
	Strategic Goal Total			\$13,580,000

STRATEGIC_GOAL	STR_NO	STRATEGY	Dollars	FTE
Optimize Agency Performance	4.1	Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points	\$8,090,000	1.0
	4.2	Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points	\$1,720,000	9.0
	4.3	Exceed the Government-wide average satisfaction score for each agency mission support service	\$8,147,000	27.9
	4.4	Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less	\$115,427,000	1,063.0
	Strategic Goal Total			\$133,384,000
Additional Mission and Mission Support Activities	5.1	Additional Mission Activities Aligned to Key Functions	\$316,987,000	702.0
	5.2	Additional Mission Support Activities	\$254,938,000	602.2
	Strategic Goal Total			\$571,925,000
OPM Total			\$1,317,251,000	2,766.8

FY 2020 Budget Request by Goal and Organization—All Resources

The following table shows FY 2020 operating resources for each strategic goal by organization. This includes:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council; and
- resources spent as Common Services which is an internal fund comprised of contributions from all of OPM’s funding sources to finance the administrative functions within the agency.

Organization Name	Goal 1 Description Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Goal 2 Description Lead the establishment and modernization of human capital information technology and data management systems and solutions	Goal 3 Description Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Goal 4 Description Optimize Agency Performance	Goal 5 Description Additional Mission and Mission Support Activities	Total
Chief Human Capital Officer Council	\$0	\$0	\$0	\$0	\$900,000	\$900,000
Congressional, Legislative and Intergovernmental Affairs	\$73,000	\$0	\$0	\$0	\$1,896,000	\$1,969,000
Employee Services	\$9,792,000	\$2,165,000	\$4,714,000	\$0	\$13,170,000	\$29,841,000
Equal Employment Opportunity	\$0	\$0	\$0	\$0	\$1,026,000	\$1,026,000
Facilities, Security & Emergency Management	\$0	\$0	\$0	\$125,000	\$14,407,000	\$14,532,000
Federal Prevailing Rate Advisory Committee	\$0	\$0	\$0	\$0	\$167,000	\$167,000
Healthcare & Insurance	\$22,498,000	\$0	\$0	\$0	\$15,926,000	\$38,424,000
HR Solutions	\$0	\$1,954,000	\$335,000	\$0	\$229,342,000	\$231,631,000

	Goal 1 Description	Goal 2 Description	Goal 3 Description	Goal 4 Description	Goal 5 Description	Total
	Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Lead the establishment and modernization of human capital information technology and data management systems and solutions	Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Optimize Agency Performance	Additional Mission and Mission Support Activities	
Organization Name						
Merit System Accountability & Compliance	\$714,000	\$358,000	\$8,401,000	\$0	\$6,984,000	\$16,457,000
National Background Investigations Bureau (NBIB)	\$546,600,000	\$0	\$0	\$0	\$0	\$546,600,000
Office of Communications	\$0	\$0	\$130,000	\$0	\$2,139,000	\$2,269,000
Office of Procurement Operations	\$0	\$0	\$0	\$1,072,000	\$4,627,000	\$5,699,000
Office of Small and Disadvantaged Business Utilization	\$0	\$0	\$0	\$0	\$431,000	\$431,000
Office of Strategy and Innovation	\$0	\$155,000	\$0	\$0	\$5,599,000	\$5,754,000
Office of the Chief Financial Officer	\$0	\$0	\$0	\$4,283,000	\$39,855,000	\$44,138,000
Office of the Chief Information Officer	\$900,000	\$0	\$0	\$20,229,000	\$188,205,000	\$209,334,000
Office of the Director	\$0	\$4,624,000	\$0	\$0	\$4,094,000	\$8,718,000
Office of the General Counsel	\$0	\$0	\$0	\$0	\$6,179,000	\$6,179,000
Office of the Inspector General	\$0	\$0	\$0	\$0	\$0	\$0
OPM Human Resources	\$0	\$0	\$0	\$4,441,000	\$3,167,000	\$7,608,000
Rent/Centrally Funded Items	\$0	\$0	\$0	\$0	\$24,190,000	\$24,190,000
Retirement Services	\$1,500,000	\$0	\$0	\$103,234,000	\$0	\$104,734,000

	Goal 1 Description	Goal 2 Description	Goal 3 Description	Goal 4 Description	Goal 5 Description	
	Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce	Lead the establishment and modernization of human capital information technology and data management systems and solutions	Improve integration and communication of OPM services to Federal agencies to meet emerging needs	Optimize Agency Performance	Additional Mission and Mission Support Activities	Total
Organization Name						
Security, Suitability and Credentialing Line of Business(SSCLOB)	\$0	\$0	\$0	\$0	\$7,500,000	\$7,500,000
Suitability Executive Agent Programs	\$7,029,000	\$0	\$0	\$0	\$1,313,000	\$8,342,000
White House Fellows	\$0	\$0	\$0	\$0	\$808,000	\$808,000
OPM Total	\$589,106,000	\$9,256,000	\$13,580,000	\$133,384,000	\$571,925,000	\$1,317,251,000

*This table includes the budget administrative activities funded by OPM's Common Services. Financing for Common Services from the Revolving Fund is also reflected

Additional Mission Activities Aligned to Key Functions

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal within the strategic plan. These mandated functions also include programs that benefit the Government at-large, including the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice (DOJ), and operating the President's Commission on White House Fellows.

Key Functions

Human Capital Management Leadership

Policy

OPM supports policy implementation for Government-wide human resources systems and programs. In addition, OPM provides technical support and guidance to agencies regarding the full range of human resources (HR) management policies and practices. OPM responds to agency requests to exercise certain Government-wide personnel management authorities that are centrally administered or subject to OPM approval under the law/regulation. The agency also provides stewardship and supports the implementation of Administration priorities and goals concerning Government-wide human capital management matters.

Service

OPM provides HR products and services to meet the evolving human capital needs and mission requirements of the Federal Government. The products and services are designed to enable the execution of Government-wide HR strategy and policy as well as the human capital priorities of each Administration. To support this activity, OPM has a nationwide cadre of human capital specialists, psychologists, educators, IT specialists, and program managers along with numerous private sector allies that assist Federal agencies in developing leaders, attracting and building a high quality public sector workforce, deploying Human Resources Information Technology Transformation (HRITT) capabilities and strategies, and transforming these agencies into high performing organizations.

OPM provides agencies with access to pre-competeted private contractors through a unique partnership between OPM and the General Services Administration (GSA) as part of the Government-wide Category Management effort. The private contractors, comprised of large and small companies, complement OPM's internal capabilities in the areas of human capital management, organizational design, and learning and development. These companies observe Federal HR rules and policies in order to provide their products and services to Federal agencies under the oversight and guidance of OPM experts.

OPM provides a leadership development continuum that enables Federal executives, managers, and aspiring leaders to acquire knowledge and master skills so they can lead within a rapidly changing Government environment. Anchored by the Federal Executive Institute, OPM's leadership development infrastructure and programs also include the Eastern and Western Management Development Centers, the Presidential Management Fellows Program, and the Lab at OPM.

OPM generates Government-wide benefits through HRITT consolidation, standardization, and modernization. OPM offers Federal HRITT systems such as Enterprise Human Resource Integration, USA Learning, USA Staffing, USA Hire, and USA Performance. OPM is also developing the necessary information technology infrastructure to facilitate the exchange of human resources data and information Government-wide. Through its Human Resources Line of Business, OPM leads the Government-wide transformation of human resources information technology by focusing on modernization, integration, and performance assessment.

OPM maintains USAJOBS, the official job site of the Federal Government. It is the one-stop source for Federal jobs and employment information by which Federal agencies meet their legal obligations to provide public notice of Federal employment opportunities to Federal employees and American citizens. Many agencies use this platform even when it is not required. The USAJOBS website is the portal for Federal recruitment for most Government positions, whether competitively or non-competitively sourced.

Oversight

Through OPM's oversight evaluation work, special studies, and collaboration with agencies, OPM makes sure Federal human resources programs and human capital management systems are effective and meet merit system principles and related civil service requirements. OPM works directly with agencies to make improvements or changes to programs that are ineffective, inefficient, or not in compliance with Federal law to help them achieve mission objectives. OPM also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable appeals, which provide Federal employees with procedural rights to challenge compensation and related agency decisions.

Benefits

Federal Benefits for Employees and Annuitants

OPM offers the availability of quality benefits for Federal employees and their families. The agency works to facilitate access to the high-caliber healthcare and insurance programs offered by the Federal Government, including health insurance, dental and vision insurance, flexible spending accounts, life insurance; and long-term care insurance programs. OPM manages insurance benefits for more than eight million Federal employees, retirees, and their families, and employees of tribes or tribal organizations. Effective in 2019, FEDVIP is available to approximately 5.86 million individuals that are eligible as: military retirees and their families, members of the Retired Reserve, non-active Medal of Honor recipients, or survivors and family members of active-duty service members. OPM also develops and administers programs that provide health insurance to uninsured Americans through Affordable Insurance Exchanges.

Retirement

OPM is responsible for the administration of the Federal Retirement Program covering more than 2.7 million active employees, including the United States Postal Service, and nearly 2.6 million annuitants, survivors, and family members. OPM also administers, develops, and provides Federal employees, retirees, and their families with benefits programs and services that offer choice, value, and quality to help

maintain the Government’s position as a competitive employer. Activities include record maintenance and service credit accounts prior to retirement, initial eligibility determinations at retirement, adjudicating annuity benefits based on age and service, disability or death based on a myriad of laws and regulations, post retirement changes due to numerous life events, health and life insurance enrollments, Federal and state tax deductions, as well as other payroll functions.

Vetting

OPM is responsible for prescribing suitability, fitness, and credentialing standards for Government employees and contractors. The agency issues guidelines and instructions to the heads of other agencies to promote uniformity and effectiveness when executing their delegated responsibilities, and OPM conducts oversight of agencies’ programs and processes in this area. OPM retains jurisdiction of suitability adjudications in circumstances where a Government-wide bar of an individual from Federal service is necessary to promote efficiency and protect the integrity of the service. The agency also provides Government-wide training for investigators and adjudicators that conforms to Government-wide training standards.

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Additional Mission and Mission Support Activities				
5.1-Additional Mission Activities Aligned to Key Functions			\$316,987,000	702.0
5.1	Office of the Chief Information Officer	Revolving Fund	\$40,983,000	14.0
	Employee Services	Salaries & Expenses	\$9,373,000	59.8
	Healthcare & Insurance	Salaries & Expenses	\$955,000	6.0
		Trust Fund Annual	\$6,864,000	27.0
		5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$7,019,000	15.0
		5 USC 9004(f)(B) - Long-Term Care	\$925,000	6.0
		5 USC 8348 (a)(1)(B) - Retirement	\$163,000	1.0
	HR Solutions	Revolving Fund	\$199,358,000	461.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$2,162,000	14.8
		Common Services	\$1,200,000	8.0
		Advances & Reimbursements No Year	\$2,396,000	6.0
	Rent/Centrally Funded Items	Salaries & Expenses	\$10,340,000	0.0
		Trust Fund Annual	\$12,786,000	0.0
		5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) - Dental & Vision	\$41,000	0.0
		5 USC 9004(f)(B) - Long-Term Care	\$9,000	0.0
		5 USC 8348 (a)(1)(B) - Retirement	\$1,000,000	0.0
		FERCCA (P.L. 106-265) - Retirement	\$14,000	0.0
	Suitability Executive Agent Programs	Revolving Fund	\$1,313,000	0.0

Strategic Objectives	Organization	Fund	Dollars	FTE
5.1 (Cont.)	Security, Suitability and Credentialing Line of Business(SSCLOB)	Salaries & Expenses	\$500,000	0.0
		Advances & Reimbursements Annual	\$7,000,000	13.0
	White House Fellows	Salaries & Expenses	\$808,000	5.0
	Office of Strategy and Innovation	Salaries & Expenses	\$5,599,000	31.4
	Office of the General Counsel	Common Services	\$6,179,000	34.0
OPM Total			\$316,987,000	702.0

Additional Mission Support Activities

OPM has also included in its budgetary request funds for information technology, contracting, facilities and security, financial management, and overhead functions that do not align directly with a specific strategic goal within the strategic plan.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Additional Mission and Mission Support Activities				
5.2-Additional Mission Support Activities			\$254,938,000	602.2
5.2	Chief Human Capital Officer Council	Advances & Reimbursements Annual	\$900,000	6.0
	Office of the Chief Information Officer	Salaries & Expenses	\$33,870,000	37.9
		Trust Fund Annual	\$14,000	0.0
		Common Services	\$47,197,000	106.0
		Revolving Fund	\$66,141,000	110.0
	Congressional, Legislative and Intergovernmental Affairs	Salaries & Expenses	\$1,896,000	12.8
	Employee Services	Salaries & Expenses	\$3,797,000	15.0
	Equal Employment Opportunity	Common Services	\$1,026,000	7.0
	Facilities, Security & Emergency Management	Salaries & Expenses	\$2,000,000	0.0
		Common Services	\$12,407,000	67.0
	Federal Prevailing Rate Advisory Committee	Salaries & Expenses	\$167,000	1.0
	HR Solutions	Revolving Fund	\$29,984,000	37.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$1,146,000	4.6
		Advances & Reimbursements No Year	\$80,000	0.0
	Office of Communications	Salaries & Expenses	\$2,139,000	13.0
	Office of Procurement Operations	Salaries & Expenses	\$1,068,000	4.0
		Common Services	\$3,559,000	22.0
	Office of Small and Disadvantaged Business Utilization	Common Services	\$431,000	2.0
	Office of the Chief Financial Officer	Salaries & Expenses	\$2,225,000	0.0
		IT Modernization S&E	\$6,743,000	5.2
		Trust Fund Annual	\$8,370,000	39.7
		Common Services	\$21,329,000	68.0
		Advances & Reimbursements Annual	\$388,000	3.0
		5 USC 8348 (a)(1)(B) - Retirement	\$800,000	0.0
	Office of the Director	Salaries & Expenses	\$4,094,000	25.0
	OPM Human Resources	Common Services	\$3,167,000	16.0
OPM Total			\$254,938,000	602.2

Strategic Goal 1: Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	FY 2020 CBJ	
			Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner			\$15,691,000	112.6
1.1	Employee Services	Salaries & Expenses	\$7,948,000	51.5
	Merit System Accountability & Compliance	Salaries & Expenses	\$714,000	5.1
	Suitability Executive Agent Programs	Revolving Fund	\$7,029,000	56.0
1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets			\$1,844,000	12.0
1.2	Employee Services	Salaries & Expenses	\$1,844,000	12.0
1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform			\$1,573,000	10.2
1.3	Congressional, Legislative and Intergovernmental Affairs	Salaries & Expenses	\$73,000	0.2
	Retirement Services	Trust Fund Annual	\$1,500,000	10.0
1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans			\$23,398,000	111.0
1.4	Office of the Chief Information Officer	Salaries & Expenses	\$900,000	0.0
	Healthcare & Insurance	Trust Fund Annual	\$22,498,000	111.0
1.5-Transform the background investigation process to improve investigation timeliness			\$546,600,000	0.0
1.5	National Background Investigations Bureau (NBIB)	Revolving Fund	\$546,600,000	0.0
OPM Total			\$589,106,000	245.8

Strategic Objective 1.1: Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner

Strategic Objective Owner: Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES

Deputy Strategic Objective Owners: Ana Mazzi, Deputy Associate Director, MSAC; Dianna Saxman, Deputy Associate Director, Federal Staffing Group, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, ES will develop a strategy and action plan to examine a variety of hiring mechanisms and processes. This will include amending the May 2010 Presidential Memorandum mandating the use of “category rating” for competitive examining. Experience has shown “numerical ranking” can lead to more meaningful distinctions among applicants in certain circumstances. ES will implement a provision in the recently passed National Defense Authorization Act that eliminates the “rule of three,” and by implementing regulation, gives agencies authority to define the number of candidates they will consider at a time, using a cut-off score or similar mechanism. The revision will not change the application of veterans’ preference – veterans will still receive preference points under this procedure. Agencies could also continue using “category rating” at their discretion. In addition, ES will develop implementing regulations to implement newly-enacted provisions intended to allow Federal agencies greater flexibility in hiring students and recent graduates.

In FY 2019, ES, MSAC, HRS and OCIO will develop a robust suite of educational options and technological tools to assist hiring managers in recruiting and selecting the best candidates for their positions. Launching the Federal Human Resources Institute, staffing curriculum, designed specifically for the Federal HR workforce, will provide the knowledge platform for effective human resource consultative services. OPM will also develop and manage a dedicated Customer Relationship Management tool, which will allow hiring managers to maintain nationwide outreach contacts. Further, OPM will summarize and post Hiring Manager Satisfaction Survey results on the OPM website to promote easier access and increased transparency.

Also in FY 2019, SuitEA will continue to execute its FY 2018-2020 suitability strategic plan. To form and foster an engaged suitability community, SuitEA will expand two-way communication platforms. SuitEA will host regular community meetings that promote networking; increase engagement, and encourage information exchange; revamp the SuitEA website to provide content that is more meaningful to the vetting community; issue a regular suitability newsletter; and, encourage greater use of the SuitEA mailbox and hotlines. SuitEA will continue to modernize the guidance it provides to agencies by transforming its Suitability Processing Handbook into a series of user-friendly and accessible volumes of updated policies. SuitEA will continue to work with the Office of the Director of National Intelligence and the Performance Accountability Council on the Trusted Workforce 2.0 initiative to transform the approach to vetting, and will produce preliminary findings and artifacts within the first quarter of FY 2019.

In FY 2020, ES, in collaboration with MSAC, will focus on bringing its legislative proposals to regulatory fruition by authoring and implementing regulations. ES will also launch an educational campaign to communicate the impacts of proposed changes to stakeholders.

SuitEA will work with ES to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire. In FY 2020, SuitEA will close existing gaps in vetting processes by issuing comprehensive standards for adjudication of fitness, and will provide expanded training offerings that meet the needs of agencies’ fitness adjudicators.

OPM will advance progress toward the related Agency Priority Goal to improve the hiring process (please refer to the Agency Priority Goal chapter), and contribute to the related Cross-Agency Priority Goal to develop a workforce for the 21st Century (please refer to the President’s Management Agenda chapter).

Implementation Organizations:

ES, MSAC, and SuitEA

Performance Measure

Performance Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Result	Result	Result	Target	Target
Hiring manager satisfaction that applicants are referred in a timely manner and with the skills to perform the job	75.2	71.5	74.3	76.8	76.8

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.1-Drive improvements to the hiring process so agencies are able to hire the best candidate in a timely manner			\$15,691,000	112.6
1.1	Employee Services	Salaries & Expenses	\$7,948,000	51.5
	Merit System Accountability & Compliance	Salaries & Expenses	\$714,000	5.1
	Suitability Executive Agent Programs	Revolving Fund	\$7,029,000	56.0
OPM Total			\$15,691,000	112.6

Strategic Objective 1.2: Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets

Strategic Objective Owner: Brenda Roberts, Deputy Associate Director, Pay & Leave, ES

Deputy Strategic Objective Owners: Kim Holden, Deputy Associate Director, Talent Acquisition and Workforce Shaping, ES; Tim Curry, Deputy Associate Director, Accountability and Workforce Relations, ES; Laura Lynch, Deputy Associate Director, SES & Performance Management, ES

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

By the end of FY 2019, ES will develop legislative, regulatory, and administrative options for reforming Federal employee compensation and leave benefits systems and provide support to the Administration during the remainder of the year to secure passage of such legislation through the Congress. ES conducted a literature review of available pay and leave reform research which included studies conducted by GAO, Congressional Budget Office, Bureau of Labor Statistics, and other non-governmental organizations and assessed them for common themes. This will inform the pay and leave options. ES will continue to collect data on the use of special pay authorities for analysis and future monitoring, and provide technical support, on behalf of the President's Pay Agent, to the Federal Salary Council as it considers improvements to the pay comparability methodology and criteria for General Schedule locality pay.

In FY 2020, ES will refine and enhance legislative, regulatory, and administrative options for reforming Federal compensation and leave benefit systems. ES will provide leadership and assist agencies in implementing and optimizing the use of any new or existing pay and leave authorities and flexibilities to address agency workforce needs.

Implementation Organizations:

ES

Milestones

Target Completion		
Date	Description	Status
FY 2018	Complete a study identifying potential areas of improvement in Federal employee compensation and leave benefits systems	Met

Target Completion		
Date	Description	
FY 2019	Develop options for reforming Federal employee compensation and leave benefits systems (legislative)	
FY 2020	Develop additional options for reforming Federal employee compensation and leave benefits systems (regulatory and administrative)	

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.2-Achieve reforms to the pay system to drive performance excellence and greater responsiveness to changes in labor markets			\$1,844,000	12.0
1.2	Employee Services	Salaries & Expenses	\$1,844,000	12.0
OPM Total			\$1,844,000	12.0

Strategic Objective 1.3: Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform

Strategic Objective Owner: Ken Zawodny, Associate Director, RS

Deputy Strategic Objective Owner: Janel Fitzhugh, Chief, Legislative Affairs, CLIA

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, RS and CLIA will develop and submit to OMB additional retirement-related draft bills for interagency clearance. These draft bills should reduce the complexity or cost of administering the Federal retirement program.

In FY 2020, RS and CLIA will continue to research retirement benefits. Based on the results of such research, RS and CLIA will develop additional proposals that can assist with reducing the complexity or cost of administering the Federal retirement program.

Implementation Organizations:

RS and CLIA

Milestones

Target Completion Date	Description	Status
FY 2018	Submit four legislative proposals for transmittal to Congress	Met

Target Completion Date	Description
FY 2019	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance
FY 2020	Submit at least two retirement reform proposals to the Office of Management and Budget (OMB) for interagency clearance

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.3-Reduce the complexity and costs to administer Federal employee retirement earned benefits by achieving and implementing legislative reform			\$1,573,000	10.2
1.3	Congressional, Legislative and Intergovernmental Affairs	Salaries & Expenses	\$73,000	0.2
	Retirement Services	Trust Fund Annual	\$1,500,000	10.0
OPM Total			\$1,573,000	10.2

Strategic Objective 1.4: Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans

Strategic Objective Owner: Alan Spielman, Director, HI

Deputy Strategic Objective Owner: Laurie Bodenheimer, Deputy Director, HI

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, HI will provide technical assistance to FEHB carriers to foster their progress toward higher Clinical Quality, Customer Service, and Resource Use scores in the FEHB Plan Performance Assessment, through quarterly meetings of the Plan Performance Assessment best practices workgroup, the annual FEHB Call Letter (released in the second quarter of each fiscal year), educational sessions at the FEHB Carrier Conference each March, and carrier-specific performance feedback provided annually. To increase the affordability of FEHB plans, OPM will continue to review the agency's guidance on high deductible health plans with health savings accounts to determine the need for additional flexibility for carriers. In FY 2019, OPM will determine legislative or regulatory changes that would more strongly incentivize carriers to prioritize transparency, quality and affordability. HI will improve the Plan Comparison Tool to provide more information to promote informed decision-making.

In FY 2019, HI will also improve data collection from carriers and enhance OPM's analysis of existing data in order to provide benchmarking information to carriers on key trends, identify gaps in pharmaceutical drug coverage, and identify potential adverse selection due to formulary design. In addition, OPM will seek to improve the portfolio of available FEHB plans and enhance competition by identifying and recruiting high-performing carriers to participate in the FEHB by offering comprehensive medical plans.

Further, in FY 2019, HI will conduct a procurement to determine whether to contract with a carrier to offer coverage under the Indemnity Benefit Plan starting in plan year 2020. HI will also explore opportunities to obtain additional funding to support the creation of the FEHB Central Enrollment Program (CEP). HI will lay the groundwork for the Central Enrollment Program by working with OCIO in FY 2019 to implement daily transmissions, with enhanced data validations, for all incoming enrollment transactions from OPM's Macon Data Hub to FEHB carriers. In addition, HI will pursue required regulatory changes and sub-regulatory guidance needed for CEP implementation. Further, HI will conduct market research to include a Request for Information to further assess the capabilities of enrollment services and applications provided by current HI/FEHB partners as well as other entities in order to determine the feasibility of using these to implement the CEP.

In FY 2020, HI will continue to partner with OCIO toward CEP implementation by determining the technology solution and finalizing our procurement strategy. Depending on available funding, we hope to work towards implementing a CEP pilot. FY 2020 activities would include determining the agencies and populations that will participate in a pilot, establishing operational procedures for the pilot, and populating the data store with historical data. To promote robust decision support, in addition to further refinements to the Plan Comparison Tool, HI will consider other potential improvements to its consumer-

facing plan materials, including the FEHB plan brochure. HI will also engage in extensive outreach and education to agency benefits officers, FEHB carriers, and other stakeholders regarding CEP planning and implementation.

Also in FY 2020, HI will continue its ongoing work on Plan Performance Assessment, including analysis of specific FEHB Plan Performance Assessment measures, and will collaborate with measure stewards, endorsing bodies, and other government agencies to ensure that Plan Performance Assessment measures remain current and relevant. In addition, HI will implement updated Clinical Quality, Customer Service, and Resource Use measures and priority weights.

Provided HI receives at least one high-quality, responsive bid fulfilling HI requirements, the Indemnity Benefit Plan carrier will become effective January 1, 2020.

Implementation Organizations:

HI and OCIO

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of FEHB enrollees in quality affordable plans	74.3%	74.2%	Expected Mar 2019	75%	75%

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.4-Improve healthcare quality and affordability in the FEHB program with 75 percent of enrollees in quality affordable plans			\$23,398,000	111.0
1.4	Office of the Chief Information Officer	Salaries & Expenses	\$900,000	0.0
	Healthcare & Insurance	Trust Fund Annual	\$22,498,000	111.0
OPM Total			\$23,398,000	111.0

Strategic Objective 1.5: Transform the background investigation process to improve investigation timeliness

Strategic Objective Owner: Charles Phalen, Jr., Director, NBIB

Deputy Strategic Objective Owners: Jorge Shimabukuro, Deputy Assistant Director, NBIB

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

This objective will be discontinued in 2020, as NBIB will move to the Department of Defense.

In FY 2019, NBIB will work with DOD to develop, test, and deploy the National Background Investigations System while maintaining legacy IT systems within OPM for current NBIB operations and to provide a smooth and seamless transition.

NBIB anticipates that the Trusted Workforce 2.0 Framework will greatly impact the work done by NBIB. The expected short-term objective of the Framework is a reduction in the background investigation inventory, and a long-term objective of the Framework is to fundamentally transform the approach for personnel vetting.

NBIB will continue to increase investigative workforce capacity by hiring more Federal investigators and motivate NBIB contractors to employ additional contract investigators, to more expeditiously decrease pending case inventory and improve the timely delivery of high-quality cases to NBIB's Federal agency customers.

NBIB will also enhance its Law Enforcement Liaison Office to increase centralization and outreach efforts, as well as educate the law enforcement community on the needs of the national background investigation program. NBIB will continue to identify law enforcement agencies that are unable to meet background investigation record requests as required under 5 U.S.C. § 9101. In concert with those agencies, NBIB will continue develop a strategy to include identifying resources such as staffing, funding, and automation to permit those agencies to become compliant.

NBIB will further implement a continuous evaluation approach pursuant to guidance prescribed by new Federal Investigative Standards, and Executive Order 13467, as amended. This continuous evaluation approach allows agencies to review background information of an individual at any time during the period of eligibility to determine whether that individual continues to meet the requirements for access to classified information.

Further, NBIB will introduce remote centralized capabilities for statewide law checks and other checks required by the Federal Investigative Standards that are capable of being done remotely from a central location. Creating a centralized law check reduces the average cost per check.

NBIB will also continue to publish investigation prices at a point in time that gives customer agencies sufficient advance notice and supports their budget submission cycle. This will allow Federal customers to better budget for price fluctuations.

The NBIB Counterintelligence Office will expand its ability to identify and evaluate background investigations and related suspicious indicator reporting to help identify potential counterintelligence, counterterrorism, and insider threats.

OPM will add enhanced analytical tools that support background investigations to better anticipate, detect, and counter malicious activities, as well as threats posed by trusted insiders who may seek to do harm to the Government’s personnel, property, and information systems.

Further, NBIB will continue to reduce supply order costs through negotiations, market research, and use of required sources.

Implementation Organizations:

NBIB

Performance Measures

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of investigations determined to be quality complete	99.9%	99.9%	99.9%	99%	Discontinued†
Number of cases in the inventory	573,000*	708,000*	650,000*	585,000	Discontinued†

* Rounded.

† This objective will be discontinued in 2020, as NBIB will move to the Department of Defense.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Transform hiring, pay, and benefits across the Federal Government to attract and retain the best civilian workforce				
1.5-Transform the background investigation process to improve investigation timeliness			\$546,600,000	0.0
1.5	National Background Investigations Bureau (NBIB)	Revolving Fund	\$546,600,000	0.0
OPM Total			\$546,600,000	0.0

Strategic Goal 2: Lead the establishment and modernization of human capital information technology and data management systems and solutions

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.1-Improve collection and analysis of data to better inform human capital management decisions			\$2,678,000	14.9
2.1	Employee Services	Salaries & Expenses	\$2,165,000	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$358,000	2.3
	Office of Strategy and Innovation	Salaries & Expenses	\$155,000	0.6
2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022				
2.2	HR Solutions	Revolving Fund	\$1,954,000	2.0
	Office of the Director	Salaries & Expenses	\$1,474,000	7.0
		Revolving Fund	\$2,150,000	0.0
2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements				
2.3	Office of the Director	Revolving Fund	\$1,000,000	0.0
OPM Total			\$9,256,000	23.9

Strategic Objective 2.1: Improve collection and analysis of data to better inform human capital management decisions

Strategy Objective Owner: Rebecca Thacker, Director, OSI

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, ES will begin publishing white papers targeted to a human capital management audience about the agency's engagements on strategic forecasting and pilots, and continue to produce research publications. In addition, ES will host four webcasts that connect OPM's Community of Excellence, research professionals, CHCOs, and others across the Federal Government to participate in live discussions on critical human capital management topics. ES will also continue to establish and execute agreements for information sharing and research project collaborations to help advance OPM's human capital management policy initiatives.

In FY 2019 and 2020, OSI will focus on producing evidence-based results of human capital management practices through research utilizing predictive analytic methodology. The latest empirical academic research from top academic journals and scholars into strategic human capital management will be brought to bear on the question of "What do we need to be measuring?" Relationships will be forged with the academic sector and key Federal Government constituents to identify question of interest for modern human capital management practices.

In FY 2020, ES and MSAC will put into practice the concepts gleaned from the most current white papers, strategic documents, and emerging thought leader positions from the Federal Government, private industry and academia. These concepts will be implemented through demonstration and pilot projects.

Implementation Organizations:

ES, MSAC and OSI

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of OPM policies that embed data analysis and research	-*	-*	72.7%	70%	75%

*No historical data available for this period.

Milestones

Target Completion Date	Description
2019	Finalize OPM's Research Agenda
2020	Develop pilot or demonstration projects based on OPM's Research Agenda

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.1-Improve collection and analysis of data to better inform human capital management decisions			\$2,678,000	14.9
2.1	Employee Services	Salaries & Expenses	\$2,165,000	12.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$358,000	2.3
	Office of Strategy and Innovation	Salaries & Expenses	\$155,000	0.6
OPM Total			\$2,678,000	14.9

Strategic Objective 2.2: Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022

Strategy Objective Owner: Reginald Brown, Principal Deputy Associate Director, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, the HRLOB (OD) will complete the Human Capital Federal Integrated Business Framework standards for Agency Human Capital Strategy, Policies, and Operation, and Workforce Analytics and Employee Records.

The HRLOB (OD) will continue to collaborate with GSA's Office of Shared Solutions and Performance Improvement and the payroll shared service provider on NewPay. In FY 2019, the Shared Service Providers will begin writing individual task orders against the blanket purchase agreement awarded by GSA in FY 2018. The Office of Shared Solutions and Performance Improvement will oversee that effort and confirm that the shared service providers are working within the constraints of the selected NewPay Software-as-a-Service providers, as well as Government policies. HRLOB will be supporting the development of standards for this effort. OPM and GSA will be one of the first agencies to join under the blanket purchase agreement in FY 2019, which will start the configuration phase of NewPay, followed by migrations scheduled for FY 2020.

In FY 2019, HRS will engage in initial Human Capital Federal Integrated Business Framework Management mapping and documentation, and complete USA Suite Data Model mapping across all USA Suite applications with aligned USA Suite data model(s).

In FY 2020, the HRLOB (OD) anticipates the completion, and OPM approval, of the Human Capital Federal Integrated Business Framework standards for Employee Relations and Continuous Vetting, Labor Relations, and Agency Human Capital Evaluation.

Also in FY 2020, the HRLOB (OD) will support GSA's Office of Shared Solutions and Performance Improvement, and the payroll shared service provider, to ensure the NewPay Software-as-a-Service solution is adopting the new standards developed by HRLOB. Implementing the business rules and other parts of the Federal Integrated Business Framework standards will be critical for the success of NewPay. OPM will play a role in promoting the correct implementation of Government policies. FY 2020 is the target for implementation of NewPay, with each payroll shared service provider migrating at least one agency (approximately 10,000 employees) to the new platform, and adoption of a Talent Management suite by four agencies.

In FY 2020, HRS will select a private sector provider to support the development of the End-to-End HR Service Delivery capability. It is envisioned this software-as-a-service capability will utilize current HRS best-in-breed HRIT assets (e.g., USA Staffing, Hire, Learning, and Performance), the NewPay application, and other private sector provider HRIT applications to create a fully interoperable talent

management capability. Additionally, it will seek to provide a unified user experience with multi-factor/single sign-on, adopt cloud characteristics and implement an initial set of advanced technologies such as talent analytics, robotics process automation, artificial intelligence/machine learning, or mobile capabilities. The capability is targeted for initial availability to Federal agencies in FY 2021 and full-scale availability in FY 2022.

Implementation Organizations:

HRLOB (OD) and HRS

Milestones

Target Completion Date	Description	Status
FY 2018	Complete Human Capital Federal Integrated Business Framework standards for all Talent Management Functions (Talent Acquisition, Talent Development, Employee Performance Management, Compensation and Benefits, and Separation and Retirement)	Met

Target Completion Date	Description
FY 2019	Make the USAService SaaS solutions available on a FedRamp "high" cloud available to agencies for the complete talent management lifecycle*
FY 2019	Make 1 to 2 additional SaaS solutions available on a FedRamp "high" cloud to agencies for the complete talent management lifecycle†
FY 2019	Complete and approve the Agency HC Strategy, Policies, and Operation Human Capital-Federal Integrated Business Framework
FY 2019	Complete and approve the Workforce Analytics and Employee Records Human Capital-Federal Integrated Business Framework
FY 2020	Complete and approve the Employee Relations and Continuous Vetting Human Capital-Federal Integrated Business Framework
FY 2020	Complete and approve the Labor Relations Human Capital-Federal Integrated Business Framework
FY 2020	Complete and approve the Agency Human Capital Evaluation Human Capital-Federal Integrated Business Framework

*The USA Service initiative was delayed due to transition related actions and is no longer a sole OPM initiative. As outlined in the Administration’s *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, GSA and HRS are expected to partner on the development of an End-to-End HR Service Delivery strategy (technology, data and service) that covers the entire Talent Management Lifecycle. The target date for finding a private sector partner is now FY 2020. A solution will more than likely be available in FY 2021.

†HRS is on track for USA Learning to be FedRamp High by the end of FY 2019. This is contingent on the application review process.

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.2-Advance human capital management through the strategic use of interoperable HR IT that connects all parts of the talent management lifecycle and drives adoption of the Software as a Service model by the end of 2022			\$5,578,000	9.0
2.2	HR Solutions	Revolving Fund	\$1,954,000	2.0
	Office of the Director	Salaries & Expenses	\$1,474,000	7.0
		Revolving Fund	\$2,150,000	0.0
OPM Total			\$5,578,000	9.0

Objective: 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements

Strategy Objective Owner: Jeffrey S. Pollack, Program Manager

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, the HRLOB (OD) will use the Human Capital Information Model (a real time registry and repository of human capital data elements, definitions, and metadata that was built using global industry data standards, Federal Government data standards, and best practices) to align with the latest data standards and technology.

In FY 2020, the HRLOB (OD) will expand Federal Government and industry cooperation by releasing integrated data standards, in collaboration with a Multi-agency Executive Strategy Committee. The HRLOB (OD) will also assist OPM program offices with compliance with Federal privacy and data protection rules, and develop guidance and education aids, so that implementers can access a future centralized data repository.

Implementation Organization:

HRLOB (OD)

Milestones

Target Completion Date	Description	Status
FY 2018	Release alpha version of EDR data standard (Payroll and Time & Attendance)	Met
FY 2018	Release beta version of EDR data standard (Payroll and Time & Attendance)	Met
FY 2018	Release first version of EDR data standard so that the HR community can speak a common language	Met
FY 2018	Analyze privacy metadata and prioritize privacy integration	Not Met*
FY 2018	Establish Data Review Board so that OPM leadership demonstrates and executes on the importance of data	Met
FY 2018	Establish Executive Steering Committee so that executive leadership are aware, informed, and in sync with the future strategic and tactical vision of EDR	Met
FY 2018	Establish data feeds based on EDR data standards	Not Met†
FY 2018	Design and prototype state of the art data exchange protocol	Met‡

*Engaged Chief Privacy Officer to tailor the needs of NewPay to System of Record requirements

†OPM is prepared to establish data feeds when the IT solution is determined.

Target Completion Date	Description
FY 2019	Build and provide a state of the art data exchange platform
FY 2019	Stand up initial data repository so that other agencies and industry can interoperate and use the data standard
FY 2019	Socialize initial data integration with providers
FY 2019	Integrate initial privacy content into HCIM so that data can be smartly designed and securely shared
FY 2020	Release Federal integrated data standards

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Lead the establishment and modernization of human capital information technology and data management systems and solutions				
2.3-Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements			\$1,000,000	0.0
2.3	Office of the Director	Revolving Fund	\$1,000,000	0.0
OPM Total			\$1,000,000	0.0

Strategic Goal 3: Improve integration and communication of OPM services to Federal agencies to meet emerging needs

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives			\$13,156,000	88.8
3.1	Employee Services	Salaries & Expenses	\$4,714,000	32.0
	HR Solutions	Revolving Fund	\$335,000	2.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$8,107,000	54.8
3.2-Achieve recognition as the trusted human capital management advisor			\$424,000	3.2
3.2	Merit System Accountability & Compliance	Salaries & Expenses	\$294,000	2.2
	Office of Communications	Salaries & Expenses	\$130,000	1.0
OPM Total			\$13,580,000	92.0

Strategic Objective 3.1: Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives

Strategic Objective Owner: Ana Mazzi, Principal Deputy Associate Director, MSAC

Deputy Strategic Objective Owners: Veronica Villalobos, Principal Deputy Associate Director, ES; Reginald Brown, Principal Deputy Associate Director, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, ES, MSAC, and HRS will implement the collaboration framework and continue to collect data and measure results on internal and external satisfaction. ES, MSAC, and HRS will work with other key offices in OPM, such as OGC and OES, to streamline the way policies, guidance, decisions, reports and products are released for implementation, and be more timely and responsive. These FY 2019 next steps were based on an evaluation conducted by a third party facilitator (external to the agency) who evaluated OPM's evaluation, service, and policy organizations and identified opportunities for the three organizations to interact more effectively, and recommended ongoing steps for the organizations to institutionalize collaboration efforts.

In FY 2020, MSAC, ES and HRS will collaborate to produce Customer Personas – a unified knowledge profile of each cabinet agency. Personas will provide a customer-perspective approach for OPM to engage with agencies, using data developed by all three organizations to create a real-time representation of the agency's workforce, human capital needs, and interests.

Implementation Organizations:

ES, MSAC, and HRS

Performance Measure

Performance Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Result	Result	Result	Target	Target
Percent of users who agree OPM human capital services are helpful in achieving human capital objectives	-*	-*	88.0%	89%	90%

* No historical data available for this period.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.1-Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives			\$13,156,000	88.8
3.1	Employee Services	Salaries & Expenses	\$4,714,000	32.0
	HR Solutions	Revolving Fund	\$335,000	2.0
	Merit System Accountability & Compliance	Salaries & Expenses	\$8,107,000	54.8
OPM Total			\$13,156,000	88.8

Strategic Objective 3.2: Achieve recognition as the trusted human capital management advisor

Strategic Objective Owner: Anthony Marucci, Director, OC

Deputy Strategic Objective Owners: Sara Ratcliff, Executive Director, CHCOC

FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2020, OC will use new branding established in FY 2018 and FY 2019 to highlight the positive impact OPM has on the human capital community regarding policies, services, and oversight, and OPM's commitment to the President's Management Agenda (PMA) pillars of mission, service, and stewardship. OPM will continue to promote the focused efforts of the agency to reduce burden and enhance the ability of other agencies to deliver on their missions. Further, OC will use data gathered through feedback from customers regarding overall satisfaction with OPM services, to find opportunities to improve the agency's policies, services, and oversight of the human capital community.

In FY 2020, OC will demonstrate improvement in the level of customer satisfaction and build on its commitment to the PMA pillars of mission, service, and stewardship. Based on data gathered through feedback from customers regarding overall satisfaction with OPM services, OPM will continue to look for opportunities to improve its policies, services, and oversight of the human capital community, such as new ideas generated through ongoing collaboration with the Federal human capital community. MSAC will collaborate with the objective 3.2 team to promote coordination with objective 3.1.

Implementation Organizations:

OC and MSAC

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of the Federal human capital management community satisfied with OPM's services and guidance	-*	-*	No Survey	Establish Baseline	Establish Baseline

* No historical data available for this period.

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Improve integration and communication of OPM services to Federal agencies to meet emerging needs				
3.2	Achieve recognition as the trusted human capital management advisor		\$424,000	3.2
3.2	Merit System Accountability & Compliance	Salaries & Expenses	\$294,000	2.2
	Office of Communications	Salaries & Expenses	\$130,000	1.0
OPM Total			\$424,000	3.2

Strategic Goal 4: Optimize agency performance

Performance Budget Request by Objective, Organization and Fund–All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points			\$8,090,000	1.0
4.1	Office of the Chief Information Officer	Salaries & Expenses	\$3,470,000	0.0
		Common Services	\$4,400,000	0.0
	Office of the Chief Financial Officer	Common Services	\$220,000	1.0
4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points			\$1,720,000	9.0
4.2	OPM Human Resources	Common Services	\$1,720,000	9.0
4.3-Exceed the Government-wide average satisfaction score for each agency mission support service			\$8,147,000	27.9
4.3	Office of the Chief Information Officer	Salaries & Expenses	\$60,000	0.0
		Common Services	\$106,000	0.0
	Facilities, Security & Emergency Management	Common Services	\$125,000	0.0
	Office of Procurement Operations	Common Services	\$1,072,000	7.0
	Office of the Chief Financial Officer	Salaries & Expenses	\$200,000	0.0
		IT Modernization S&E	\$2,257,000	1.4
		Common Services	\$1,606,000	2.0
	OPM Human Resources	Common Services	\$2,721,000	17.5
4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less			\$115,427,000	1,063.0
4.4	Office of the Chief Information Officer	Trust Fund Annual	\$8,258,000	29.0
		Common Services	\$448,000	2.0
		5 USC 8348 (a)(1)(B) - Retirement	\$3,487,000	4.0
	Retirement Services	Trust Fund Annual	\$58,248,000	565.0
		5 USC 8348 (a)(1)(B) - Retirement	\$43,035,000	451.0
		FERCCA (P.L. 106-265) - Retirement	\$1,951,000	12.0
OPM Total			\$133,384,000	1,100.9

Strategic Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points

Strategic Objective Owner: Lisa Loss, Director, Suitability Executive Agent Programs

Deputy Strategic Objective Owners: Jeff Wagner, Supervisory IT Specialist, OCIO; Thomas Moschetto, Chief, Risk Management and Internal Control, OCFO

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, to foster greater understanding of each other's needs in meeting mission and to facilitate opportunities for shared problem-solving, OPM will continue the practice begun in FY 2018 of holding monthly all-senior executive meetings that include program spotlights for senior leaders to share their goals and challenges. Based upon input from senior leaders and others in FY 2018, OPM will identify additional mechanisms to facilitate improved communications across the SES and to improve opportunities for managing communications virtually. OPM will seek to implement these additional mechanisms in FY 2019.

In FY 2019, OPM will complete the assessment (networking or other similar evaluation) of senior leader collaboration that was initiated in FY 2018. The next step will be for the 4.1 objective owners to identify opportunities to enhance outcomes, as necessary. The objective owners anticipate working with the senior leadership team to develop implementation plans for identified improvements and beginning execution of these plans in FY 2019.

Based on the OCIO FY 2018 assessment of its current technology tools for enterprise communication, collaboration, and transparency, in FY 2019 OCIO will begin to deploy the schedule of collaboration tools it published to OPM's senior leaders in FY 2018.

In FY 2019, OCFO will continue to lead efforts to build out and deploy the Enterprise Risk Management program as a mechanism for enhanced communication, understanding and management of corporate risk. The OCFO will consult with the OPM Risk Management Council to create a prioritized schedule for deployment of the program across OPM programs. Deployment across OPM programs will begin in FY 2019. To support the deployment, OCFO will acquire an Enterprise Risk Management automated tool in FY 2019 dependent on funding availability. The Risk Management communications plan, developed in FY 2018, will continue to be executed throughout deployment of Enterprise Risk Management at the program.

OPM will continue to establish mechanisms to hold leaders accountable for corporate performance. In FY 2019, OPM's Executive Resources Board will assess the effectiveness of the corporate citizenship element of OPM senior leader's performance standards put in place in FY 2018. Results of the Executive Review Board's assessment will be shared with OPM senior leaders with an opportunity for comment. The Executive Review Board will identify the continued need for a corporate performance scoring

process to hold leaders accountable or whether to institute alternative methodologies to meet this objective.

To provide visibility and encourage like efforts, in FY 2019 OPM will take action to identify and execute mechanisms to make the workforce aware of efforts among OPM's senior leaders to improve communication, collaboration, and transparency.

In FY 2020, OPM will seek to institutionalize the initiatives begun in FY 2018 and FY 2019. These include formalizing the mechanisms for shared problem solving, and implementing the initial set of recommendations that surfaced as a result of the networking or similar assessment. OCIO will conclude its initial deployment of collaboration tools and deploy a training and maintenance schedule for these tools. OCFO will continue deployment of the Enterprise Risk Management across all OPM programs and assess the success of implementation efforts in order to target areas where additional guidance is needed. OPM will continue to implement measures that make progress toward the objective of holding leaders accountable.

Implementation Organizations:

OCIO and OCFO

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Collaborative Management Score	60.5%	61.5%	61.6%	62.5%	63.5%

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.1-Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM’s collaborative management score by 4 percentage points			\$8,090,000	1.0
4.1	Office of the Chief Information Officer	Salaries & Expenses	\$3,470,000	0.0
		Common Services	\$4,400,000	0.0
	Office of the Chief Financial Officer	Common Services	\$220,000	1.0
OPM Total			\$8,090,000	1.0

Strategic Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM’s score in dealing with poor performers by 4 percentage points

Strategic Objective Owner: Andrea Bright, Chief Human Capital Officer, OPM HR

Deputy Strategic Objective Owner: Suzanne Logan, Deputy Associate Director and Federal Executive Institute Director, Center for Leadership Development, HRS

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019, OPM HR will enhance insight into the performance improvement plan process by providing supervisors with annual guidance, maintaining data, and providing an annual report to senior leadership on performance improvement plan issuances and completions. OPM HR will revise the agency’s supervisory performance appraisal standards to align with feedback provided by supervisory staff, and the strategies of objective 4.2. OPM HR will also continue to train supporting human resources staff. OPM HR will also maintain course completion tracking reports, including mandatory training course completions, to share with agency officials as appropriate. Further, OPM HR will issue quarterly notices to all supervisors providing employee relations points of contact for addressing performance/conduct issues. OPM HR will continue to communicate information on updated policies and procedures through emails, intranet postings, and other channels as needed. OPM HR will assist supervisors through communications regarding any policy changes based on external factors, such as Executive Orders or other regulatory changes.

In FY 2020, OPM HR will continue to review and update policies where needed, assist supervisors in understanding performance standards, provide reporting to agency leadership on performance improvement plan issuances and completions, and offer training to supporting human resources staff on performance management. Further, OPM HR will continue communications strategies established in FY 2018 and FY 2019, such as quarterly notices to supervisors regarding employee relations points of contact for addressing performance/conduct issues. OPM HR will also continue the employee relations accessibility and satisfaction survey biannually. The FY 2018 and FY 2019 Federal Employee Viewpoint Survey pilot items, such as the new results-based poor performers Federal Employee Viewpoint Survey item, may provide an alternative approach for OPM HR to measure employee perspectives on poor performance.

Implementation Organizations:

OPM HR

Performance Measure

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Percent of employees satisfied with steps taken to address poor performance	43.8%	43.9%	45.4%	45.8%	45.8%

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.2-Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points			\$1,720,000	9.0
4.2	OPM Human Resources	Common Services	\$1,720,000	9.0
OPM Total			\$1,720,000	9.0

Strategic Objective 4.3: Exceed the Government-wide average satisfaction score for each agency mission support service

Strategic Objective Owner: Dennis Coleman, Chief Financial Officer, OCFO

Deputy Strategic Objective Owners: Andrea Bright, Chief Human Capital Officer, OPM HR; Juan Arratia, Senior Procurement Executive, OPO; James Onusko, Acting Director, FSEM

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FY 2019-2020, OPM mission support offices will implement strategies focused on improving service delivery in each area, incorporating successful practices identified through consultation with high performing agencies, industry partners, councils, and other applicable sources, and establishing a framework to guide OPM's actions in exceeding Government-wide satisfaction scores by FY 2022.

FSEM will develop a test environment with two Computer-Aided Facility Management modules: one to assist in centrally reserving building assembly spaces for maximum utilization and another for space management that will enable building occupancy level reporting in real time.

In FY 2019, OPM HR will provide managers with enhanced support for employee and labor relations issues.

Also in FY 2019, OCFO will begin efforts to migrate the agency's financial system to a Federal shared services provider, allowing for a reduction in total cost of ownership, access to more up-to-date technologies (for example, a procurement system upgrade), improved efficiencies and effectiveness through standardized business processes, and overall improvements in the customer experience.

In FY 2020, OCFO will complete the migration of OPM's financial system to a Federal shared services provider. Further, OCFO will continue to enhance the Budget Management System. Additionally, OCFO will make two full years of data available for Enterprise Cost Accounting System reporting, further enhancing the agency's use of cost reporting and analysis for decision making.

OCIO will operationalize additional collaboration capabilities from a variety of tools. OCIO will also align end user devices such as laptops and mobile phones to an appropriate refresh cycle.

OPO will continue to strengthen the acquisition planning process to support more timely submission of requirements for execution. OPO will also strengthen the agency acquisition strategy by providing increased training on purchase cards, contract oversight, and administration. Further, OPO will increase the alignment of agency requirements.

FSEM will fully deploy two Computer Aided Facility Management software modules that will increase the efficiency of space planning and reserved assembly spaces, and provide an inventory of agency personal property.

In FY 2020, OPM HR will focus agency customer service efforts around some of the program areas with which customers are less familiar, including benefits, work-life, and training.

Implementation Organizations:

OCFO, OCIO, OPO, OPM HR, and FSEM

Performance Measures

Performance Measure	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Result	Result	Result	Target	Target
Average satisfaction score for financial management quality from OPM senior supervisory employees	4.33	4.70	4.88	4.9	5.0
Average satisfaction score for human capital services quality from OPM senior supervisory employees	5.09	5.09	4.67	4.5	≥ Government-wide Average [^]
Average satisfaction score for information technology services quality from OPM employees	4.63	3.99	4.44	4.4	4.6
Average satisfaction score for contracting services quality from OPM senior supervisory employees	2.89	4.35	3.94	4.9	4.9
Percent of OPM employees satisfied with real property services at OPM's largest nine buildings	-*	49.6%	53.4%	52%	52%

* No historical data available for this period.

[^] Satisfaction with OPM HR currently exceeds the Government-wide average. OPM aims to exceed the Government-wide average for all mission support functions by FY 2022.

Performance Budget Request by Objective, Organization and Fund—All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.3-Exceed the Government-wide average satisfaction score for each agency mission support service			\$8,147,000	27.9
4.3	Office of the Chief Information Officer	Salaries & Expenses	\$60,000	0.0
		Common Services	\$106,000	0.0
	Facilities, Security & Emergency Management	Common Services	\$125,000	0.0
	Office of Procurement Operations	Common Services	\$1,072,000	7.0
	Office of the Chief Financial Officer	Salaries & Expenses	\$200,000	0.0
		IT Modernization S&E	\$2,257,000	1.4
		Common Services	\$1,606,000	2.0
	OPM Human Resources	Common Services	\$2,721,000	17.5
OPM Total			\$8,147,000	27.9

Strategic Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less

Strategic Objective Owner: Kenneth Zawodny, Jr., Associate Director, RS

Deputy Strategic Objective Owners:

FY 2019 and FY 2020 Next Steps and Anticipated Accomplishments:

In FYs 2019-2020, RS will continue to integrate process improvements for enhancing customer service and improving overall timeliness of survivor and claims processing. RS will also enhance reporting tools to monitor and forecast workloads. In addition, RS will continue to develop and update standard operating procedures across retirement operations based on newly implemented process improvements. RS will also effectively use overtime to achieve performance targets. RS will continue to cross train Retirement Information Office personnel to increase the number of customer requests resolved during the first call. Further, RS will work with OCIO to investigate technological capabilities to continue to improve processing time and reduce wait times. Through continued improvements in timeliness and customer service, RS expects to receive fewer congressional inquiries.

Also in FYs 2019-2020, RS will continue to provide Federal retirement policy technical assistance to all OPM offices and the Congress. RS will also perform ongoing audits of agency retirement application submissions, provide monthly feedback to agencies and payroll offices, and alert agencies of any trends and improvement opportunities. Further, RS will identify training needs for agencies, develop job aids and on-line training modules, and conduct workshops on the retirement application process.

Implementation Organizations:

RS and OCIO

Performance Measures

Performance Measure	FY 2016 Result	FY 2017 Result	FY 2018 Result	FY 2019 Target	FY 2020 Target
Average number of minutes to answer phone calls	24.2	17.7	8.60	5	5
Average number of days to process retirement cases	54.1	67.0	58.6	60	60

Performance Budget Request by Objective, Organization and Fund--All Resources

Strategic Objectives	Organization	Fund	Dollars	FTE
Optimize Agency Performance				
4.4-Improve retirement services by reducing the average time to answer calls to 5 minutes or less and achieve an average case processing time of 60 days or less			\$115,427,000	1,063.0
4.4	Office of the Chief Information Officer	Trust Fund Annual	\$8,258,000	29.0
		Common Services	\$448,000	2.0
		5 USC 8348 (a)(1)(B) - Retirement	\$3,487,000	4.0
	Retirement Services	Trust Fund Annual	\$58,248,000	565.0
		5 USC 8348 (a)(1)(B) - Retirement	\$43,035,000	451.0
		FERCCA (P.L. 106-265) - Retirement	\$1,951,000	12.0
OPM Total			\$115,427,000	1,063.0

Earned Benefits Trust Funds

The Office of Personnel Management (OPM) administers the following Earned Benefits Trust Funds:

- FEHB – Federal Employees Health Benefits;
- FEGLI – Federal Employees’ Group Life Insurance;
- CSRDF – Civil Service Retirement and Disability Fund;
- PSRHB – Postal Service Retiree Health Benefits; and
- FSAFEDS – The Federal Flexible Spending Account Program.

These trust funds are among the largest held by the United States Government. For FY 2020, the net assets combined are estimated to total approximately \$1.1 trillion, receipts are estimated to total \$173 billion, and outlays are estimated to total \$157 billion. These trust funds finance the retirement program for approximately 2.1 million Federal civilian employees, currently provide retirement benefits for more than 2.7 million retirees and survivors, finance the health insurance for approximately 8 million employees, retirees, and their families, and provide life insurance coverage for an estimated 4.2 million employees and retirees.

FY 2020 All Earned Benefits Funds (millions)

	CSRDF	FEHB/REHB	FEGLI	PSRHF	FSA FEDS	TOTAL
FY 2020 Estimated Start of Year Fund Balance	\$949,852	\$27,503	\$47,603	\$42,478	\$68	\$1,067,501
FY 2020 Estimated Receipts	\$108,771	\$58,843	\$4,587	\$1,155	\$21	\$173,377
FY 2020 Estimated Outlays	\$91,381	\$58,596	\$3,323	\$3,661	\$16	\$156,977
FY 2020 Estimated End of Year Fund Balance	\$967,242	\$27,750	\$48,867	\$39,972	\$73	\$1,083,901
FY 2020 Estimated Participants:						
Actives (Millions)	2,415	2,144	2,444			
Annuitants (Millions)	2,754	1,965	1,661			

Trust Fund Financing

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

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

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$26,021	\$27,316	\$27,503	\$187
Receipts from the Public	\$16,388	\$16,881	\$17,726	\$845
Receipts from Federal Sources	\$37,761	\$38,752	\$40,629	\$1,877
Interest Earnings	\$322	\$371	\$488	\$117
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$53,121	\$55,817	\$58,596	\$2,779
End of Year Balance	\$27,316	\$27,503	\$27,750	\$247

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 Federal Employees Health Benefits Program, and to maintain program reserves. Federal employees can choose from among Consumer-Driven and High Deductible plans that offer catastrophic risk protection with higher deductibles, health savings/reimbursable accounts and lower premiums, Fee-for-Service (FFS) plans, or Health Maintenance Organizations.

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

- active employees;
- employees who retired after June 1960, or their survivors;
- annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law (P.L.) 93-246; and
- tribal organizations covered under the Indian Health Care Improvement Reauthorization Act (IHCA).

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 the enrolled population is dwindling. The projected population is approximately 111 for FY 2019 and approximately 91 for FY 2020.

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 employees; and
- contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508.

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

Federal Employees Health Benefits Fund – Legislative Proposals

The FY 2020 Budget contains legislative proposals designed to enhance and improve the program, as well as reduce overall costs for the Government. These proposals are *Government Contribution Adjustment Based on Plan Performance Assessment* and *Medical Liability Reform*. The proposal to modify the Government contribution rate based on plan performance would improve healthcare quality and affordability in the FEHB Program. Please refer to the Legislative Proposal section for more details on all of the FEHB proposals.

Employees Life Insurance Fund (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$45,538	\$46,459	\$47,603	\$1,144
Receipts from the Public	\$2,933	\$3,091	\$3,148	\$57
Receipts from Federal Sources	\$575	\$567	\$571	\$4
Interest Earnings	\$676	\$750	\$868	\$118
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$3,263	\$3,264	\$3,323	\$59
End of Year Balance	\$46,459	\$47,603	\$48,867	\$1,264

The FEGLI fund finances payments for Federal Employees' Group Life Insurance. FEGLI was established by 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 4 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)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$915,326	\$933,374	\$949,852	\$16,478
Receipts from the Public	\$4,452	\$4,931	\$5,181	\$250
Receipts from Federal Sources	\$73,816	\$74,074	\$79,328	\$5,254
Interest Earnings	\$25,584	\$25,407	\$24,262	(\$1,145)
Total Program Outlays	\$85,804	\$87,934	\$91,381	\$3,447
End of Year Balance	\$933,374	\$949,852	\$967,242	\$17,390

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 forecast in advance and must be determined at some future point in time (e.g. when actual receipts and expenses become known). The above table highlights the estimated 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. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a Thrift Savings Plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS. For FY 2020, it is estimated that employees will contribute approximately \$5.2 billion to finance FERS and CSRS retirement benefits. Those will come in the form of salary withholdings of 0.8 percent for those under FERS, slightly higher for those under FERS RAE/FRAE, and 7 percent for 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 percent interest rate. Under CSRS, regular employees contribute 7 percent of pay. Law enforcement officers, firefighters, and congressional employees contribute an extra half percent of pay, and members of the Congress an extra one percent of pay. Also under the static funding method for CSRS, the Treasury pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-Postal employees that occurred during the year, and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a dynamic entry age 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 that is equal to the contribution rate for CSRS employees – 7.0 percent, less the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance portion of Social Security. Under FERS, the dynamic normal cost rates for FY 2018 and FY 2019, are as follows: For regular employees hired before 2013, the rate is 14.5 percent of pay (employees share, 0.8 percent, and employer’s share, 13.7 percent). For regular employees hired during 2013 (known as FERS RAE/Revised Annuity Employees), the rate is 15.0 percent of pay (employee’s share, 3.1 percent and employer’s share, 11.9 percent); the Bipartisan Budget Act of 2013 included a provision to increase the normal cost rate of employee’s contribution to FERS for individuals hired after 2013 and to maintain the employer’s contribution rate at its current normal cost rate. Any contributions in excess of the amount necessary to satisfy FERS normal cost percentage will be credited to the assets of the CSRDF, thereby reducing the unfunded liability of the CSRS. For regular employees hired after 2013 (known as FERS FRAE/Further Revised Annuity Employees), the rate is 15.1 percent of pay (employee’s share, 4.4 percent, employer’s share, 11.9 percent, and excess of 1.2 percent).

An extra 0.5 percent of pay is contributed by Law Enforcement Officers, Firefighters, Air Traffic Controllers, Congressional employees, and Members of the Congress because of earlier retirement eligibility provisions.

Effective FY 2020, there will be a change in the normal cost rates for Postal FERS Employee/Employer Contributions and Non-Postal FERS Employer Contributions. The Board of Actuaries met on June 1, 2017, and recommended subsequent changes to the actuarial economic assumptions for Non-Postal agencies. Due to revised regulation, the Board established separate demographic and economic assumptions for the United States Postal Service/USPS. For regular FERS Non-Postal employees (other than RAE and FRAE), the normal cost rate will be 16.8 percent of pay (employee’s share, 0.8 percent, and employer’s share, 16.0 percent). Regular FERS Postal employees will be 15.5 percent of pay (employee’s share, 0.8 percent, and employer’s share, 14.7 percent). For FERS RAE Non-Postal employees, the normal cost rate will be 17.3 percent of pay (employee’s share, 3.1 percent, and employer’s share, 14.2 percent). FERS RAE Postal employees will be 15.9 percent of pay (employee’s share, 3.1 percent, and employer’s share, 12.8 percent). For FERS FRAE Non-Postal employees, the

normal cost rate will be 17.5 percent of pay (employee's share, 4.4 percent, employer's share, 14.2 percent, and excess of 1.1 percent). FERS FRAE Postal employees will be 16.1 percent of pay (employee's share, 4.4 percent, and employer's share, 11.7 percent).

Civil Service Retirement and Disability Fund – Legislative Proposals

The FY 2020 Budget contains four separate legislative proposals that could have an impact on the financing and benefits payable under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The first legislative proposal seeks to provide a source of savings to the Federal government by increasing the receipts to the Civil Service Retirement and Disability Fund (CSRDF) from Federal employees. The remaining legislative proposals seek to provide a source of savings to the Federal Government by reducing the outlays for annuity payments.

1. **INCREASE EMPLOYEE CONTRIBUTIONS TO 50 PERCENT OF COST, PHASED IN AT ONE PERCENT PER YEAR** - This proposal would increase Federal employee contributions to the Federal Employees Retirement System (FERS), such that an employee and employer would each pay half of the normal cost. Under current law, Federal employees contribute between 0.8 percent and 4.4 percent of their salary toward their Federal pension. Federal agencies contribute the remainder of the cost. To mitigate the impact on employees, this proposal will be phased in over several years, with individuals contributing an additional one percent of their salary each year until equalized.
2. **MODIFY FEDERAL RETIREMENT BENEFITS** – The remaining proposals implement changes to the Federal Employees Retirement System (FERS) and the Civil Service Retirement System (CSRS) to bring total compensation more in line with labor markets.
 - One proposal would eliminate cost of living adjustments (COLA) for FERS retirees, and would reduce CSRS retiree COLA by 0.5 percent.
 - The proposals would also eliminate the FERS Annuity Supplement for those employees who retire before Social Security eligibility age, and change annuity calculations using an employee's highest five consecutive salary years instead of the current average of an employee's three highest salary years.

The employee retirement landscape continues to evolve as private companies are providing less compensation in the form of retirement benefits. The shift away from defined benefit programs and cost of living adjustments for annuitants is part of that evolution. By comparison, the Federal Government continues to offer a very generous package of retirement benefits in the form of deferred compensation. Consistent with the goal of bringing Federal retirement benefits more in line with the labor market, adjustments to reduce the long-term costs associated with these benefits are included in this proposal. Please refer to the Legislative Proposal section for more details on all of the CSRDF proposals.

Postal Service Retiree Health Benefits Fund (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$47,145	\$44,799	\$42,478	(\$2,321)
Receipts from the Public (Postal Service)	\$0	\$0	\$0	\$0
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$1,343	\$1,282	\$1,155	(\$127)
Total Program Outlays	\$3,689	\$3,603	\$3,661	\$58
End of Year Balance	\$44,799	\$42,478	\$39,972	(\$2,506)

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108–18) that were held in escrow during 2006; 2) payments defined within P.L. 109–435, and modified by P.L. 111–68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service. The above table highlights the estimated receipts and outlays for the Postal retiree health benefit fund.

Under the current law, the Postal Service stopped paying annual premium costs to the Employees and Retired Employees Health Benefits Fund for its post-1971 current annuitants. Instead, these premium payments will be paid from amounts that the Postal Service remits to 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 Risk Reserve Account (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Start of Year Balance	\$49	\$63	\$68	\$5
Receipts from the Public	\$22	\$20	\$20	\$0
Receipts from Federal Sources	\$1	\$1	\$1	\$0
Program Obligations (Mandatory)	\$3	\$10	\$10	\$0
Agency Administrator Cost and Program	\$6	\$6	\$6	\$0
End of Year Balance	\$63	\$68	\$73	\$5

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. The average person will save about 30 percent on dependent care and health care expenses after taxes.

There are three types of accounts under the FSAFEDS program:

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

The funds cannot be transferred between accounts. DCFSA currently have a minimum annual election of \$100 and \$5,000 maximum. HCFSA and LEX HCFSA currently have a minimum annual election of \$100 and \$2,700 maximum. There are currently over 450,000 unique participants in the FSAFEDS program with about 430,000 HCFSA, 10,000 LEX HCFSA and 80,000 DCFSA.

The Risk Reserve account contains the accumulated balance of fees, which are collected from reserve fees and forfeited funds. The reserve fees are from employing agencies whose employees participate in the FSAFEDS program, and forfeited balances of Flexible Spending Accounts. The agency fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to indemnify the FSAFEDS program administrator 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 the agency’s administration of the program. The above table highlights the estimated receipts and obligations for the FSAFEDS program.

OPM’s actuaries have determined that the current value of the risk reserve account is more than sufficient to indemnify the program administrator. Since FY 2013, OPM has used risk reserves to offset agency fees paid to the program administrator in order to reduce the surplus balance and meet its target account 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 Employees Health Benefits Fund, and the Employees Group Life Insurance Fund. The purposes and estimated amount of these payments are described in this section.

Government Payment for Annuitants, Employees Health Benefits (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Budget Authority	\$12,904	\$13,264	\$14,136	\$872
Obligations	\$12,904	\$13,264	\$14,136	\$872
Outlays	\$12,849	\$13,264	\$14,136	\$872

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 Employees Health Benefits Fund and the Retired Employees Health Benefits Fund. This appropriation covers:

- the Government’s share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of Title 5, United States Code;

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

For FY 2020, budget authority and obligations will increase by \$872 million due to projected growth in the cost of health insurance, and in the number of annuitants with FEHB coverage.

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

Government Payment for Annuitants, Employees Life Insurance (millions)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 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 2020, 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)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Budget Authority	\$42,856	\$43,049	\$43,449	\$400
Obligations	\$42,856	\$43,049	\$43,449	\$400
Outlays	\$42,856	\$43,049	\$43,449	\$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)

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Estimate	FY 2019 - 2020 Variance
Current Appropriation	\$16,913	\$16,600	\$16,400	(\$200)
Permanent Indefinite Authorization	\$25,894	\$26,400	\$27,000	\$600
Payment for Spouse Equity	\$49	\$49	\$49	\$0
Total	\$42,856	\$43,049	\$43,449	\$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 percent interest on the Civil Service Retirement System’s current static unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service. These values reflect the additional liability for military service credit of former United States Postal Service employees. This provision was enacted by the Postal Accountability and Enhancement Act (P.L.109-435).

For FY 2020, the Permanent Indefinite Authorization will increase \$700 million due to an increase in the amount of interest to be transferred from 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.

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, personnel management services, and other functions that OPM is authorized or required to perform on a reimbursable basis. Under this guidance, OPM operates several programs, which are funded by fees or reimbursement payments collected from other agencies and other payments. These currently include the National Background Investigations Bureau (NBIB), which operates OPM’s background investigations program, and the Human Resources Solutions (HRS), under which OPM provides services, either directly or through private sector partners, on various human resources issues. OPM also operates revolving fund activities for USAJOBS, the U.S. Government’s official system/program for Federal jobs and employment information, through which individuals may locate and apply for jobs at Federal agencies.

The following programs are authorized to use Revolving Funds:

- National Background Investigations Bureau
- Suitability Executive Agent
- Human Resources Solutions, including USAJOBS
- Enterprise Human Resources Data Warehouse
- Human Resources Line of Business
- Human Resources Tools & Technology

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

OPM Budget Authority	FY 2020 CBJ
USAJOBS*	\$0
Human Resources Tools & Technology	\$66,141,000
Enterprise Human Resources Integration	\$40,983,000
National Background Investigations Bureau	\$546,600,000
Suitability Executive Agent	\$8,342,000
Human Resource Solutions	\$231,631,000
HR Line of Business	\$3,150,000
OPM Total	\$896,847,000

*USAJOBS was reorganized into Human Resources Solutions and will no longer be separately reported.

National Background Investigations Bureau

NBIB provides personnel background investigative services on a fee-for-service basis to assist its Federal agency customers in determining individuals’ suitability and fitness for Federal civilian, military, and contract employment, eligibility for logical and physical access to agency systems and facilities, and eligibility for access to classified national security information or to hold a national security sensitive position.

Effective FY 2020, NBIB will move from OPM to the Department of Defense (DOD). The National Defense Authorization Act (NDAA) for Fiscal Year 2018 (P.L. 115-91), Section 925, stated that the Secretary of Defense has the authority to conduct all types of background investigations for DOD personnel and mandated that, not later than October 1, 2020, the Secretary of Defense shall commence carrying out its background investigations implementation plan developed pursuant to § 951(a)(1) of the FY 2017 NDAA (P.L. 114-328). In June 2018, the Administration released *Delivering Government Solutions in the 21st Century: Reform Plan and Reorganization Recommendations*, which identified its intent to keep the NBIB background investigation mission together subsequently realigning the entire program from OPM to DOD. OPM, DOD, and NBIB, among other stakeholders, are working collaboratively to ensure continued efficient and effective delivery of high quality background investigation products and services to the Federal Government during the transition.

The NBIB funding amount of \$546,600,000 shown in the budget tables under FY 2020 represents the financial activity required to complete investigation requests received prior to October 1, 2019. This funding does not reflect new cases to be received in FY 2020.

Suitability Executive Agent

Suitability Executive Agent (SuitEA) was established as a distinct program office within OPM in December 2016 to strengthen the effectiveness of suitability vetting across the Government by providing a focal point within OPM for leadership, process improvement, and modernization while continuing to perform adjudicative operations benefitting federal agencies. Pursuant to Executive Order 13467, as amended, the OPM Director is the Suitability & Credentialing Executive Agent, with specific Government-wide responsibilities.

In FY 2020, SuitEA will continue implementation of the transformed Government-wide approach to vetting developed with the Office of the Director of National Intelligence and the Performance Accountability Council as part of the FY 2018 and FY 2019 Trusted Workforce 2.0 initiative. This will include implementation of outcome-based investigative and adjudicative standards. SuitEA will continue to work with ES and HRS to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire.

SuitEA carries out its responsibilities through a policy office responsible for business transformation and modernization of the Government-wide suitability program, supported by an adjudicative operations staff that takes Government-wide action to promote the efficiency and protect the integrity of federal agencies’ operations, and an oversight team that conducts assessments of Federal agencies’ performance and makes recommendations for improvement. SuitEA will continue to work with the Performance Accountability Council and the Office of the Director of National Intelligence as the Security Executive Agent to enhance standards for suitability, fitness, and credentialing (SSC) vetting.

When an applicant or appointee seeking employment with a federal agency perpetrates qualifications fraud or corruption of the examination process or has evidence of egregious conduct in his or her background, SuitEA may take a Government-wide action to debar the individual from holding any covered position throughout Government for up to three years. Covered positions are those in the

competitive service, the excepted service that can non-competitively convert to the competitive service, or a career appointment to the Senior Executive Service. This action promotes the efficiency and integrity of the agency with whom the individuals sought employment as well as all other agencies employing competitive service employees as it prevents or removes an unsuitable individual from placement in a position. SuitEA's adjudicative operations staff reviews investigations submitted by federal agencies to identify those potentially warranting an action by OPM and gathers evidence needed to take an action and defend it in the event of an appeal to the Merit Systems Protection Board. There is a regulatory time limitation for taking suitability actions which makes it imperative that the cases are identified quickly upon completion. SuitEA conducts supplemental inquiries needed for issue resolution and must gather evidence that meets the requirements established through precedential case law. If, after issue resolution the case does not warrant OPM adjudication, SuitEA will send the additional information obtained to the agency for adjudication, if appropriate.

Similarly, SuitEA reviews OPM-conducted background investigations for positions under OPM's jurisdiction that involve major issues such as material intentional falsification or fraud or deception in examination of appointment. This may include the applicant or appointee who has committed a serious criminal offense or who has altered or submitted altered documents, misrepresented college degrees, or lied about a material fact on application paperwork. Although agencies should and do make referrals, they rely primarily on SuitEA to review investigations for this purpose. Upon receipt, SuitEA staff will review the case; conduct issue resolution; issue written notification about the issues of concern to the subject of the investigation; process subject requests for the materials relied upon; take suitability actions which may include canceling eligibilities or reinstatement rights, imposing debarment from Federal employment; and/or directing removal; and support the Office of General Counsel when OPM suitability actions are appealed.

SuitEA also develops and offers reimbursable, suitability training programs that are compliant with the National Training Standards for Suitability Adjudicators. Delivery of this training to federal agencies' adjudicators promotes uniform decision making across Government, professional development of the suitability and fitness workforce, and reciprocal recognition of favorable determinations.

SuitEA operates a suitability hotline and email box to provide customer support on technical and interpretative matters related to suitability. SuitEA also maintains a distribution of list of agency contacts for regular two-way communication to support Federal agency suitability programs.

SuitEA acts on behalf of agencies by providing requirements for the systems used to support position designation, adjudication, and reciprocity management. The National Background Investigations Bureau (NBIB) systems, or its successors, house much of the information technology that supports OPM's suitability functions. As the background investigation systems are rebuilt or built new by the Department of Defense and OPM enhances or builds out Human Resource systems, SuitEA will provide requirements to meet the needs of SSC programs, promote accessibility to shared service offerings and improve information flow to meet the needs of federal agencies.

SuitEA does not anticipate that any of the above activities will cease due to the move of NBIB-related work to the Department of Defense. These activities and functions will continue to be necessary in FY 2020 to carry out the responsibilities of the Suitability Executive Agent.

In FY 2020, SuitEA will continue implementation of the transformed Government-wide approach to vetting developed with the Office of the Director of National Intelligence and the Performance Accountability Council as part of the FY 2018 and FY 2019 Trusted Workforce 2.0 initiative. This will include implementation of outcome-based investigative and adjudicative standards. SuitEA will continue to work with ES and HRS to integrate information needed for vetting into hiring tools to eliminate “stove-piped” processes that increase the time to hire.

Human Resource Solutions

In accordance with 5 U.S.C. § 1304(e)(1), HRS directly supports OPM's charge of ensuring the Federal Government has an effective civilian workforce via "by Government, for Government" human capital solutions. HRS is proud to team with organizations across OPM in support of the aforementioned high-priority goals. To address workforce management issues and support the improvement of the mission, service, and stewardship of every agency, the Administration proposes to move most of OPM's functions with GSA. The reorganization will begin in FY 2019 for some functions that can move via existing authorities.

FY 2018 has been a year of remarkable accomplishments for HRS. Efforts were focused on evaluating product and service offerings, and determining opportunities to streamline, or expand to meet the evolving needs of Federal agencies.

- Partnered with the Office of Management and Budget to complete a 90-day project to build the prototype for the Hiring Manager Advisor tool, an intuitive digital service to engage, educate, and support managers in the hiring process.
- Provided consultation, staffing, and support for the Chief Information Officer Council Federal Tech/Cyber Hiring and Recruitment Fair, designed to recruit and select IT/cyber professionals across Government using a consolidated marketing and outreach approach.
- Assisted the U.S. Marshals Service in filling 400 seats for its mission critical Deputy U.S. Marshal classes.
- Supported the Department of Justice's Executive Office for Immigration Review hiring effort by completing over 1,500 applicant reviews for Immigration Judge Positions, resulting in 56 selections to date.
- Provided leadership assessments to 2,700 individuals through the OPM Leadership Profiler, Leadership Potential Assessment, and Leadership 360 assessments.
- Supported 29 agencies using USA Performance to automate their performance appraisal process, and grew the user base to over 50,000.
- Fully operationalized the Human Capital and Training Solutions Community of Practice, including presenting informational webinars.

- Developed a partnership between the Federal Human Resource Institute and the University of Virginia to support instructional system design needs for the Federal human resources curriculum. Together they will create a comprehensive, career-spanning, professional learning ecosystem to grow high-performing leaders for the Federal human resources enterprise.
- Signed a one-year agreement between the Design Lab and the Centers for Disease Control and Prevention to aid in the development of a multi-agency, design-based, inter-disciplinary collaboration focused on understanding and addressing specific mental health concerns among young veterans who are not using Veterans Health Administration services.

Moving forward, HRS plans to:

- Expand the functionality in USA Performance to include multiple rating cycles and multiple plans, mass user upload, enhanced electronic signatures, and eOPF interconnection, and update the user interface.
- Complete the USA Staffing upgrade transition. With 99 percent of all job announcements being posted to the new system, only a handful of unique hiring processes operate under the legacy system, and plans are underway to migrate those processes to the new system by the end of FY 2018.

HRS will continue to explore and implement flexible solutions to further improve product and service offerings, including employing the use of emergent technology options, in an effort to appeal to an even broader customer base. To date, these efforts have enabled HRS to remain a leader in Government to Government human capital solutions, and HRS looks forward to building on this success in the future.

Administrative Law Judges Program (SG 5.1)

In accordance with operative law and Executive Orders, including provisions of the Administrative Procedure Act, now codified at various locations in Title 5, OPM has certain oversight authorities for administering the program under which Federal agencies recruit, select Administrative Law Judges (ALJs) and promote administrative law judges. Under this authority, the ALJ Program office has responsibility for planning, operating, and directing the elements of the ALJ Program. The ALJ Program office reviews and approves agency requests for certain ALJ personnel actions, and manages the ALJ Loan, Senior ALJ, and ALJ Priority Referral Programs.

ALJ Program services are provided to Federal agencies on a reimbursable, pro-rata basis, using annual estimates for program costs. Costs include direct labor for the ALJ Program office staff and non-ALJ staff; also includes non-labor expenses such as travel expenses, incumbent ALJ assistance, facilities, training, etc., and OPM agency overhead.

The Center for Leadership Development (CLD) (SG 5.1)

Federal Executive Institute (FEI) - offers open-enrollment (interagency) and custom (single-agency) programs, distance and blended-learning approaches, internal programs and academic partnerships to provide training flexibility for customer agencies while offering a complete range of leadership development courses and programs, including the premier Leadership for a Democratic Society (LDS) and SES Leading EDGE programs.

Eastern Management Development Center (EMDC) - provides interagency and single agency open enrollment courses for agency and professional leadership development. Programing and courses are designed to provide leadership development to government employees at various stages of their Federal careers, including the Leadership Education and Development (LEAD) certificate program and the regionally delivered Federal leadership development certificate program. Several EMDC courses meet American Council on Education standards for college credit. EMDC is managing and refining throughout the U.S.

Western Management Development Center (WMDC) - develops and delivers custom leadership solutions. These programs are defined as single agency or community of practice solutions located at WMDC, client location or a neutral location. WMDC has a number of long-standing programs at the Asia-Pacific Center for Security Studies in Hawaii, the Aberdeen Proving Ground Senior Leadership Cohort programs, and the National Security Agency leadership development programs.

USA Learning®- provides clients with reimbursable customized Learning Management Systems, Online Forums such as Communities of Practice and Social Media integration, Executive Coaching, access to online course libraries, custom course development, hosting and helpdesk support, technical support services, online assessments, virtual conferencing, and various online technical support tools. In addition, USA Learning® supports training platforms within agencies that may include Diversity Training, Ethics, The Learning Connection, HR University, Hiring Reform, the Presidential Management Fellows online assessments, cybersecurity courses, and specialized training. External to the Office of Personnel Management, USA Learning® supports 18 Cabinet level agencies and over 40 small agencies and the Department of Defense.

The Presidential Fellows Programs (PFP) - currently provides two Presidential Fellows programs - one designed to bring high fliers into government within two years of completing an advanced degree and presenting opportunities for conversion to career positions and the other bringing in seasoned executives after at least 25 years of public leadership who desire to "give back" to our government. Through either program, outstanding American citizens are provided opportunities to serve their country in challenging ways by using their unique strengths and exceptional talent and Federal agencies are provided with the highest quality talent prepared to tackle government's hardest challenges.

Design Lab - assists agencies in translating the creativity of their employees into innovative problem-solvers, builds human center design capabilities in individuals for use as a problem-solving choice, and works with U.S. Government agencies or foreign governments to solve persistent problems with a focus on the people being affected. Results are new solutions that are tailor made to meet their individual needs.

Federal HR Institute - provides open enrollment human resource skills courses for the professional development of the Federal HR community. Federal HR Institute establishes a single, standard learning framework that Federal HR practitioners are expected to use for professional development. It will be the only comprehensive Federal HR development program of its kind. Federal HR Institute is developing courseware across all major HR functions--Staffing & Classification, Employee Relations/Labor Relations, Performance, Benefits, Compensation, HR Development, HR Systems and HR Business Partner.

Process & Performance Improvement Program (PIIP) - identifies, assesses, analyzes and improves team effectiveness, efficiency and work products; measures education and training program impact on effectiveness; selects and applies appropriate problem solving methods and techniques and assists the team in identifying the parameters of a viable solution for customers; develops project-based learning initiatives, and process and performance improvement training project plans, timelines and resource recommendations.

The Center for Leadership Development's (CLD) pricing structure covers all applicable direct expenses, indirect CLD costs, and OPM overhead while maintaining competitive prices. Before the beginning of each fiscal year, CLD analyzes the planned delivery schedule for the year, based on past and projected customer needs, and uses prescribed costing tools to determine tuitions for all deliverables. For USA Learning, the costing model is the cost of the services requested plus administrative and indirect costs assessed at 10 percent overhead for services through the Learning Management Service and 15 percent for the Knowledge Portal.

The Federal Staffing Center (FSC) (SG 5.1 & 2.2)

Automated Systems Management Group (USA Staffing Program Office) (SG 5.1 & 2.2) - fully automates the staff acquisition life cycle by recruiting, assessing, evaluating, certifying, selecting, and onboarding quality candidates for Federal positions. USA Staffing allows agencies to develop and post job opportunity announcements via USAJOBS, create competency-based assessment tools and position descriptions, review application documents online, rate and rank applications, send applicant notifications, electronically refer candidates to hiring officials for review and selection, audit certificates online, create an online recruitment case file with annotations, select and onboard new hires, and perform advanced analytics on all aspects of the hiring process.

Staff Acquisition Group (SG 5.1) - provides expert staffing and assessment solutions, automated entrance-on-duty support, coaching and consulting services, technical HR training,

technical training in HRIT systems including USA Staffing and USA Hire, candidate development program support, and recruitment strategy development and evaluation.

USA Hire Group (SG 5.1) - OPM's online assessment platform that provides Federal agencies with high quality, cutting-edge assessments designed to identify top talent. USA Hire helps agencies hire the best by incorporating better assessments in the hiring process in an efficient and effective manner. USA Hire assessments are easy to implement and applicant friendly. Standard assessments are available “off-the-shelf” and ready to go for 120 common job series. Agencies can also use USA Hire to automate existing assessment content or to develop new online assessments.

USAJOBS (SG 5.1) - OPM's Federal Career Portal provides access to career content (opportunities, career sites, career events and email marketing campaigns) delivered through a personalized experience. USAJOBS' mission is to connect the right talent to the right opportunities at the right time. The USAJOBS program oversees the development of the seeker portal that promotes job opportunities and aids applicants through the early stages of the application process; manages the Open Opportunities platform which offers a light-weight interface to create new and/or apply to developmental task assignments designed to break down government silos and build communities/networks to tackle hard problems; and, operates the Agency Talent Portal designed to assist agency users in building and executing strategic recruitment strategies that proactively engage with the talent to build and nurture relationships.

FSC uses three main fee structures: user fees, fixed rate and FTE assessment. User fees are paid annually, based on the number of licensed HR users in their organization. Agencies are able to increase or decrease their number of licenses in proportion to their annual hiring trends. FSC offers volume discounts as the number of system users increases. The fixed price rates are based on actual trends over time and the cost to provide services, including consulting.

USAJOBS assesses its fee based upon a pro-rata share of the total projected budget allocated to each customer based upon the organization's FTE population. The FTE information is updated every three years to provide consistency in pricing year over year.

HR Strategy and Evaluation Solutions (HRSES) (SG 5.1 & SG 3.1)

Assessment and Evaluation Group:

Leadership and Workforce Development Assessment (LWDA) - develops, validates, and administers leadership and workforce planning assessments to assess leader and employee effectiveness. Assessments target competencies, personality, and leadership potential. Also, conducts competency modeling and gap assessments for workforce training and development.

Selection and Promotion Assessment (SPA) - develops, validates, and administers cognitive and non-cognitive competency assessments for selection, promotion, and diagnostic purposes. This includes job analysis, written and non-written tests, job knowledge tests, performance tests, and computer simulations. Also provides assessment training and support, as well as the USA Hire online assessment platform.

Organizational Assessment (OA) - surveys, including employee climate, customer satisfaction, exit, and custom surveys; the USA Survey automated survey administration and reporting system; OPM Leadership 360™; action planning and organizational development; and program evaluation.

HR Strategy Group:

Position Management & Classification (PMC) - position management reviews; desk audits; position description and evaluation statement development; classification process reviews; and related consulting and training services.

Performance Management (PM) - employee and labor relations consulting and training; performance management strategy and program development; performance appraisal program development; performance plan reviews; supervisor, manager, and executive performance management training; and telework services.

USA Performance - software as a service solution to assist Federal agencies in implementing their Senior Executive Service (SES) and Non-SES performance management programs and systems. USA Performance enables agencies to automate their performance appraisal process throughout the entire performance rating cycle.

Workforce Planning & Reshaping (WPR) - strategic alignment environmental scanning; organization analysis and design; workload and work process analysis; workforce analysis; organization structure and staffing model recommendations; restructuring/reduction in force; competency and staffing gap analysis against current and future requirements; succession management; and related consulting and training services.

Pricing for HRSES products and services are based on one of three models: (1) fixed price for off the shelf products and services, (2) customized solutions that typically build upon existing products and services, and (3) services and consultation available in retainer. HRSES pricing is typically scalable, based on quantities of specific products or services (for example, the number of participants being assessed) and the selection of optional services. Pricing for products and services are based primarily on labor costs for each product or service.

Human Capital Industry Solutions (HCIS) (SG 5.1)

In partnership with the General Services Administration, delivers private sector human capital and training services, along with the associated assisted acquisition and program management services to Federal agencies. The program provides Federal agencies an expedited procurement process using two Multiple Award, Indefinite Delivery/Indefinite Quantity (MA/IDIQ) contract vehicles (Human Capital and Training Solutions (HCaTS) and HCaTS Small Business) in the areas of 1. Training and Development, 2. Human Capital Strategy and 3. Organizational Performance Improvement. HCIS plays a vital role in fulfilling OPM's mandate to provide these services to agencies under 5 U.S.C. §§ 1104, 1304, and 4116, as well as Executive Order 11348.

Pricing: HCIS uses a tiered pricing structure for assisted services. For FY 2018, a 2 percent access fee is assessed on every project whether through HCaTS Assisted or Direct. The tiers consist of the following (as of FY 2017):

- \$20M+: 3%
- \$10M to \$19.999M: 5%
- \$2.5M to \$9.999M: 7%
- \$500K to \$2.499M: 10%
- \$0 - \$499K: HCaTS SB, HCaTS Direct or alternative (GSA Schedule, OPM Service, Shared Service, etc.)

The Center for Management Services (HRS Support Programs) (SG 5.2)

Marketing and Business Development - develops, manages, and deploys customer-facing programs and projects that support HRS enterprise-wide outreach and communications goals; manages the HRS internal research and development program; and interfaces with other branches to plan and deploy effective internal communications programs.

Resource Management Services - provides budgetary, financial, human resources, strategic planning, and operations support, including budget development, monitoring, and execution; financial reporting, including forecasting, and trend analysis; interagency agreement support; HRS-wide annual strategic planning and implementation; facilities, equipment, travel, contracting, and purchase card management support; coordinating audits and reviews, reviewing internal controls, employee training and development, internal senior executive and management recruitment consultations, strategic workforce planning, personnel actions, performance management and awards, classification and re-classification of employee position descriptions, and employee and labor relations support.

Financials

Value of Anticipated Agreements

- FY2020 = \$246.076M
- FY2021 = \$254.924M
- FY2022 = \$258.747M

New Business Justification

- Develop the Federal Supervisor Assessment (FSA). This high quality assessment will measure competencies needed for frontline supervisory positions, and will be available as a Government-wide off-the-shelf assessment.
- Assume a greater role in ensuring the deliverables and outcomes of the task orders under the two HCaTS contracts meet the requirements of the ordering agencies.

- Grow USA Performance to 125,000 users, and build out data exchanges with personnel systems to drive record updates in an end-to-end environment.
- Expand the Workforce Reshaping business line to include employee matching and placement support.
- Increase HRS' onboarding business to include providing tentative offers, pay setting, coordinating with security, collecting new hire paperwork, and making final offers.
- End the existing CLD instructor contract for approximately 35 internal faculty and a small surge capacity contract. While there will be an increase in FTE, this process improvement will save HRS an estimated \$5M in expenses annually.

Enterprise Human Resource Data Warehouse

The Data Warehouse Program comprises two programs, the electronic Official Personnel Folder (eOPF) and Enterprise Human Resources Integration Data Warehouse (EHRIDW), supporting the e-Government initiative designed to leverage the benefits of information technology, as required by the E-Government Act of 2002. The goal of these two programs is to streamline and automate the collection, aggregation, and sharing of Federal employee HR, payroll, and training information Government-wide. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR community with access to employee data to improve workforce planning for hiring, skills development, retention strategies and Government-wide policy.

The eOPF system is a web-based application that is capable of storing, processing, and displaying career lifecycle documents of all current, separated, and retired Federal Employees. The system has replaced several manual HR processes by automating much of the Federal Government's HR processes and creating a streamlined Federal HR document system for all Federal employees. The eOPF covers Title 5 Executive Branch departments and agencies, with some exceptions, as well as some components of the Legislative, Judiciary, and other independent agencies and organizations, with a total user population of more than 2.4 million. The Data Warehouse Program provides the eOPF application through a fee-for-service arrangement with participating agencies.

Planned FY 2020 Activities

In FY 2020, the Data Warehouse Program will redesign the eOPF and EHRIDW into a single application providing access to a broader scope of data for employees, agencies, OPM data scientists, and other stakeholders. For Federal employees, the DWP will continue to leverage new tools and technologies to provide access to additional data through "My eOPF", implement a single XML data interface, and develop additional opportunities to share data across platforms when appropriate, and support a data centric approach for collecting, maintaining, and enabling HR data.

In FY 2017, OPM configured and migrated to new infrastructure supporting Data Warehouse Program applications and consolidated the infrastructure from the Department of the Interior data center in Colorado to OPM's data center in Georgia. OPM will continue to leverage the modernized infrastructure to improve and enhance the environments that support all Data Warehouse and Data Management Program applications.

The success of the Data Warehouse Program's fee-for-service component depends on the continuation of incoming funds through existing and new partner agencies subscribing to eOPF services. These services include support for agencies' online personnel folders as well as maintenance and support for infrastructure, applications, software maintenance, program management, system security, helpdesk support, and various tools.

Planned FY 2020 Accomplishments

In FY 2020, eOPF will continue requiring operations and maintenance as well as Back-file and Day Forward Conversion services. The pricing structure for eOPF maintenance is a fixed price per license (that is, electronic folder) and is based on the number of active users at the customer agency. The eOPF license maintenance, paid annually by the customer, covers the following services: (1) Program Management Office support, (2) licenses, (3) record storage and transfer services provided by the National Personnel Records Center; (4) license maintenance, (5) scanning services, (6) IT security, (7) OPM Common Services, and (8) IT hosting and maintenance services.

Human Resources Line of Business

In Fiscal Year (FY) 2004, the U.S. Office of Management and Budget (OMB) and Office of Personnel Management (OPM) launched the Human Resources Line of Business (HRLOB) Initiative, for which OPM is the managing partner. Between FY 2005 and 2015, the HRLOB led the consolidation of agency personnel action processing, benefits management, and payroll systems into HRLOB Shared Service Centers (SSCs), which resulted in over \$1 billion in cost avoidance Government-wide.

In 2015, at the request of the Chief Human Capital Officers Council (CHCOC) and the Chief Information Officer at OPM, the OPM Director tasked the HRLOB with creating and implementing a Strategic Framework to enable the CHCOC Future State Vision for Human Resources Information Technology (HRIT) aimed at developing a single, integrated federal HRIT environment to support the 21st century federal workforce. The Framework builds on the HRLOB's previous success, and when fully implemented, will result in the modernization of HRIT service delivery, improvement of HR data management and standardization, and the effective use of strategic sourcing, resulting in an additional \$1B in cost avoidance over the next 10 years.

The HRLOB is a strategic and transformational initiative that directly supports OPM's mission. The HRLOB actively supports Strategic Objective 2.2: Advance human capital management through the strategic use of interoperable HR IT and Strategic Objective 2.3: Streamline data collection and leverage data repositories to enhance enterprise-wide Human Resource (HR) data analytics and reduce low-value reporting requirements. The HRLOB also actively supports OPM and Government-wide IT objectives outlined in the OPM Strategic Information Technology Plan (February 2014).

The HRLOB will continue to execute the opportunities outlined in the HRLOB Strategic Framework which supports the CHCO Council Future State Vision by enabling the development of an integrated, Government-wide HRIT environment over the next 10 years. The HRLOB activities include:

- Human Capital Community Engagement & Communication - Unify the voice of the HC community in defining HC priorities, and objectives, pinpointing common challenges, and identifying Federal solutions.
- Human Capital Policy, Performance & Operations - Support the issuance and implementation of HC policy, align established HCM frameworks to Federal acquisition strategies, and identify opportunities to enhance HC performance Government-wide.
- Human Capital Standards Management & Modernization - Define modern operational model for Federal HCM; and promote functional standards for HC service delivery, performance, data exchange, and security.

The following HRLOB activities for FY 2019/2020 will advance the achievement of the program's goals:

- Drive Human Capital Advancement - Create a modern, standardized human capital environment that meets the need of the Federal workforce and enables the continuous improvement of HC management and service delivery.
- Enhance Service Value - Increase efficiencies in the acquisition, development, and delivery of HC services and supporting systems to improve service quality and reduce duplicative spend.
- Unify the Human Capital Community - Enable collaboration between HC customers, providers, executive stakeholders, and supporting partners to leverage the Government's collective expertise in establishing common HC principles.
- Improve the Employee Experience - Support the complete, secure, and timely sharing of information across an employee's career to improve confidence in Federal HC management.

Human Resources Tools & Technology

The HRS Information Technology Program Management Office (HRS IT PMO or PMO) provides technology support in the form of IT systems development and hosting, supplying both internal and external customers a wide variety of information technology services in the human resources arena. The PMO expects \$68,000,000 in total agreements in FY 2020 and expects program income of \$63,258,903, with revenue exceeding expenses by \$805,104. Earned revenue over cost is used to reinvest in products and services for the PMO and/or to hold the revolving fund harmless in the event of liquidation.

Planned FY 2020 Activities

FY 2020 activities prioritize the maintenance and sustainment of various existing systems, the largest of which are OPM's Talent Acquisition System – USA Staffing; OPM's Federal Government job board - USAJOBS; Enterprise Human Resources Integration – Data Warehouse hosting; and a wide variety of other web-based applications used by dozens of Federal agencies.

The PMO delivers leading-edge, innovative, high quality human resource information technology products and services that contribute to organizational effectiveness. The PMO is comprised of four lines of business (LOBs): (1) OPM's Human Resources Solutions Line of Business, (2) Other OPM Line of Business, (3) Employee Self Service Systems Line of Business, and (4) Other HRIT and Hosting Support Line of Business. HRS IT PMO has answered a growing demand for hosting services over the course of

the last several years. From FY 2019 to FY 2020, revenue from hosting is expected to increase 38 percent. All of its lines of business contain IT systems that span the HR life cycle and allow the program to sustain itself financially.

- ***Human Resources Solutions Line of Business***

The OPM Human Resources Solutions (HRS) LOB is the HRS IT PMO's largest. Accounting for 42 percent of its annual revenue, the PMO provides OPM's HRS organization with technical support, web-based applications, hosting, and programming support. The primary system the PMO supports is USAStaffing, OPM's Talent Acquisition System, which enables Federal agencies to effectively recruit, assess, certify, and onboard qualified candidates for Federal positions. The PMO ensures system compliance with Federal hiring regulations, flexibilities, authorities, and NIST IT Security Guidelines. In addition, the HRS IT PMO provides smaller-scale information technology services for other organizations within HRS. These services enable HRS to fulfill customer demand for automation in the areas of talent acquisition, onboarding, employment, and performance management.

- ***Other OPM Line of Business***

This LOB is comprised of products and services provided to other non-HRS organizations within OPM. Among the OPM offices our PMO supports are the USAJOBS Program Office and Retirement Services. HRS IT PMO is responsible for the design, development and hosting of USAJOBS.gov. The system completely complies with Federal security requirements and integrates with USAStaffing and several commercial staffing systems. For Retirement Services, the PMO hosts the Services Online application -- a secure web-based self-service delivery system for civil service retirees and survivor annuitants who receive regular annuity payments and Federal tax information. These systems support the recruitment and retirement aspects of the HR life cycle.

- ***Employee Self Service Systems Line of Business***

Two primary products offered within the Employee Self Service Systems LOB serve more than six million people worldwide. The first, Employee Express, is accessible by touch-tone phone and via the Web, and provides automated information that empowers Federal employees to initiate the processing of their discretionary personnel-payroll transactions electronically. The second, myPay, provides the same service to Department of Defense Federal employees, military members, and military retirees.

- ***Other HRIT Line and Hosting Line of Business***

The HRS IT PMO provides technical support and hosting for a series of other projects that are not otherwise classified within the other three lines of business. The majority of these projects involve system hosting. With the growth of its hosting services, this line of business now represents 26 percent of the program's revenue overall. The largest hosting project is for the EHRI/eOPF systems and includes supporting all applications across all environments, deployment of application releases, supporting data providers and data submissions, and account creation.

The HRS IT PMO will continue to deliver products and services to our customers as outlined above, allowing agencies it services to become high-performing organizations and supporting their HR life

cycle needs through affordable information technology solutions. HRS IT PMO will recover costs of operations by managing dozens of individual reimbursable agreements with its customers. Costs and associated pricing models are determined through a rigorous assessment of direct costs of service delivery, indirect costs of program administration, and the OPM common services assessment. For years, the PMO has had a strong base of repeat customers who choose our products and services for quality, innovation, value, and proven performance. This will continue in FY 2020.

Other Requirements

Major Management Priorities and Challenges

OPM's major management priorities and challenges are:

- Objective 4.1: Improve collaboration, transparency, and communication among OPM leadership to make better, more efficient decisions, increasing OPM's collaborative management score by 4 percentage points.
- Objective 4.2: Invest in OPM management and provide the tools managers need to maximize employee performance, improving OPM's score in dealing with poor performers by 4 percentage points.
- Objective 4.3: Exceed Government-wide average satisfaction for each agency mission support service.
- Objective 4.4: Improve retirement services by reducing the average time to answer calls to 5 minutes or less and average case processing times to 60 days or less.

Please refer to the "Performance Budget by Strategic Goal" section of this document for the planned actions, performance measures and targets, and responsible agency officials for each management priority and challenge.

Evidence Building

OPM has integrated its discussion of evidence building into the "Performance Budget by Strategic Goal" section of this document. OPM's objective 2.1 is to "Improve collection and analysis of data to better inform human capital management decisions." Additionally, strategic objectives 1.1, 1.2, and 3.1 describe OPM's use of evidence to support its performance goals and strategies.

Data Validation and Verification

An assessment by the Director of OPM of the reliability and completeness of performance data is included in the agency's Annual Performance Report, released concurrently with this Budget. The report also includes a "Data Validation and Verification" section that includes the steps OPM has taken to promote the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of the means used to verify and validate measured values, the sources of the data, and any limitations to the data.

GAO-IG Act

OPM is working to meet the new reporting requirement of the GAO-IG Act enacted on January 3, 2019. The agency plans to file the report on open or unimplemented audit recommendations with Appropriations Committee staff as soon as it is completed.

Table of Acronyms

ALJ	Administrative Law Judges
CEP	Central Enrollment Program
CFC	Combined Federal Campaign
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officers Council
CLIA	Congressional, Legislative and Inter-Governmental Affairs
COLA	Cost of Living Adjustment
CSRDF	Civil Services Retirement and Disability Fund
CSRS	Civil Service Retirement System
DCFSA	Dependent Care Flexible Spending Account
DOD	Department of Defense
DOJ	Department of Justice
EDR	Employee Digital Record
EEO	Equal Employment Opportunity
EHRI	Enterprise Human Resources Integration
EMDC	Eastern Management Development Center
eOPF	Electronic Official Personnel Folders
ES	Employee Services
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits Program
FEI	Federal Executive Institute
FERCCA	Federal Erroneous Retirement Coverage Correction Act
FERS	Federal Employees Retirement System
FLTCIP	Federal Long-Term Care Insurance Program
FPRAC	Federal Prevailing Rate Advisory Committee

FRAE	Further Revised Annuity Employees
FSAFEDS	Flexible Spending Accounts for Federal Employees
FSC	Federal Staffing Center
FSEM	Facilities, Security, and Emergency Management
FTE	Full-time Equivalent
FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
GSA	General Services Administration
HC	Human Capital
HCaTS	Human Capital and Training Solutions
HCFSAs	Health Care Flexible Spending Accounts
HI	Healthcare and Insurance
HRITT	Human Resources Information Technology Transformation
HRLOB	Human Resources Line of Business
HRS	Human Resources Solutions
HRSES	Human Resources Strategy and Evaluation Solutions
IOC	Office of Internal Oversight & Compliance
IT	Information Technology
MSAC	Merit System Accountability & Compliance
MSPB	Merit Systems Protection Board
NBIB	National Background Investigations Bureau
NDAA	National Defense Authorization Act
OC	Office of Communications
OCIO	Office of the Chief Information Officer
OCFO	Office of the Chief Financial Officer
OD	Office of the Director
OES/ExecSec	Office of the Executive Secretariat
OGC	Office of the General Counsel

OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OPO	Office of Procurement Operations
OSDBU	Office of Small and Disadvantaged Business Utilization
OSI	Office of Strategy and Innovation
P.L.	Public Law
PAC PMO	Performance Accountability Council, Program Management Office
PMO	Program Management Office
PPA	Plan Performance Assessment
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RS	Retirement Services
S&E	Salaries & Expenses
SES	Senior Executive Service
SSCLOB	Security, Suitability, and Credentialing Line of Business
SuitEA	Suitability Executive Agent
U.S.C.	United States Code
WMDC	Western Management Development Center
WPR	Workforce Planning and Reshaping



U.S. Office of Personnel Management

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