FY 2011

Office of Personnel Management Congressional Budget Justification

February 2010

Contents

Abbreviations

ALJ	Administrative Law Judges
APS	Alternative Personnel Systems
BFE	Budget Formulation and Execution
CBIS	Consolidated Business Information System
CFC	Combined Federal Campaign
CFI	Centrally Funded Items
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officers
CIO	Chief Information Officer
CLCS	Center for Leadership Capacity Services
CMSA	Center for Merit System Accountability
COOP	Continuity of Operations
COTS	Commercial Off-the-Shelf
COLA	Cost-of-living Adjustment
CR	Continuing Resolution
CSRS	Civil Service Retirement System
CTS	Center for Talent Services
DSS	Defense Security Service (Department of Defense)
DEU	Delegated Examining Unit
e-Gov	Electronic Government
eOPFs	Electronic Personnel Folders
E2E	End-To-End Hiring Process
EDMS	Electronic Document Management System
EHRI	Enterprise Human Resources Integration
ERMG	Executive Resource Management Group
ES	Employee Services
ESO	Executive Secretariat & Ombudsman
EVS	Employee Viewpoint Survey
FCAT	Federal Competency Assessment Tool
FEA	Federal Enterprise Architecture
FEB	Federal Executive Boards

FEGLI	Federal Employees Group Life Insurance
FEHBP	Federal Employees Health Benefits Program
FERS	Federal Employees Retirement System
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FFMIA	Federal Financial Management Improvement Act
FFS	Federal Financial System
FIS	Federal Investigative Services
FLTCIP	Federal Long-Term Care Insurance Program
FMLoB	Financial Management Line of Business
FSC	Facilities Security & Contracting
FSIO	Financial Systems Integration Office
FSAFEDS	Flexible Savings Account Program
FTE	Full-time Equivalent
FY	Fiscal Year
GSA	General Services Administration
HBCU	Historically Black Colleges and Universities
HCAAF	Human Capital Assessment and Accountability Framework
HRA	Health Risk Appraisal
HRS	Human Resources Solutions
HMO	Health Maintenance Organization
HR LOB	Human Resources Line of Business
HSPD	Homeland Security Presidential Directive
IPA	Intergovernmental Personnel Act
IT	Information Technology
IRTPA	Intelligence Reform and Terrorism Prevention Act
LAS	Legal Administrative Specialist
LEAD	Leadership Education and Development
LMS	Learning Management System
LOB	Line of Business
LTC	Long Term Care
MSAC	Merit System Audit & Compliance
NSPS	National Security Personnel System

OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCLA	Office of Congressional and Legislative Affairs
OCPL	Office of Communications and Public Liaison
OCR	Office of Congressional Relations
OD	Office of the Director
OEEO	Office of Equal Employment Opportunity
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OIOC	Office of Internal Oversight & Compliance
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OPPA	Office of Planning and Policy Analysis
PAAT	Performance Assessment Accountability Tool
P.L.	Public Law
PII	Personally Identifiable Information
PMF	Presidential Management Fellows
PMP	Planning and Measurement Program
RB	Retirement and Benefits
RIF	Reduction in Force
ROI	Return on Investment
RSM	Retirement Systems Modernization
SES	Senior Executive Service
SSC	Shared Service Centers
SHRP	Strategic Human Resources Policy Division
TMA	Training and Management Assistance
VR	Voting Rights

Part 1 – Executive Summary

Overview

The Office of Personnel Management's (OPM) vision for FY 2011 is to provide the Federal Government the resources necessary to become America's model employer for the 21st century. OPM's FY 2011 Performance Budget reflects how the agency will fulfill its vision with a new mission to ***Recruit, Retain***, ***and Honor a World-Class Workforce to Serve the American People***.

To carry out this mission, OPM will design and implement Federal personnel management practices consistent with our merit system principles. These principles will guide our efforts to treat all Federal job applicants equitably when making hiring decisions, retain employees based on their performance, support employees with effective education and training, and protect them from partisan influence.

OPM will continue to provide advice and guidance on human resources (HR) issues to the President and Federal agencies through the following areas: The development of HR policies and strategies; HR capital management; Modernization of HR technology; employee development products; and Background Investigations and suitability services. OPM's Government-wide responsibility for HR policies enables it to hold agencies accountable for their HR management practices. In addition, OPM delivers human resources services to agencies and prospective Federal employees, retirees and beneficiaries. OPM's unique Government-wide scope positions us to make the Federal Government America's model employer.

For FY 2011, OPM is requesting **$240,071,000** in discretionary resources, the same as the enacted amount for FY 2010. These resources will enable OPM to carry out its core business and provide OPM with the necessary resources to accomplish its vision for the future which are encapsulated in the following High Priority Performance Goals, Strategic Goals, and Program Initiatives:

High Priority Performance Goals

The following High Priority Performance goals are measurable commitments to deliver specific results for the American people. The goals represent high priorities for both the Administration and the Office of Personnel Management. They are highly relevant to the public, are aligned to the agencies key mission areas, and will produce significant results over the next 12 to 24 months. Each of the four goals is related to OPM's major performance improvement initiatives reflected in this budget. The High Priority Performance Goals include:

Hiring Reform – 80 percent of major departments and agencies meet agreed upon targeted improvements to:

- Improve hiring manager satisfaction with applicant quality
- Improve applicant satisfaction
- Reduce the time it takes to hire

Telework – Increase by 50 percent the number of eligible Federal employees who telework

- By FY 2011, increase by 50 percent the number of eligible Federal employees who telework over the FY 2009 baseline of 102,900.

Security Clearance Reform – Maintain or exceed OPM-related goals of the Intelligence Reform and Terrorism Prevention Act of 2004 and provide the OPM deliverables necessary to ensure that security clearance reforms are substantially operational across the Federal government by the end of CY 2010.

Retirement Claims Processing – Reduce the number of retirement records OPM receives that are incomplete and require development to less than 38 percent by the end of FY 2010, 35 percent by the end of FY 2011, and 30 percent by the end of FY 2012.

Strategic Goals

The strategic goals and strategies within the strategic plan were designed to help other Federal agencies achieve their missions and produce superior results. The strategic goals are presented in an order that follows the lifecycle of a Federal employee.

Hire the Best – Help agencies recruit and hire the most talented and diverse Federal workforce possible to serve the American people.

Respect the Workforce – Provide the training, benefits, and work-life balance necessary for Federal employees to succeed, prosper, and advance in their careers.

Expect the Best – Ensure the Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to perform at the highest levels to achieve superior results.

Honor Service – Ensure recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees.

Program Initiatives

Veterans Hiring – Improve services available to Veterans and increase the number of Veterans hired within the Federal Government.

Stabilize Retirement Systems – Upgrade existing retirement systems.

Wellness – Coordinate a comprehensive health and wellness programs for Federal employees in the workplace.

Employee Viewpoint Survey – Improve employee engagement and satisfaction and help shape human resource policies.

Federal Employees Health Benefit (FEHB) Data Analysis – Increase OPM's capacity to analyze FEHB program benefit payments to better determine FEHB policy for the future.

The High Priority Performance Goals are described in detail (with the associated Program Initiative in the Highlights section of Part I.

OPM FY 2011 Appropriations Request

Accounts Requiring Congressional Action

Fund	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Salaries & Expenses Annual	$95,699,000	$88,350,000	($7,349,000)
Salaries & Expenses Multi-Year – Enterprise Human Resource Initiative (EHRI)	$5,908,000	$0	($5,908,000)
Salaries & Expenses Multi-Year – Human Resources Line of Business (HR LOB)	$1,364,000	$0	($1,364,000)
Salaries & Expenses No-Year – Enterprise Human Resource Initiative (EHRI)	$0	$6,004,000	$6,004,000
Salaries & Expenses No-Year – Human Resources Line of Business (HR LOB)	$0	$1,416,000	$1,416,000
Salaries & Expenses Total	**$102,971,000**	**$95,770,000**	**($7,201,000)**
Trust Fund Annual	$99,437,000	$112,242,000	$12,805,000
Trust Fund Multi-Year (Retirement Modernization)	$4,000,000	$0	($4,000,000)
Trust Fund Multi-Year (CBIS)	$9,300,000	$0	($9,300,000)
Trust Fund No-Year (CBIS)	$0	$9,495,000	$9,495,000
Trust Fund Limitation Total	**$112,737,000**	**$121,737,000**	**$9,000,000**
OPM Total Discretionary Appropriated	**$215,708,000**	**$217,507,000**	**$1,799000**
OIG Salaries & Expenses	$3,148,000	$2,136,000	($1,012,000)
OIG Trust Fund	$21,215,000	$20,428,000	($787,000)
OIG Total Discretionary Appropriated	**$24,363,000**	**$22,564,000**	**($1,799,000)**
Total Discretionary Appropriated	**$240,071,000**	**$240,071,000**	**$0**
General Provision (Acquisition Improvement)	**$0**	**$670,210**	**$670,210**
Mandatory Payments: (estimated)	**$20,342,000,000**	**$20,636,000,000**	**$294,000,000**
Civil Service Retirement and Disability Fund[*]	$10,768,000,000	$10,468,000,000	($300,000,000)
Federal Employees Health Benefits Fund	$9,526,000,000	$10,118,000,000	$592,000,000
Federal Employees Group Life Insurance Fund	$47,000,000	$48,000,000	$1,000,000

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[*] In addition to the appropriation to the Civil Service Retirement and Disability Fund, there is a permanent indefinite authorization that provides for an annual transfer representing interest on the unfunded liability of the Civil Service Retirement system. Please see Part 5, Payment Accounts for additional details.

OPM's Mission and Strategic Goals for FY 2010 – FY 2015

During the spring of 2009, OPM kicked off its 2010 – 2015 strategic planning effort. With guidance provided by the Office of the Director, a cross-agency team was established to develop the new plan. The plan includes four strategic goals, strategies to meet those goals, and high level indicators to gauge progress over the six year planning period. To engage both internal and external stakeholders, OPM solicited feedback on the draft plan via the Internet. In what is believed to be a first for the Federal Government, OPM solicited comments from stakeholders and the public using an "un-moderated format" approach. This approach allowed users to view all of the comments posted in real-time.

Our new mission statement and strategic goals are shown in the table below. We designed the goals and strategies contained in the strategic plan to help other Federal agencies achieve their missions and produce superior results. OPM's unique Government-wide role positions us to make the Federal Government America's best employer.

OPM's New Mission Statement:	
Recruit, Retain, and Honor a World-Class Workforce to Serve the American People	
Strategic Goal: *Hire the Best*	Recruit and hire the most talented and diverse Federal workforce possible to serve the American people
Strategic Goal: *Respect the Workforce*	Provide the training, benefits, and work-life balance necessary for Federal employees to succeed, prosper, and advance in their careers
Strategic Goal: *Expect the Best*	Ensure the Federal workforce and its leaders are fully accountable and are fairly appraised while having the tools, systems, and resources to perform at the highest levels to achieve superior results
Strategic Goal: *Honor Service*	Ensure comparable recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees

OPM will track implementation of its strategic plan in several ways. Each strategic goal has a list of strategies that OPM will implement in order to achieve the goal. OPM's Office of the Director will assign one or more of the identified strategies to an OPM executive who will champion its implementation and be responsible for developing detailed yearly operating plans until the strategy is successfully implemented. The yearly operating plans will include distinct actions with planned completion dates, along with performance measures or indicators to gauge progress. The Office of the Director will review these operating plans several times a year to ensure that the necessary resources are being allocated to the strategy and sufficient progress is being made. To ensure transparency, operating plans will be posted and periodically updated on OPM's website.

OPM's New Organizational Structure

This budget is divided along OPM's new (Jan. 2010) organizational structure as described on the following pages. Once OPM adopted its new strategic plan, there was anticipation of some reorganization during the fall of 2009 to realign the organizational structure with the strategic goals. OPM realigned FY 2010 and FY 2011 resources with the new strategic and organizational structure. As shown in Figure 1 on page 15, OPM is currently composed of the following organizational components:

Executive Offices

The **Office of the Director** (OD) includes the Deputy Director, Chief of Staff and Director of External Affairs, and Executive Director of the Chief Human Capital Officers Council.

The **Office of Communications and Public Liaison** (OCPL) is responsible for coordinating a comprehensive effort to inform the public of the President's and the Director's goals, plans and activities through various media outlets. OCPL is also responsible for planning and coordinating the publication and production of all printed materials that are generated from OPM offices and develops briefing materials for Congress, the Director and other OPM officials for various briefings and events.

The **Office of Congressional and Legislative Affairs** (OCLA) advocates for the legislative and policy priorities of the Director and the Administration. OCLA is the focal point for all congressional and legislative activities for the Office of Personnel Management. OCLA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. OCLA also counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters.

The **Office of Planning and Policy Analysis** (OPPA) provides planning and analysis support to the Director and the Agency. OPPA will provide the Director with reports, memos and other analyses to allow the assessment of trends and issues that affect OPM. A particular area of responsibility is the analysis of policy options, legislative changes and trends that affect OPM's management of health and retirement benefits for Federal employees. To assure benefits provide maximum value and are secure, the office will conduct actuarial analysis, as well as statistical tests using large databases.

The **Office of Internal Oversight and Compliance** (OIOC) proactively provides internal oversight while holding OPM officials accountable for operating effectively and efficiently in accordance with applicable policy, regulations and other criteria as further defined by the Director of OPM. OIOC will also respond to GAO Reports, other external evaluative entities, as applicable, and the OPM OIG that require an official response on behalf of the OPM Director.

The **Office of Equal Employment Opportunity** (OEEO) provides a fair, legally-correct and expedient EEO complaints process (i.e., EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). OEEO designs and implements all required Special Observance and Special Emphasis initiatives, to promote diversity management.

Program Divisions

Employee Services (ES) Provides policy direction and leadership in designing, developing and promulgating Government-wide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, work/life/wellness programs and labor and employee relations. ES will provide technical support to agencies regarding the full range of human resources management policies and practices, to include veterans' employment and agency program evaluation. ES will also manage the operation of OPM's internal human resources program.

Retirement and Benefits (R&B) is responsible for Government-wide administration of developing and providing Federal employees, retirees and their families with benefits programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. R&B is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments. R&B is responsible for negotiating and administering health benefits contracts for the Federal Government, administering the Federal Employee Group Life Insurance (FEGLI) program covering employees, retirees and their families. R&B is also responsible for administering three voluntary, enrollee-pay-all programs: long term care insurance program; flexible spending accounts for medical and dependent care expenses; and a group dental and vision insurance program.

Merit System Audit & Compliance (MSAC) ensures through rigorous oversight that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. The Division carries out this responsibility with a staff of employees in five field offices across the nation and here in Washington. The three key components of the oversight and compliance programs are (1) Delegated Examining Unit Evaluations, (2) Large Agency HR Evaluation, and (3) Small Agency HR Evaluations. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights (VR) programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program provides observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General.

Facilities Security & Contracting (FSC) is composed of the following five subcomponents and manages a broad array of OPM's key day-to-day programs: (1) Facilities Management manages the agency's personal and real property, building operations, space design and layout, realty, safety and occupational health programs. (2) Emergency Actions directs the operations and oversight of OPM's preparedness and emergency response programs. (3) Contracting Management provides centralized contract management that supports the operations and Government-wide mission of OPM. They also manage the Small Business and Government-wide Purchase Card programs. (4) Office of Small and Disadvantaged Business Utilization manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies. (5) Publications Management establishes and oversees OPM's nationwide publishing and printing management system for internal/external design and reproduction, GPO/commercial print ordering program, publications management, and electronic/office publishing systems.

Federal Investigative Services (FIS) mission is to ensure the Federal Government has a suitable workforce that protects National Security and is worthy of their Public Trust. FIS is responsible for providing investigative products and services for over 100 Federal agencies to use as the basis for security clearance or suitability decisions as required by Executive Orders and other rules and regulations. Over 90% of the Government's background investigations are provided by OPM.

HR Solutions (HRS) The Human Resource Solutions enterprise provides services that assist the Federal Government in achieving their missions by partnering with agencies to provide effective human resource solutions that develop leaders, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. HRS also offers services that enhance agencies' ability to attract and acquire specific talent.

Office of the Chief Financial Officer (OCFO) manages and oversees OPM accounting, billing, vendor payments, budget, strategic planning, performance, program evaluation, financial systems, risk management, internal control and financial policy functions which enable the Agency to achieve its mission. OCFO also ensure timely and accurate financial reports that improve 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 (IT) vision and strategy to include IT policy and security for the Office of Personnel Management. OCIO shapes the application of technology in support of the Agency's Strategic Plan including the IT Architecture that outlines the long term Strategic Architecture and Systems Plans for the Agency and includes Agency IT Capital Planning. OCIO supports and manages pre and post implementation reviews of major IT programs and projects as well a project tracking at critical review points. OCIO provides oversight of major IT acquisitions to ensure they are consistent with Agency architecture and with the IT budget, and is responsible for the development of Agency IT security policies. OCIO directs the realization of the Agency's IT Architecture to guarantee architecture integration, design consistency, and compliance with Federal standards, works with other Agencies on Government-wide projects such as e-Government, and develops long range planning for IT Human Resource Strategies.

Office of the General Counsel (OGC) provides expert legal advice to the Director and senior OPM officials to ensure that policies, programs and procedures are consistent with applicable rules, regulations, and statues affecting civil service personnel law and human resources management. OGC also provides expert legal representation to OPM managers and leaders in an attempt to mitigate the agency's risk of litigation and ensure agency actions are in compliance with applicable statues, rules, and regulations, and to ensure that agency actions are not unlawful.

Executive Secretariat and Ombudsman (ESO) is responsible for the administrative management and support for the Office of the Director, including coordination and review of agency correspondence, policy and program proposals, regulations and legislation. ESO is responsible for the Agency Ombudsman function to provide a neutral, independent and confidential resource for customers and employees of the Agency to raise issues of concern or complaints that their requests are not being addressed in a timely manner. ESO also coordinates OPM international affairs, activities and contacts.

Office of the Inspector General

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

Figure 1 – OPM Organizational Structure

Office of the Director
John Berry

Deputy Director
Christine M. Griffin

Chief of Staff
Elizabeth A. Montoya

- Chief Financial Officer
- Chief Information Officer
- Executive Secretariat & Ombudsman
- Facilities, Security & Contracting
- Internal Oversight & Compliance
- Equal Employment Opportunity

- General Counsel
- Congressional & Legislative Affairs
- Communications & Public Liaison
- Planning & Policy Analysis
- Federal Prevailing Rate Advisory Commission
- Executive Director Chief Human Capital Officer Council

Office of the Inspector General
Patrick E. McFarland

Employee Services
- OPM HR (Dep CHCO)
- Recruitment & Diversity
- Pay & Leave
- Executive Resources & Employee Development
- Partnership & Labor Relations
- Agency & Veterans Support

Retirement & Benefits
- Retirement Operations
- Insurance Operations

Merit System Audit & Compliance
- Voting Rights
- Oversight & Accountability Groups
- CFC

Federal Investigative Services
- External Affairs
- Operations
- Administrative Services
- Technical Services

HR Solutions
- Leadership & Talent Management Solutions
- Emerging Solutions/ HR Innovations
- ALJ

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

Overview of FY 2011 Request

OPM's total FY 2011 discretionary request is **$240,071,000,** which is equal to our enacted appropriations.

OPM's budget request consists of two appropriations, the Office of Personnel Management Salaries and Expenses, and the Office of the Inspector General Salaries and Expenses. Both contain general funds and limitations on transfers from the earned benefit Trust Funds under OPM management. These Trust Funds are the Civil Service Retirement and Disability Fund, Federal Employees Health Benefits Fund, and the Federal Employees Group Life Insurance Fund. OPM's three mandatory payment appropriations provide resources from the general fund to the three earned benefit Trust Funds, and finance benefits for Federal employees and annuitants. These payment accounts are discussed in more detail in Part 5.

In FY 2011, OPM's administrative accounts will support **5,018** full-time-equivalent employees (FTE) as compared to **4,852** FTE in FY 2010. Of these, the Discretionary Appropriations and mandatory Trust Fund transfers will support **1,909** FTE, an increase from **1,869** FTE in FY 2010. The remaining allocation of **3,109** FTE is in the Revolving Fund Discretionary Appropriations.

Several high-profile, long-term goals, and program initiatives have been created and are in various stages of development. These goals and initiatives will have a significant impact throughout Government and bring Federal workers into an era of change. Some of the benefits will be *an easier process in hiring* which will benefit not only Federal agencies but new entrants into the Federal Government. Another impact in 2011 will be an increase in *retirement claims processing workforce*. The additional staff will help to process the number of retirement records OPM receives that are incomplete and/or require development. *Telework*/ w*ellness/work- life* is another major impact which is a much greater expansion of what has been started in existing programs at OPM. Its primary focus is to provide the Government worker with the resources to become healthier resulting in a more productive workforce. Lastly the *security clearance reform* process will strive to maintain or exceed the OPM-related goals of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), and provide the OPM deliverables necessary to ensure that security clearance reforms are "substantially operational" across the Federal Government.

Salaries & Expenses

General Funds. OPM's General Funds request for basic operating expenses totals **$95,770,000**. The FY 2011 request includes **$88,350,000** in annual funds and **$7,420,000** in no-year funds for the Office of the Chief Information Officer's Human Resources Line of Business/Enterprise Human Resources Integration projects. This reflects a decrease of **$7,201,000** below the FY 2010 budget level.

Transfers from Trust Funds. For the administration of the civil service retirement and insurance programs, OPM requests a total of **$121,737,000** in transfers from the Trust Funds. The FY2011 request includes **$112,242,000** in annual funds and **$9,495,000** in no-year funds, a net increase of **$9,000,000** above the FY 2010 limitation.

This FY 2011 request includes new no-year funding for the implementation of the Trust Funds management piece of OPM's new consolidated financial system, the Consolidated Business Information System (CBIS). The Annual Trust Fund resources will be used to maintain timely

processing of retirement benefits claims, responding to retirement program customer inquiries, and maintain and adjust benefit payment accounts for retirees and survivor annuitants.

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

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

Office of the Inspector General

Salaries & Expenses

The FY 2011 request for the Office of the Inspector General totals **$22,564,000** and **147** FTE, and includes **$2,136,000** and **19** FTE in General Funds and **$20,428,000** and **128** FTE in transfers from the Trust Funds to enable the OIG to carry out its audit, investigative, and oversight responsibilities. This request is **$1,799,000** below the 2010 enacted amount. The request amount will permit the OIG to continue audit and investigative oversight of the FEHBP, including FEHBP plans and pharmacy benefit managers; Civil Service Retirement/Federal Employees Retirement System programs and operations; and carrier information systems. This request level will require some reduction of our current level of oversight in these areas. Our request does not include funding for the oversight of other significant OPM programs, including the Revolving Fund programs as well as new initiatives requested by OPM in their FY 2011 budget request. Within the amount requested, the Office of the Inspector General will devote $70,641 to training, and will contribute $317,000 to support the Council of the Inspectors General on Integrity and Efficiency.

The Inspector General believes that the amount contained in this budget would substantially inhibit the Office from carrying out its statutory duties and responsibilities. The Inspector General's statement, as well as required supplemental information on the Office of the Inspector General's training funding and contributions to support the Council of the Inspectors General on Integrity and Efficiency, are contained in Part 3 beginning on page 131. The Office of the Inspector General submitted a FY 2011 budget request totaling **$30,247,000**, composed of **$4,454,000** of General Funds and **$25,793,000** in Trust Fund transfers. These funds would support an FTE level of 181.0.

Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2011 budget includes an estimated *$1,736,926,000* in new budget authority and **3,109** FTE to be financed by other agencies' payments for OPM services. These services, provided through a mix of Federal staff and pre-qualified private sector vendors, include providing professional development and continuous learning for Federal managers and executives; providing one-stop access to high-

quality e-Government products and services; testing potential military personnel for the Department of Defense in those locations where it is cost effective for OPM to do so; providing employment information, recruitment and applicant assessment services; providing a web-based automated staffing system for agency use; providing staffing, technical assistance, and general consultation services on workforce planning, organizational assessments and other facets of human resources management; providing core mission and customized training services and learning management systems to meet agency knowledge management needs; and managing the selection, coordination, and development of Presidential Management Fellows.

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

Agency contributions through the Revolving Fund for the HR LOB in FY 2011 are expected to be approximately **$3,000,000**. These funds will be used to further develop the HR LOB including enterprise architecture and requirements development, planning and governance support, and assistance with the set-up and operation of Shared Service Centers and agency migration to established centers.

Appropriations Language

Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed $3,000 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, $95,770,000, of which $6,004,000 shall remain available until expended for the Enterprise Human Resources Integration project; $1,416,000 shall remain available until expended for the Human Resources Line of Business project; and in addition $121,737,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of $9,495,000 shall remain available until expended for the cost of implementing the new integrated financial system as well as automating the retirement recordkeeping systems: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of

this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2011, 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.

General Provisions (Acquisition Improvement)

In addition to resources requested above, the Administration is seeking to strengthen the acquisition process Government-wide and is seeking an additional $670,210 for acquisition activities at OPM via the following proposed general provision:

For an additional amount for the "Office of Personnel Management's Salaries and Expenses account", $670,210, to increase the agency's acquisition workforce capacity and capabilities: Provided, That such funds may be transferred by the Director of OPM to any other account in the agency to carry out the purposes provided herein: Provided further, That such transfer authority is in addition to any other transfer authority provided in this Act: Provided further, That such funds shall be available only to supplement and not to supplant existing acquisition workforce activities: Provided further, That such funds shall be available for training, recruitment, retention, and hiring additional members of the acquisition workforce as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 401 et seq.): Provided further, That such funds shall be available for information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management.

OIG Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, $2,136,000, and in addition, not to exceed $20,428,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate Trust Funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

Highlights - High Priority Performance Goals and Program Initiatives

The following pages provide descriptions/justifications of the Director's FY 2011 High Priority Performance Goals, Strategic Goals, and Program Initiatives. Responsibility for some of these activities spans multiple OPM organizations, and is financed by appropriated and non-appropriated resources.

OPM's High Priority Performance Goals

OPM's Program Initiatives

Highlight (High Priority Performance Goal) - Hiring Reform

Program Funding: Employee Services

Budget ($ thousands)

Program Initiative	Budget Source	FY 2010 Enacted		FY 2011 Request	
		$	FTE	$	FTE
Hiring Reform	Salaries & Expenses	$2,500	0.0	$4,000	0.0
Total		**$2,500**	**0.0**	**$4,000**	**0.0**

OPM is spearheading a Government-wide initiative to reform recruiting and hiring policies and procedures. There is broad agreement that the current competitive hiring process must be improved. Applicants regularly report confusion about differences between agencies' application processes, complex application requirements that are difficult to meet, and lack of communications from agencies regarding hiring process and applicant's status. Human Resources (HR) professionals express frustration at a perceived lack of managerial commitment to participate fully in key elements of hiring such as work force planning and delays in decision making that slow the process. Managers complain that HR policies and procedures are unclear, overly bureaucratic and non-responsive to their needs. These combined factors make it more difficult for the Federal Government to hire qualified employees in the competition for top talent.

In order for the Federal Government to compete with other employers to attract the best talent, efficient and effective processes must be in place to recruit, hire and retain high-performing employees. This is especially true in a shrinking labor market and a tough economy, as candidates will be attracted to those organizations that can make fast decisions. OPM leads the Government-wide staffing effort to ensure Federal agencies acquire, assess, and retain employees with the specific experience and skills essential to achieving agency goals and missions. OPM helps Federal agencies compete successfully with other employers by using effective recruitment, hiring, assessment and retention strategies. OPM develops and makes use of available recruiting, hiring, assessment and retention methods, tools, authorities and flexibilities.

This High Priority performance goal links directly to OPM's Strategic Goal—Hire the Best. This includes: reforming the Federal hiring process, assisting veterans to find a place in the Federal workforce and promoting diversity in the Federal workforce. It also addresses OPM's Mission: Recruit, retain and honor a world-class workforce to serve the American people. This includes: promoting innovative and coordinated approaches to recruiting and hiring students, mid-career professionals, retirees to meet agency talent needs; helping agencies streamline their end-to-end hiring process to create a positive experience for applicants, managers and HR specialists; improving USAJOBS and integrating other components of the on-line hiring system to create a world-class experience for job seekers and agency recruiters; providing targeted direction on Federal hiring to HR officials; promoting efficiency and effectiveness in hiring practices and processes compliant with merit principles; helping agencies create an environment that values workforce diversity and leverages diverse talent to achieve results; promoting policies and practices to ensure all segments of society have an opportunity for employment and advancement; providing Federal employees and managers with educational and training opportunities aimed at creating and maintaining a culture where diversity is valued and promoted; and pursuing recruitment and retention efforts focused on attracting diverse talent.

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

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

The goal of the Hiring Reform Initiative is to create a hiring process that:

- Ensures the right person is in the right job
- Provide for timely hiring of applicants
- Is easy to use and understand
- Involves hiring managers in the process
- Respects merit principles
- Respects veterans

The current Federal hiring environment does not encourage or reinforce the development of or large-scale use of best personnel assessment practices - it is highly decentralized, lengthy, and encumbered by burdensome requirements. While some agencies invest in good assessments for mission-critical, agency-specific positions (e.g., Border Patrol Agents), most have not devoted resources to the vast majority of jobs, including mission critical occupations. OPM used to be the leader in Government-wide and occupation-specific assessment work. However, with the push for decentralization and agency delegated examining, OPM's renowned and cutting edge work in assessments was diminished in support of agency decentralization. Unfortunately, either due to budgets or a misunderstanding of the importance of quality assessments to acquire the right person for the right job, agencies did not follow through with the development or purchase of quality assessments.

In order to achieve OPM's High Priority Performance Goal – Hiring Reform, funds have been dedicated to this goal to focus on the following:

- **High Quality Assessment Tools -** It is imperative OPM once again become the Government's leading agent in assessment work. As such, OPM will develop and/or purchase high quality (valid and legally defensible) assessments that allow Federal agencies to identify best-qualified applicants for target position. Examples of such assessment tools are cognitive ability tests, work sample tests, job knowledge tests, situational judgment tests, personality/biodata tests, and structured interviews. Multiple assessments may be used to evaluate applicants, either concurrently (i.e., in a single stage) or in a hurdled fashion (i.e., multiple stages in which only qualified applicants move on to successive stages). Assessments may range from traditional multiple-choice tests to state of the art computerized job stimulations and will primarily be administered in an un-proctored setting.

  OPM's efforts in this area will reduce the burden on Federal applicants (i.e., applicants will only need to be assessed once rather than multiple times by different agencies); improve the quality of personnel assessments used across the Federal Government and resultant hiring decisions (i.e., higher quality hires); assure agencies are adhering to merit principles during hiring; and improve efficiencies of scale.

- **Centralized Shared Registers** – To further capitalize on the investment in the development of the assessments, the results will be used to build and maintain ready-to-hire listings of pre-cleared candidates for common, frequently listed Government vacancies. The theory behind shared registers is that the Federal Government must start acting as "One Government." There are numerous jobs that are not agency specific and in fact hiring for commonly filled jobs across Government could be expedited through shared registers. This will improve the experience for the applicant and provide agencies with a wealth of talent they could hire quickly, rather than investing in one job announcement at a time.

- **Government-wide Recruiting Campaign** (new online component of USAJOBS with tools and training for Recruiters across Government) - The Federal Government needs to become more proactive and effective in how it markets its careers/jobs and how it designs recruitment strategies to attract and recruit talent from all segments of society. Successful recruiting depends on a combination of factors that influence the interaction with applicants from first contact to their first day on the job. The portion of the Hiring Reform Initiative focuses on the following main areas: 1) forecasting future skill needs and workforce trends; 2) benchmarking best recruiting practices; 3) building and maintaining strong relationships with educational institutions, industrial and commercial enterprises, professional organizations, minority and advocacy groups at the local, regional and national level; 4) using technology to recruit talent, communicate with agency recruiters, and disseminate information; and 5) developing a "corporate" recruiting image/brand to attract top talent from all segments of society.

  One specific web-based tool to enhance recruitment is the **Virtual Federal Recruiter.** The purpose of this website is to make it easy for Federal recruiters to find information, speak to those hiring officials who do not understand HR-jargon, provide recruiting tools, send out notices to recruiters on networking events, career days, job fairs, etc., and integrate all communications seamlessly. Other features include a blog on recruiting, social media platforms, micro-blogging (e.g., twitter), and establishing a recruiting channel on YouTube and Facebook.

- **Career Discovery Tool** for Federal jobs - Job seekers unfamiliar with Federal service often struggle to match their expertise against the myriad job opportunities available with Federal agencies. Federal terms (occupational series, grade levels, etc.) and application processes can be daunting and add stress to the job search. As such, this "maze" can become a deterrent to job seekers who are considering applying their talents to Federal missions. This tool provides a "CareerMatch.com" feature would provide a robust matching tool hosted on USAJOBS to assist job seekers in matching their knowledge and skills to available opportunities.

  The tool is envisioned as an online, interactive self-assessment a job seeker would complete on the USAJOBS website. By providing information about his/her experience, education, and interests, the job seeker would be notified of the types and levels of jobs he or she might want to consider with the Federal Government, as well as which agencies might fit his or her interests. The tool would then link the job seeker to open job announcements posted on USAJOBS their results. This easy-to-use, streamlined process would open the minds of job seekers to the public service possibilities available with the Federal Government, leaving the individual job seekers better prepared to determine their career path and apply for Government jobs.

Development of the tool will require extensive analysis to link the information to OPM's Position Qualification Standards for all occupations and grade levels. The tool will need to deploy interactive technologies to assist the job seeker and ensures that he/she is completing the self-assessment in ways that are efficient and customer-oriented. Finally, the tool could be a stand-alone system, but would be most effective if integrated with USAJOBS (and the associated StudentJobs and SES job sites) in order to link the self-assessment results to actual job opportunities. In future years, the system would incur operations and maintenance costs to incorporate any changes to the OPM Position Qualification Standards.

- Overhaul of USAJOBS to accommodate revised application requirements, "Career Discovery Tool", and Recruiting features (Revolving Fund).

The Hiring Reform effort will encompass sweeping changes to streamline the hiring process. OPM will extend its outreach to ensure agencies find and hire the best talent possible for the Federal Government. Some indicators of our progress will be the following:

- A decrease in the end-to-end hiring time for job applicants

- An increase in applicant/manager satisfaction as reported in surveys

- An increase in hiring manager involvement in the process

- Diversity is valued and recognized in Federal agencies, as demonstrated by increased employee and manager satisfaction scores as reported in employee surveys

Highlight (Program Initiative) – Veterans Hiring

Program Funding: Employee Services

Budget ($ thousands)

Program Initiative	Budget Source	FY 2010 Enacted		FY 2011 Request	
		$	FTE	$	FTE
Veterans Hiring	Salaries & Expenses	$1,600	0.0	$2,400	0.0
Total		**$1,600**	**0.0**	**$2,400**	**0.0**

The Federal Government has a long and outstanding record of hiring veterans consistent with Federal laws and continues to implement veterans' preference and special appointing authorities for veterans. OPM administers entitlement to veterans' preference in employment in accordance with existing laws and regulations.

While veterans hold a far higher percentage of jobs in the Federal Government than they do in the private sector (veterans hold 25.5 percent of jobs within the Federal Executive Branch while veterans hold 8.3 percent of jobs within private sector) more can be done to enhance recruitment of and promote employment opportunities for veterans within the executive branch, consistent with merit system principles and veterans' preferences prescribed by law.

OPM has established a coordinated Government-wide effort to increase the number of veterans employed by the Federal Government through enhanced recruitment and training. The veteran's employment process improvement team is charged with developing strategies to increase the number of veterans in domestic executive branch Federal agencies. In collaboration with the Departments of Defense, Labor and Veterans Affairs, the team is leading the development of a Government-wide Veterans Recruitment and Employment Strategic Plan. The strategic plan will guide veteran employment efforts over the next three to five years.

The Veterans Recruitment and Employment strategic plan will be updated every three years and address barriers to the employment of veterans in the executive branch, and focus on the following: 1) identify actions that agency leaders should take to improve employment opportunities for veterans; 2) develop the skills of transitioning military service members and veterans; 3) market the Federal Government as an employer of choice to transitioning service members and veterans; 4) market the talent, experience, and dedication of transitioning service members and veterans to Federal agencies; and 5) disseminate Federal employment information to veterans and hiring officials.

In FY 2011, Employee Services will continue to use appropriated funds to enable OPM to collaborate with Federal agencies and the unions to design and implement comprehensive, Government-wide HR policies, programs and strategies. In essence, agencies rely on OPM to accomplish their mission, and we support them by providing policy guidance, technical assistance, development and implementation of counseling and training programs to align veterans' and transitioning service members' skills to Federal employment opportunities.

Highlight – (Program Initiative) – Wellness

Program Funding: Employee Services

Budget ($ thousands)

Program Initiative	Budget Source	FY 2010 Enacted $	FTE	FY 2011 Request $	FTE
Wellness Pilot	Salaries & Expenses	$2,654	0.0	$0	0.0
Total OPM		**$2,654**	**0.0**	**$0**	**0.0**

In May 2009, President Obama met with CEOs from several major corporations to discuss their initiatives to improve employee health and reduce health care costs through worksite wellness and other initiatives. Following this meeting, he requested that the Office of Personnel Management, Office of Management and Budget, National Economic Council, and the Department of Health and Human Services explore the development of similar programs for the Federal workforce.

The five-part initiative below has been proposed by the agencies named above. It includes:

- Activities by the President and agency heads to create a culture of wellness for Federal employees;
- The development of prototype health and wellness programs up to five locations to serve as models for comprehensive worksite wellness programs;
- Improving nutrition and fitness facilities in Federal facilities by expanding farmers' markets, altering cafeteria contracts to support more nutritional options, and improving access to a variety of fitness opportunities;
- Modernization of the Federal Employee Health Benefits Program to ensure consistency with the President's health reform goals, including prevention, wellness, and cost reduction; and,
- Creating agency and individual employee incentives to promote health and wellness.

In order for the Federal Government to compete with other employers to attract the best talent, OPM proposes to launch a Government-wide Wellness Program. Best management practices focus on producing outcomes that increase employee satisfaction and that drive employee engagement. Research indicates employee satisfaction and engagement are positively linked to building high-performing organizations. Organizations striving to become employers of choice must focus their attention on employee work-life and health and well-being issues. The elements of a comprehensive worksite wellness program are:

- Health education
- Supportive social and physical environments
- Integration of worksite wellness program into organizational structure
- Screening programs, and
- Linkages with related benefits programs (FEHB, FSA, EAP, Flexible schedules, Telework etc.)

In 2010, OPM received an appropriation of $2.654 million to develop and operate a comprehensive worksite wellness program for the downtown Washington campus including GSA, Interior, and OPM. Aside from supporting the hiring of one wellness coordinator (estimated at $150,000 per annum), this funding is being used to purchase the services of a wellness service provider for the downtown Washington campus. The service provider will

complement the existing services of the three agencies and bring the level of services across the campus to match best practice in the private sector.

The service provider will be selected through a Request for Quote (RFQ) process. It is expected that the service provider will be in place from April, 2010 and the initial term of the contract will be for three years, subject to annual appropriations.

The President's budget for FY 2011 provides $10 million to fund three worksite wellness prototypes. However, this funding will be added to HHS's budget within the Office of Public Health and Science. This shift will require that OPM develop an interagency agreement with HHS to ensure that the downtown Washington campus receives continued funding (estimated at $3.2 million annually) for the service provider contracts and the one wellness coordinator.

Building on the experience of these prototypes, the Government will promote comprehensive health and wellness programs for the rest of the Federal workforce. Implementation steps include:

- Refine the on-line web tool (WellCheck) for agencies to complete their wellness inventory
- Inventory current agency wellness activities, associated costs, as well as any plans to enhance these programs--examples of activities that improve employee wellness: wellness competitions, fitness facilities, cafeteria and vending machine promotion of healthful choices
- Analyze agency inventory and develop best management practices and tools
- Incorporate early lessons learned from the prototypes in guidance to Federal agencies.

Highlight – (Program Initiative) – Telework

Program Funding: Employee Services

Budget ($ thousands)

Program Initiative	Budget Source	FY 2010 Enacted		FY 2011 Request	
		$	FTE	$	FTE
Telework	Salaries & Expenses	$113	1.0	$115	1.0
Total OPM		**$113**	**1.0**	**$115**	**1.0**

Best practices in work-life issues focus on producing outcomes that improve the effectiveness of agencies, including increased employee satisfaction and employee engagement. Organizations striving to become employers of choice must focus attention on employee work-life issues. Telework is a key component in OPM's improved work-life strategy.

Aside from agency performance improvements, increased adoption of telework in Federal offices across the country, particularly in major metropolitan areas with large concentrations of employees, would have tremendous economic and social value. These programs would enable the uninterrupted delivery of Government services if employees were instructed to work from home due to natural disaster or conditions that threaten human health, including concerns related to the spread of influenza.

The performance goal links directly OPM's "Respect the Workforce" strategic goal outlined in the draft 2010 – 2015 strategic plan. Telework is part of OPM's overall effort to improve Federal employee satisfaction with work-life flexibilities.

Key contributors within OPM associated with the Telework Initiative include the Office of the Director and the Divisions of Strategic Human Resources Policy, Human Capital Leadership and Merit System Accountability.

 The OPM Website www.telework.gov is operated in cooperation with GSA and provides information to agencies, managers, and employees about how to effectively implement telework programs and arrangements. OPM and GSA work with telework coordinators in each agency to provide guidance and assistance. In addition, the Federal Executive Boards across the country support dissemination of information and training on telework for managers and supervisors.

The key barriers and challenges include the following:

- Existing measures of telework participation vary widely in validity and reliability limiting the capability of any Federal body to track the actual level and frequency of telework participation
- Telework policies are sometimes not up-to-date, not written to support use by key stakeholders, and may not include important standards,
- Infrequent participation in telework among senior leadership and managers/supervisors communicates a powerful negative message and shapes a culture unsupportive of the programs
- Organizational biases and the required cultural changes to implement work-life programs such as telework are difficult to overcome

- Many agencies do not have established measurable telework program goals and do not assess the level of program implementation

The following are the key components of our implementation strategy:

- Convene an advisory group of telework program managers to draw on their knowledge and expertise in formulating standards for telework policies

- Direct agencies to submit telework policies for review against a set of standards crafted by the advisory group; OPM would provide technical assistance to help agencies meet the standards; OPM also would review the standards every three years to ensure continued adherence to the standards

- Encourage each agency to establish the position of Telework Managing Officer, who would ensure telework policies are applied fairly and supported by agency managers

- Encourage agencies to ensure they have an effective and transparent appeals process for employees whose requests for telework or other flexible work arrangements are denied

- Develop high-quality, broadly-accessible telework training.

- Use Chief Human Capital Officer Council meeting sessions on emergency preparedness to emphasize the use of telework as a vital strategy for pandemic preparedness

Quarterly measures have not been finalized at this time, but will be developed to support the implementation strategy.

Highlight – (High Priority Performance Goal) - Retirement Claims Processing

Program Funding: Retirement and Benefits

Budget ($ thousands)

	Budget Source	FY 2010 Enacted		FY 2011 Request	
Program Initiative		$	FTE	$	FTE
Retirement Processing Staff	Trust Fund Annual	$0	0.0	$2,800	40.0
OPM total		**$0**	**0.0**	**$2,800**	**40.0**

The Office of Personnel Management (OPM) is responsible for the administration of the Federal Retirement Program covering over 2.9 million active employees and 2.5 million annuitants. OPM's retirement modernization efforts are intended to improve the processes and technologies used to process Federal retirements and provide better customer service to annuitants and survivors. OPM aims to enhance and modernize the administration of the retirement program by implementing technology and data enhancements and by partnering with Federal agencies. The objectives of this end-to-end business transformation are to: migrate from a paper-based environment to an electronic system of retirement data management; improve retirement processing and post-retirement processing efficiency; and enhance customer service.

OPM initiated the Retirement Systems Modernization (RSM) program as a strategic initiative to automate retirement processes using modern technology to ensure retirees and annuitants are paid accurately and receive high-caliber customer service. The program addresses challenges such as: 1) legacy systems are at risk of failure and lack the functionality to address customer's needs, 2) manual paper-based processes generate data that cannot be recovered in the event of a disaster, 3) inaccurate data due to manual processes vulnerable to human error, 4) customer service and processing delays due to a lack of real-time data and information because data is stored in inconsistent formats at multiple locations, 5) incomplete retirement applications provided to OPM by agencies which frequently delay final annuity determination, and 6) delay of timely, accurate, full annuity payments. These challenges have been outlined in numerous OPM and GAO reports, most recently GAO-09-529 (http://www.gao.gov/new.items/d09529.pdf)

According to the OPM's 2009 performance report, the average processing time from the date OPM receives the initial application to the time the retiree receives a full payment is 41 days. Approximately 200 employees are directly involved in processing the approximately 100,000 retirement applications OPM receives annually. This processing includes functions such as determining retirement eligibility, inputting data into benefit calculators, and providing customer service. OPM uses over 500 different procedures, laws, and regulations to process retirement applications. Currently, the retirement process involves the use of over 80 information systems that have approximately 400 interfaces with other internal and external systems. The retirement process currently does not provide prompt and complete benefit payments upon retirement, resulting in customer service expectations for more timely payments. A greater workload is expected due to an anticipated increase in the number of retirement applications over the next decade.

Retirement processing staffing levels were reduced over the past few years in anticipation of increased automation of retirement processing under Retirement Systems Modernization (RSM). Since RSM will not deliver on significant efficiencies in the short-term, OPM must increase staffing levels in order to process its anticipated workload in a timely manner. The refocus of RSM as well as attrition, which occurred throughout the program, will only worsen during fiscal years 2011 and 2012 without the additional FTEs. Legal Administrative Specialist (LAS) experience is fundamental to performance in key areas within the retirement program; under staffing LAS positions will directly impact succession planning and the need to fill other critical positions.

This High Priority Performance Goal links directly to OPM's Strategic Goal—Honor Service. Funds have been dedicated to this goal to include developing a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner and improve OPM service to Federal Agency Benefits Officers. OPM's mission is to recruit, retain and honor a world-class workforce to serve the American people. In this regard, one of the agency's major human resources tasks is to manage and administer the retirement program for Federal employees. The retirement program serves Federal employees by providing retirement compensation and the tools and options for retirement planning.

We will meet the Agency's High Priority Performance Goal for improving retirement claims processing. This goal represents a high priority for the administration and the agency, rely on the effectiveness of the agency for implementation, and will produce significant and measurable results over the next 12 to 24 months. This goal has been incorporated into the Strategic Plan implementation program. We will reduce the number of retirement records OPM receives that are incomplete and require development to less than 38% by the end of FY 2010, 35% by the end of FY 2011 and 30% by the end of FY 2012.

Highlight – (Program Initiative) – Stabilize Retirement Systems

Program Funding: Office of the Chief Information Officer

Budget ($ thousands)

	Budget Source	FY 2010 Enacted		FY 2011 Request	
Program Initiative		**$**	**FTE**	**$**	**FTE**
Stabilize Retirement System	Trust Fund Annual	$0	0.0	$1,500	0.0
OPM total		**$0**	**0.0**	**$1,500**	**0.0**

The OCIO is charged with providing Government-wide leadership through the OCIO Information Management which includes the following: Enterprise Quality Assurance, Retirement Systems Modernization (RSM), Enterprise Human Resources Integration (EHRI), IT Investment Management, and Records Management. These dual mission areas – OCIO Operations Technology Management and OCIO Information Management which are managed within OCIO and provide support for OPM and partner agencies.

During FY 2010, a primary focus will be to undertake legacy systems analysis and migration planning to lay the groundwork for upgrading the retirement calculator. Improvements to the retirement calculator commencing in late FY 2010 will continue into FY 2011.

Other FY2010 initiatives include implementation of an online retirement application tool, continued development of data feeds and data validation capabilities within the EHRI data warehouse, and configuration of the electronic document management system (EDMS), to allow agency and OPM benefit specialists access to millions of imaged retirement documents. Implementation of an online retirement application tool, in concert with the data gathered through electronic feeds from agencies and shared service centers, will allow OPM to gather initial retirement information electronically for the first time, helping improve the accuracy of retirement calculations by eliminating the potential for manual data entry errors and permitting real-time validation of the data provided. Affording agencies access to electronic retirement data as well as imaged retirement documents represents the transition from a paper-based to an automated retirement process. The FY 2010 and FY 2011 RSM initiatives will help ensure that OPM and agency benefits officers have access to the information needed to perform their jobs processing claims and providing customer service to employees and annuitants.

FY 2011 activities will focus on managing the initiatives begun in FY 2010 to a successful conclusion. At the close of FY 2011 with the potential delivery of the enhanced retirement calculator, online application tool and electronic document management tool configured for OPM and external agency access, RSM will transition to the identified operations and maintenance organization(s). Further incremental improvements will continue to be made and funded as part of ongoing operations in future years.

Highlight – (Program Initiative) – OPM Participation in E-Gov Activities

Program Funding: Office of the Chief Information Officer

Budget

Budget Source	FY 2010 Enacted		FY 2011 Request		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
Salaries and Expenses	$213,203	0.0	$278,383	0.0	$65,180	0.0
OPM total	$213,203	0.0	$278,383	0.0	$65,180	0.0

OPM Participation by E-Gov Project

Initiative	FY09 Agency Contributions (Includes In-Kind)	FY09 Agency Service Fees*	FY10 Agency Contributions (Includes In-Kind)**	FY10 Agency Service Fees*	FY11 Agency Contributions (Includes In-Kind)**	FY11 Agency Service Fees*
Budget Formulation and Execution LOB	$95,000	$0	$95,000	$0	$105,000	$0
Business Gateway	$12,648	$0	$0	$0	$0	$0
E-Rulemaking *	$0	$74,014	$0	$19,262	$0	$101,000
E-Travel	$0	$335,010	$0	$315,010	$0	$302,260
E-Training	$0	$0	$0	$290,025	$0	$290,025
Recruitment One-Stop	$0	$0	$0	$30,499	$0	$30,499
EHRI	$0	$0	$6,001,000	$8,586,585	$0	$7,864,813
E-Payroll	$0	$0	$0	$948,758	$0	$948,758
E-Authentication	$0	$224,700	$0	$0	$0	$0
Financial Management LOB	$44,444	$0	$44,444	$0	$44,444	$0
Human Resources Management LOB	$0	$0	$1,429,217	$0	$1,481,217	$0
IT Infrastructure LOB	$0	$0	$0	$0	$0	$0
Integrated Acquisition Environment	$0	$18,172	$0	$31,432	$0	$123,453
Disaster Assistance Improvement Program	$61,111	$0	$48,976	$0	$41,241	$0
OPM Total	$213,203	$651,896	$7,618,637	$10,221,571	$1,671,902	$9,660,808

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

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

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

The e-Gov initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently at a lower price. Instead of expensive "stove-piped" operations,

agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs. OPM participates in eight initiatives managed by other Federal agencies. Benefits realized through the use of these initiatives are as follows:

Budget Formulation and Execution (BFE) LOB (Managing Partners: Department of Energy and Department of Education). BFE LOB is a collaborative interagency effort to devise strategies that will enable agency and OMB budget personnel to reduce manual processes, improve efficiency and effectiveness, and redirect limited time to a backlog of high-priority analytical activities. BFE LOB has provided invaluable knowledge that has been utilized in considering a budget formulation system for OPM's current financial management and procurement system implementation, known as CBIS (Consolidated Business Information System). OPM's current financial system implementation will provide helpful lessons learned to BFE LOB that will contribute to its decisional matrix that agencies can use in assessing budgeting systems. Additionally, it provides agencies the ability to share lessons learned for budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government. In FY 2009, the BFE LOB will provide all agencies with more information about collaboration tools and technologies that can ease communications in the Federal budget environment.

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

- **Contact center savings:** Savings are expected by the reduction of misdirected calls handled by OPM due to the use of Business.gov and Forms.gov.

- **Maintenance savings:** Business.gov's search technology will provide OPM with valuable user statistics and feedback, enabling it to simplify content management on its business compliance site.

- **Increased forms management:** By making 72 forms (to date) available on Forms.gov, OPM saves agency time in forms management, and is expected to produce significant savings in paper and postage.

- **Reduced burden on field offices:** By directing compliance-related inquiries to Business.gov, agencies with field offices will save training and staff-time dollars.

- **Data harmonization:** Every Federal agency should have or participate in at least one "vertical" opportunity. The Departments of the Interior and Labor together saved $341,000 in the first three years of their vertical, and are expected to save $570,000 over 5 years.

E-Rulemaking (Managing Partner: Environmental Protection Agency). OPM is tasked with building a high-quality and diverse Federal workforce. OPM works to ensure Federal agencies adopt human resources management systems that improve their ability to build successful organizations and use effective merit-based human resources strategies to create a rewarding work environment that accomplishes this mission. Regulatory actions are a critical part of OPM's work in meeting its mission. In 2006, OPM published 45 regulatory actions. A single online website utilized by e-Rulemaking, the Federal Docket Management System, enables OPM to

improve public access to rulemaking material, provides a central location for the Federal workforce to find and comment on regulatory actions that affect their lives, reduces data storage costs for IT and other agency data to the Agency, and allows regulation writers an easy way to collaborate on development of regulations.

E-Gov Travel (Managing Partner: General Services Administration). In FY 2008, OPM moved its travel services to E-Gov Travel through a cross-service arrangement with the General Services Administration. By doing so, OPM is able to provide more efficient and effective travel management services. The benefits include cost savings associated with cross-Government purchasing agreements and on-line booking, streamlined travel policies and processes, strict security and privacy controls, and enhanced agency oversight and audit capabilities. OPM employees also benefit through more efficient travel planning, authorization, and reimbursement processes. OPM expects that services under E-Gov Travel will cost $315,000 in FY 2010. This service is financed out of the Office of the Chief Financial Officer.

E-Authentication (Managing Partner: General Services Administration). The E-Authentication Federation allows OPM to use identity credentials issued and managed by organizations within and outside the Federal Government, thereby relieving OPM of much of the cost of providing its own identity management solutions. This initiative provides the critical capability of validating that citizens, businesses, and Government employees are who they say they are when accessing a Web-based Government service/system. The initiative benefits OPM by providing E-Authentication expertise, guidance, and documentation, including project planning and reporting templates, to enable OPM to implement e-Authentication on several e-Gov portals, including those for CTS - GoLearn, EHRI, and USAJOBS.

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

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

Integrated Acquisition Environment (Managing Partner: General Services Administration). Integrated Acquisition Environment will support a common, secure business environment, which facilitates and supports cost effective acquisition of goods and services. This Initiative benefits OPM by providing integrated business processes and increased data sharing within OPM and among the participating agencies.

Disaster Assistance Improvement Program (Managing Partner: Federal Emergency Management Agency). The Disaster Assistance Improvement Program (DAIP) is a new Federal program to establish a single disaster assistance portal through which victims of disasters can

request Federal disaster assistance more quickly and efficiently. This one stop portal would offer the potential for retirees and other members of the Federal community to easily apply for benefits in the event of a disaster.

High Priority Performance Goal – Security Clearance Reform

Program Funding: Federal Investigative Services

Budget ($ thousands)

Baseline Budget	Budget Source (Baseline Budget)	FY 2010 Enacted		FY 2011 Request	
		$	FTE	$	FTE
Security Clearance Reform	Revolving Funds	$934,831	2,416.0	$970,127	2,526.4
OPM Total		**$934,831**	**2,416.0**	**$970,127**	**2,526.4**

In response to significant and continuing security clearance timeliness concerns, Congress called for improvements and established specific timeliness goals as part of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRPTA). In 2004, the year IRTPA was passed, initial clearance investigations for Top Secret clearances took an average of 392 days, and today the average is 79 days. Initial clearances took 179 days, today they take 40 days. When OPM took over the background investigation program from the Department of Defense (DoD), OPM inherited over a half million pending cases and a back log of 133,095 cases over a year old, today the backlog has been cleared. Despite meeting IRTPA timelines, OPM remains committed to supporting Joint Reform initiatives for being "substantially operational" by end of calendar year 2010. OPM's key contributions to a comprehensive Federal Government end-to-end process are:

- Clearance Verification System (CVS)
- Revised e-QIP
- Implementation of revised SF-86
- Pilot automated record checks (ARC) with select DoD population, and expand OPM's suite of automated records checks
- Enhance case and investigative issue coding to optimize eAdjudication, and continue to make eDelivery of investigative files available to agencies
- Implement expansion of enhance subject interview informed by revised SF-86
- Offer investigation with validated automated record checks that can be used as an annual assessment for individuals at the TS/SCI level

This High Priority performance goal links directly to OPM's strategic goal "Hire the Best". This includes ensuring agencies have sufficient information to make decisions such as credentialing, suitability, and/or security clearance determinations. In FY 2011, some key barriers and challenges include the following:

- Obtaining buy-in on revised investigative standards and implementation of Joint Reform security and suitability processes by Executive Branch agencies.
- Legal concerns that might impact the redesign of the standard forms
- Secure means to exchange data between the Intelligence Community (IC) and Non-IC agencies
- Balancing timeliness against quality
- Enhancing and maintaining technology to keep pace with changing background investigative and adjudicative business processes
- Current regulatory policy and privacy issues may limit information sharing requirements to fully implement reform goals
- Agency funding and technology challenges for implementation of Joint Reform initiatives

The key OPM components of the Suitability and Security Joint Reform implementation strategy include:

- Establish a single access point to search relevant clearance and investigative data via OPM's enhanced Clearance Verification System (CVS) to increase reciprocity of investigations and hiring and clearing decisions
- Implement revised e-QIP and SF-86 to collect more information from the user earlier in the process and improve the quality of the data entered
- Pilot automated record check capability within select DoD populations. Applicant information is electronically processed against Government and commercial databases via OPM and PERSEREC's ACES.
- Make electronic files available for any/all agencies equipped to receive files in that format and standardized issue coding will support eAdjudication of "clean" cases to the maximum extent possible
- Implement expansion of Enhanced Subject Interview informed by implementation of the new SF-86 branching questions
- Create a level of investigation that will provide validated automated record checks that can be used as an annual assessment for individuals cleared at the TS/SCI level

Highlight – (Program Initiative) – Employee Viewpoint Survey

Program Funding: Office of Planning and Policy Analysis

Budget ($ thousands)

Program Initiative	Budget Source	FY 2010 Enacted		FY 2011 Request	
		$	FTE	$	FTE
Employee Viewpoint Survey	Salaries & Expenses	$1,900	0.0	$2,500	0.0
Total OPM		**$1,900**	**0.0**	**$2,500**	**0.0**

Since 2002, OPM has conducted a biennial survey of Federal employees (formerly known as the Federal Human Capital Survey). The survey provides critical input to Capitol Hill and OPM to determine the overall direction and needed changes for future HR policy. Additionally, agencies have been using their survey findings to improve employee engagement and satisfaction and to develop/implement action plans to improve its workplace measures in the specific areas the survey has identified.

Starting in 2010, OPM will be conducting surveys annually to fulfill the growing need for Government wide standardized data to drive the changes necessary to make the Federal workforce a model for the nation. Also, annual collection of this information provides essential information on indicators of progress for all four goals in the OPM Strategic Plan.

The 2010 survey has been revised to contain more actionable data as well as to add items targeting critical areas such as engagement and work/life issues. The Federal Employee Viewpoint survey results provide both a longitudinal track record as well as a future path for the improvement of all executive agencies.

The increased resources will provide for additional survey improvements. The survey process will now provide yearly data for agencies to plan and track their progress. OPM is developing "Best in Government" indices designed to highlight an agency's current position on critical areas along with a fair and equitable comparison to other agencies. Approximately 100,000 additional employees are being surveyed Government-wide, for a total of about half a million potential survey participants. In 2010, more agencies will be receiving reports for components at lower organizational levels providing for more targeted action planning activities. Additionally, OPM will provide personnel to assist agencies in developing more effective actions. Lastly, to ensure the most efficient and effective use of the survey process, OPM will undertake an internal and external review of the most effective survey practices to guide the survey process in 2011 and beyond.

Highlight – (Program Initiative) – Federal Employees Health Benefits (FEHB) Data Mining/Data Analysis

Program Funding: Office of Planning and Policy Analysis

Budget ($ thousands)

Program Initiative	Budget Source	FY 2010 Enacted		FY 2011 Request	
		$	FTE	$	FTE
FEHB Data Mining/Analysis	Trust Fund Annual	$1,463	0.0	$7,000	0.0
Total OPM		$1,463	0.0	$7,000	0.0

Since 1959, the Federal Employees Health Benefits (FEHB) Program has offered group health insurance to Federal employees. Federal retirees were added to the program in the 1960's. The FEHB currently offers 234 health plan options which cover nearly 8 million Federal employees, annuitants, and their dependents.

On average, the Government contributes approximately 70 percent of the total premium cost of enrollments within the FEHB. Federal agencies, as employers, pay their share of premiums out of the same resources appropriated or otherwise available for the payment of employee salaries. The Government's share of premiums is approximately $28 billion for both current employees and retirees. Total FEHB premium cost is $40 billion.

The ever-increasing cost of health care is a national challenge. While the FEHB Program directly bears the cost of health services, it is in a poor position to analyze those costs and actively manage the FEHB Program to ensure the best value for both Federal employees and tax-payers. OPM has not routinely collected, nor analyzed, program wide claims data. The capacity to collect, manage and analyze health services data on an ongoing basis will allow OPM to: A) **Understand the drivers of cost increases for Federal employees** – As an example, drug costs as a share of overall monthly premium per member have increased sharply in recent years. A number of alternatives have been suggested to address this growth (using the Federal Supply Schedule, carving out pharmacy services, etc). Since pharmacy costs account for over $10 billion in FEHB spending, alternative approaches need to be carefully modeled, and subsequent experience monitored. B) **Approach the design and management of Federal benefits in a more holistic way**. OPM is coordinating the effort to develop worksite wellness programs that will improve Federal workers health and lower costs over time. Determining the best approaches for these programs and their long term return on investment requires careful analysis of the data that will be captured in the data warehouse. C) **Model the potential effects of health system reform or environmental changes on Federal employees.** One element of medical effectiveness research is to evaluate whether treatment modalities are being used when they are most effective. Imaging technology in particular is an area where overuse with little clinical benefit is common. With a program-wide database, OPM could analyze the rates of imaging use and take action against insurers/providers whose rates are excessive.

This initiative seeks to reorient the management of the FEHB Program by capitalizing on the collection and analysis of program wide claims data. Implementation will include: 1) **Data collection and maintenance** – establish regular data feeds from the 10 largest FEHB plans (and major Pharmacy Benefit Managers); develop/test front end edits to assure data integrity and consistency across plans; manage data flows; assure and maintain data quality and integrity; manage data storage and back-up. 2) **Analysis support** – design database and linking routines to link claims to individual demographics, provider files, and other OPM maintained data sets. Create databases that analysts can use to run specific analyses. 3) **Development of a data**

warehouse application that will allow flexible queries of the data set – not only general demographic queries, but also risk-adjusted profiles, comparison of chronically ill patients and other useful analytics. 4) **OPM analysis capacity** – in order for OPM to take a forward-looking approach to analyzing and utilizing data, it will need to add new skill sets not currently present in the organization. These will need to be developed and/or acquired. Skills include econometric modeling of health trends, risk adjustment methodologies, pharmacy pricing and negotiation among others. Some capacity will need to be purchased through outside contracts as internal capacity is developed; the need for outside expertise will decrease over time.

Developing such a database and analytical capability will better position OPM to negotiate effectively with FEHB carriers to keep Federal premium increases below industry-wide levels. This initiative will build OPM's knowledge base and expertise, strengthening its ability to strategically shape future benefits design, better positioning OPM to negotiate with the carriers. Over time, this initiative will result in contained premium growth. The magnitude of the savings is not concrete at this time; however, just a 0.1% reduction in annual premium growth for three consecutive years yields savings of approximately $1.25 billion to the Program over 10 years, and more specifically, $400 million in Payments from the Government's General Fund for Annuitant Premiums over the same period.

Part 2 – Summary Tables of FY 2011 Performance Budget

FY 2011 Budget by Program – Appropriated Resources (in millions)

Organization/Activity	FY 2010 Enacted $	FTE	FY 2011 Request $	FTE	Increase/Decrease $	FTE
Employee Services	$41,176	188	$36,637	188	($4,539)	0.
Retirement & Benefits	$57,388	490	$62,134	530	$4,746	40
Benefit administration*	$57,388	490	$62,134	530	$4,746	40
Merit System Audit & Compliance	$15,944	102	$14,339	102	($1,605)	0
HR Solutions	$0	0	$0	0	$0	0
FISD	$0	0	$0	0	$0	0
OCIO	$29,053	38	$25,796	35.	($3,257)	(3)
Planning & Policy Analysis	$10,112	42	$16,475	42	$6,363	0
OCFO**	$26,294	49	$26,190	49	($104)	0
Facilities, Security & Contracting	$13,813	75	$14,159	75	$346	0
Executive Services	$8,872	113	$8,347	113	($525)	0
Office of the Director*	$2,267	16	$4,927	16	$2,660	0
Executive Secretariat & Ombudsman	$1,502	14	$1,538	14	$36	0
Internal Oversight & Compliance	$1,496	10	$1,532	10	$36	0
Equal Employment Opportunity	$892	8	$980	8	$88	0
OGC*	$5,159	33	$5,897	33	$738	0
OCLA*	$2,001	14	$2,860	14	$859	0
OCPL*	$2,284	18	$2,370	18	$86	0
Federal Prevailing Rate Advisory Committee	$239	1	$247	1	$8	0
President's Commission on White House Fellows	$845	5	$873	5	$28	0
Rent and other CFI	$25,785	0	$26,469	0	$684	0
OPM General Fund subtotal	**$215,708**	**1,402**	**$217,507**	**1,442**	**$1,799**	**40**
OIG	$24,363	147	$22,564	147	($1,799)	0
OPM total	**$240,071**	**1,549**	**$240,071**	**1,589**	**$0**	**40**

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

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

2011 Budget by Strategic Goal – Appropriated Resources (in millions)

Organization/Activity	Goal				Core Ongoing Functions	Total Appropriated Resources
	1	2	3	4		
Employee Services	$14.95	$3.67	$8.19	$5.11	$4.72	$36.64
Retirement & Benefits	$0.00	$0.00	$0.00	$53.25	$8.88	$62.13
Merit System Audit & Compliance	$0.00	$0.00	$11.74	$0.00	$2.60	$14.34
HR Solutions	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
FIS	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
OCIO	$0.00	$0.00	$0.00	$0.00	$25.80	$25.80
Planning & Policy Analysis	$0.00	$11.17	$5.31	$0.00	$0.00	$16.48
OCFO	$0.00	$0.00	$26.19	$0.00	$0.00	$26.19
Facilities, Security & Contracting**	$0.00	$0.00	$0.00	$0.00	$3.45	$3.45
Executive Services	$0.00	$0.00	$1.20	$0.00	$3.70	$4.90
Office of the Director**	$0.00	$0.00	$1.20	$0.00	$0.00	$1.20
ESO**	$0.00	$0.00	$0.00	$0.00	$0.37	$0.37
IOC**	$0.00	$0.00	$0.00	$0.00	$0.37	$0.37
EEO**	$0.00	$0.00	$0.00	$0.00	$0.24	$0.24
OGC**	$0.00	$0.00	$0.00	$0.00	$1.44	$1.44
OCLA **	$0.00	$0.00	$0.00	$0.00	$0.70	$0.70
OCPL**	$0.00	$0.00	$0.00	$0.00	$0.58	$0.58
Federal Prevailing Rate Advisory Committee	$0.00	$0.00	$0.00	$0.00	$0.24	$0.24
President Commission on White House Fellows	$0.00	$0.00	$0.00	$0.00	$0.87	$0.87
Rent and other CFI	$0.00	$0.00	$0.00	$0.00	$26.47	$26.47
CHCO	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
OPM total	$14.95	$14.84	$52.63	$58.36	$76.73	$217.51

* Retirement modernization is included in OCIO under Core Ongoing Functions

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

2011 Budget by Strategic Goal – Non-Appropriated Resources (in millions)

Organization/Activity	Goal 1	2	3	4	Core Ongoing Functions	Total Non-Appropriated Resources
Employee Services	$0.00	$0.00	$4.72	$0.00	$0.00	$4.72
Retirement & Benefits	$0.00	$0.00	$0.00	$34.53	$6.18	$40.71
Merit System Audit & Compliance	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
HR Solutions	$0.00	$0.00	$0.00	$690.00	$0.00	$690.00
FIS	$970.13	$0.00	$0.00	$0.00	$0.00	$970.13
OCIO	$0.00	$0.00	$0.00	$0.00	$95.13	$95.13
Planning & Policy Analysis	$0.00	$1.80	$0.00	$0.00	$0.00	$1.80
OCFO	$0.00	$0.00	$17.92	$0.00	$0.00	$17.92
Facilities, Security & Contracting**	$0.00	$0.00	$0.00	$0.00	$10.71	$10.71
Executive Services	$0.00	$0.00	$3.73	$0.00	$11.48	$15.21
Office of the Director**	$0.00	$0.00	$3.73	$0.00	$0.00	$3.73
ESO**	$0.00	$0.00	$0.00	$0.00	$1.17	$1.17
IOC**	$0.00	$0.00	$0.00	$0.00	$1.16	$1.16
EEO**	$0.00	$0.00	$0.00	$0.00	$0.74	$0.74
OGC**	$0.00	$0.00	$0.00	$0.00	$4.46	$4.46
OCLA **	$0.00	$0.00	$0.00	$0.00	$2.16	$2.16
OCPL**	$0.00	$0.00	$0.00	$0.00	$1.79	$1.79
Federal Prevailing Rate Advisory Committee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
President Commission on White House Fellows	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Rent and other CFI	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
CHCO	$0.00	$0.00	$0.87	$0.00	$0.00	$0.87
OPM total	**$970.13**	**$1.80**	**$27.24**	**$724.53**	**$123.50**	**$1,847.20**

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

2011 Budget by Strategic Goal – Total Resources (in millions)

Organization/Activity	Goal				Core Ongoing Functions	Total Appropriated Resources
	1	2	3	4		
Employee Services	$14.95	$3.67	$12.91	$5.11	$4.72	$41.36
Retirement & Benefits	$0.00	$0.00	$0.00	$87.78	$15.06	$102.84
Merit System Audit & Compliance	$0.00	$0.00	$11.74	$0.00	$2.60	$14.34
HR Solutions	$0.00	$0.00	$0.00	$690.00	$0.00	$690.00
FIS	$970.13	$0.00	$0.00	$0.00	$0.00	$970.13
OCIO	$0.00	$0.00	$0.00	$0.00	$120.93	$120.93
Planning & Policy Analysis	$0.00	$12.97	$5.31	$0.00	$0.00	$18.28
OCFO	$0.00	$0.00	$44.11	$0.00	$0.00	$44.11
Facilities, Security & Contracting**	$0.00	$0.00	$0.00	$0.00	$14.16	$14.16
Executive Services	$0.00	$0.00	$4.93	$0.00	$15.18	$20.11
Office of the Director**	$0.00	$0.00	$4.93	$0.00	$0.00	$4.93
ESO**	$0.00	$0.00	$0.00	$0.00	$1.54	$1.54
IOC**	$0.00	$0.00	$0.00	$0.00	$1.53	$1.53
EEO**	$0.00	$0.00	$0.00	$0.00	$0.98	$0.98
OGC**	$0.00	$0.00	$0.00	$0.00	$5.90	$5.90
OCLA **	$0.00	$0.00	$0.00	$0.00	$2.86	$2.86
OCPL**	$0.00	$0.00	$0.00	$0.00	$2.37	$2.37
Federal Prevailing Rate Advisory Committee	$0.00	$0.00	$0.00	$0.00	$0.24	$0.24
President Commission on White House Fellows	$0.00	$0.00	$0.00	$0.00	$0.87	$0.87
Rent and other CFI	$0.00	$0.00	$0.00	$0.00	$26.47	$26.47
CHCO	$0.00	$0.00	$0.87	$0.00	$0.00	$0.87
OPM total	**$985.08**	**$16.64**	**$79.87**	**$782.89**	**$200.23**	**$2,064.71**

*Retirement modernization is included in OCIO under Core Ongoing Functions.

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

Fiscal Year Comparison of FTE Staffing

Fund	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Salaries & Expenses Annual	785.0	785.0	0.0
Salaries & Expenses Multi-year	6.0	0.0	(6.0)
Salaries & Expenses No-year	0.0	6.0	6.0
Salaries & Expenses total	791.0	791.0	0.0
Trust Fund Annual	608.3	648.3	40.0
Trust Fund Multi-year	2.7	0.0	(2.7)
Trust Fund No-year	0.0	2.7	2.7
Trust Fund limitation total	611.0	651.0	40.0
Total appropriated	1,402.0	1,442.0	40.0
5 USC, 8348(a)(1)(b) Mandatory Authority	286.5	286.5	0.0
FERCCA – Mandatory Authority	12.0	12.0	0.0
Long-Term Care – Mandatory Authority	6.0	6.0	0.0
Dental/Vision – Mandatory Authority	6.5	6.5	0.0
Mandatory Authority - total	311.0	311.0	0.0
OIG Salaries & Expenses	19.0	19.0	0.0
OIG Trust Fund	128.0	128.0	0.0
OIG total	147.0	147.0	0.0
Subtotal	1,860.0	1,900.0	40.0
Revolving Fund	2,983.0	3,109.0	126.0
Total	**4,852.0**	**5,009.0**	**166.0**

Appropriations Summary

Comparison to 2010 Enacted

	Salaries and Expenses		Office of the Inspector General	
	General Fund	Transfers from Trust Funds	General Fund	Transfers from Trust Funds
Budget enacted, FY 2010	$102,971,000	$112,737,000	$3,148,000	$21,215,000
Budget request, FY 2011	$95,770,000	$121,737,000	$2,136,000	$20,428,000
Request compared with enacted	($7,201,000)	$9,000,000	($1,012,000)	($787,000)

Government Payment Accounts	
Government Payment for Annuitants, Employees Health Benefits	
Budget request, FY 2010 (estimate)	$9,526,000,000
Budget request, FY 2011	$10,118,000,000
Request compared with estimate	$592,000,000
Government Payment for Annuitants, Employees Life Insurance	
Budget request, FY 2010 (estimate)	$47,000,000
Budget request, FY 2011 (estimate)	$48,000,000
Request compared with estimate	$1,000,000
Payment to Civil Service Retirement and Disability Fund	
Budget request, FY 2010 (estimate)	$32,050,000,000
Budget request, FY 2011 (estimate)	$33,150,000,000
Request compared with estimate	$1,100,000,000

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

FY 2011 Budget: Total OPM Appropriated Budget Authority (in thousands)

Fund	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
OPM + OIG Salaries & Expenses:	$226,770	$240,071	$13,301
Salaries & Expenses:	$215,708	$217,507	$1,799
General Fund:	$102,971	$95,770	($7,201)
Annual	$95,699	$88,350	($7,349)
Multi-Year (Enterprise Human Resources Integration/HR LOB)	$7,272	$0	($7,272)
No-year: (Enterprise Human Resources/HR LOB)	$0	$7,420	$7,420
Trust Funds:	$112,737	$121,737	$9,000
Annual	$99,437	$112,242	$12,805
Multi-Year (retirement modernization & CBIS)	$13,300	0	($13,300)
No-year (CBIS)	$0	$9,495	$9,495
OIG Salaries & Expenses:	$24,363	$22,564	($1,799)
General Fund	$3,148	$2,136	($1,012)
Trust Funds	$21,215	$20,428	($787)

Summary of Total Resources

Fund	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Salaries & Expenses Annual	$95,699,000	$88,350,000	($7,349,000)
Salaries & Expenses multiyear	$7,272,000	$0	($7,272,000)
Salaries & Expenses No-year	$0	$7,420,000	$7,420,000
Salaries & Expenses total	**$102,971,000**	**$95,770,000**	**($7,201,000)**
Trust Fund Annual	$99,437,000	$112,242,000	$12,805,000
Trust Fund Multi-Year	$13,300,000	0	($13,300,000)
Trust Fund No-year	$0	$9,495,000	$9,495,000
Trust Fund limitation total	**$112,737,000**	**$121,737,000**	**$9,000,000**
Total appropriated	**$215,708,000**	**$217,507,000**	**$1,799,000**
5 USC, 8348(a)(1)(b) Mandatory Authority	$33,233,000	$34,380,000	$1,147,000
FERCCA – Mandatory Authority	$1,981,000	$2,052,000	$71,000
Long-Term Care – Mandatory Authority	$1,850,000	$1,907,000	$57,000
Dental/Vision – Mandatory Authority	$4,941,000	$5,171,000	$230,000
Mandatory Authority - total	**$42,005,000**	**$43,510,000**	**$1,505,000**
OIG Salaries & Expenses	$3,148,000	$2,136,000	($1,012,000)
OIG Trust Fund	$21,215,000	$20,428,000	($787,000)
OIG total	**$24,363,000**	**$22,564,000**	**($1,799,000)**
Other resources:			
Revolving Fund	$1,709,073,000	$1,736,926,000	$27,853,000
Total	**$1,991,149,000**	**$2,020,507,000**	**$29,358,000**

Revolving Fund Activities

Business Line		FY 2010 Estimate	FY 2011 Estimate	FY 2010–11 Variance
	Revenue	$947,702,000	$990,348,000	$42,646,000
	Expenses	$941,879,000	$976,637,000	$34,758,000
Investigative Services	Budget authority	$947,701,000	$990,348,000	$42,647,000
	Revenue	$550,644,000	$567,022,000	$16,378,000
	Expenses	$674,210,000	$683,960,000	$9,750,000
HR Solutions	Budget authority	$634,220,000	$693,032,000	$58,812,000
	Revenue	$10,253,000	$10,663,000	$410,000
	Expenses	$14,114,000	$10,713,000	($3,401,000)
USAJOBS	Budget authority	$10,253,000	$10,663,000	$410,000
	Revenue	$80,095,000	$80,660,000	$565,000
Human Resource Integration Services	Expenses	$77,870,000	$65,616,000	($12,254,000)
	Budget authority	$77,870,000	$65,616,000	($12,254,000)
	Revenue	**$1,588,694,000**	**$1,648,693,000**	**$59,999,000**
	Expenses	**$1,708,073,000**	**$1,736,926,000**	**$28,853,000**
Totals	**Budget authority**	**$1,670,044,000**	**$1,759,659,000**	**$89,615,000**

Discretionary Account – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$95,457,000	$98,419,000	$2,962,000
Personnel benefits	$25,152,000	$26,010,000	$858,000
Travel and transportation of persons	$1,890,000	$948,000	($942,000)
Transportation of things	$46,000	$24,000	($22,000)
Communications, utilities, and rent	$30,904,000	$30,980,000	$76,000
Printing and reproduction	$1,173,000	$1,167,000	($6,000)
Other services	$58,841,000	$57,933,000	($908,000)
Supplies and materials	$721,000	$621,000	($100,000)
Equipment	$1,524,000	$1,405,000	($119,000)
Total	**$215,708,000**	**$217,507,000**	**($1,799,000)**
FTE	**1,402.0**	**1,442.0**	**40.0**

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

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$46,981,000	$45,964,000	($1,017,000)
Personnel benefits	$11,669,000	$11,224,000	($445,000)
Travel and transportation of persons	$1,738,000	$803,000	($935,000)
Transportation of things	$38,000	$9,000	($29,000)
Communications, utilities, and rent	$15,460,000	$15,214,000	($246,000)
Printing and reproduction	$465,000	$439,000	($26,000)
Other services	$17,958,000	$13,668,000	($4,290,000)
Supplies and materials	$443,000	$343,000	($100,000)
Equipment	$946,000	$686,000	($260,000)
Total	**$95,699,000**	**$88,350,000**	**($7,349,000)**
FTE	**785.0**	**785.0**	**0.0**

Trust Fund – Obligations by Object Class (Annual Authority)

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$47,273,000	$51,181,000	$3,908,000
Personnel benefits	$13,184,000	$14,467,000	$1,283,000
Travel and transportation of persons	$120,000	$113,000	($7,000)
Transportation of things	$6,000	$14,000	$8,000
Communications, utilities, and rent	$15,034,000	$15,472,000	$438,000
Printing and reproduction	$708,000	$727,000	$19,000
Other services	$22,306,000	$29,321,000	$7,015,000
Supplies and materials	$233,000	$237,000	$4,000
Equipment	$574,000	$709,000	$135,000
Total	**$99,437,000**	**$112,242,000**	**$12,805,000**
FTE	**608.3**	**648.3**	**40.0**

Part 3 – FY 2011 Performance Budget by Organization

This part of the OPM budget contains detailed descriptions of how each OPM organization intends to utilize its requested budgetary resources to carry out their programs in FY 2011. This section is also intended to meet the requirements of OMB Circular A-11, Part 6, Section 220 – *Preparing and Submitting Performance Budgets*. In addition, there are linkages between the requested budgetary resources, and OPM's four strategic goals.

These linkages illustrate the relationship between programs, and their activities, showing how the FY 2011 requested budgetary resources will be used to support strategic goals, related outcomes, and the related performance measures and targets. In addition to the requested amounts for FY 2011, the budget tables show the distribution of the budgetary resources enacted for FY 2010. The following performance budget is separated first into major organizational divisions. This provides a budgetary view at the level of management where budget and performance decisions are made. OPM's mission statement and strategic goals are shown in the table below.

	OPM's Mission Statement:
	Recruit, Retain, and Honor a World-Class Workforce to Serve the American People
Strategic Goal:	
Hire the Best	Recruit and hire the most talented and diverse Federal workforce possible to serve the American people
Respect the Workforce	Provide the training, benefits, and work-life balance necessary for Federal employees to succeed, prosper, and advance in their careers
Expect the Best	Ensure the Federal workforce and its leaders are fully accountable and are fairly appraised while having the tools, systems, and resources to perform at the highest levels to achieve superior results
Honor Service	Ensure comparable recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees

OPM Organizations – Budget and Performance Information

Employee Services

OPM requests **$41,356,000** and **245 FTE** for Employee Services.   The request consists of **$35,117,000** from General Funds and **$6,239,000** for Common Services.

Employee Services will continue to develop human resource (HR) policies for the Executive Branch agencies. Specifically, Employee Services will continue to issue Government-wide guidance on staffing, classification, pay, leave, performance management, training, executive resources, employee and labor relations, and work/life programs. Another major function of the program is to administer civil service pay structures and annually publish pay tables for 1.3 million General Schedule employees. Employee Services also has the authority to review and certify the performance appraisal systems for over 7,000 Federal executives and senior level employees; issue Government-wide policy on reciprocity of suitability investigations and suitability standards across Government; improve the end-to-end hiring process; and be the prime advocate for telework, and health & wellness programs.

In FY 2011, Employee Services will continue to use appropriated funds to enable OPM to collaborate with Federal agencies and the unions to design and implement comprehensive, Government-wide HR policies, programs and strategies. In essence, agencies rely on OPM to accomplish their mission, and we support them by providing policy guidance and technical assistance on SES Performance System and Certification, Hiring Improvements, Veterans Outreach, Competency Assessment, Succession Planning, and Performance Management Practices Improvement, to name a few programs.

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

Today, OPM is positioned to take the next step in the evolution of Federal Human Capital Management. Working with the Chief Human Capital Officers Council, OPM will direct human capital management towards addressing the President's Hiring Reform agenda and towards challenges facing our country such as economic recovery as well as natural disasters. For example, USAJOBS will receive the needed enhancements of a recruitment tool for agencies seeking specialized talent that would support agencies diversity goals, fill mission critical positions, and assist job seekers with the task of assessing the types of positions available in the Federal Government.

Employee Services Resource Summary
(includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$39,340,000	188.0	$35,117,000	188.0	($4,223,000)	0.0
Common Services	$6,087,000	57.0	$6,239,000	57.0	$152,000	0.0
Total Appropriated	**$45,427,000**	**245.0**	**$41,356,000**	**245.0**	**($4,071,000)**	**0.0**
USAJOBS - Revolving Fund	$14,114,000	7	$10,713,000	7	($3,401,000)	0.0
Investigative - Revolving Fund	$2,223,000	14.0	$2,312,000	14.0	$89,000	0.0
Leadership - Revolving Fund	$459,000	4.0	$470,000	4.0	$11,000	0.0
Total Non-Appropriated	**$16,796,000**	**25.0**	**$13,495,000**	**25.0**	**($3,301,000)**	**0.0**
Total –$	**$62,223,000**	**270.0**	**$54,851,000**	**270.0**	**($7,372,000)**	**0.0**

Employee Services Salaries and Expenses – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$23,895,000	$23,158,000	($737,000)
Personnel benefits	$5,719,000	$5,424,000	($295,000)
Travel and transportation of persons	$371,000	$292,000	($79,000)
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$200,000	$200,000	$0
Printing and reproduction	$271,000	$267,000	($4,000)
Other services	$8,590,000	$5,491,000	($3,099,000)
Supplies and materials	$185,000	$241,000	$56,000)
Equipment	$110,000	$44,000	($66,000)
Land and structures	$0	$0	$0
Total	**$39,340,000**	**$35,117,000**	**($4,223,000)**
FTE	**270**	**270**	**0.0**

Employee Services Common Services – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$3,746,000	$3,859,000	$113,000
Personnel benefits	$888,000	$914,000	$26,000
Travel and transportation of persons	$25,000	$25,000	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$25,000	$25,000	$0
Printing and reproduction	$15,000	$20,000	$5,000
Other services	$1,288,000	$1,306,000	$18,,000
Supplies and materials	$70,000	$70,000	$0
Equipment	$30,000	$20,000	($10,000)
Land and structures	$0	$0	$0
Total	**$6,087,000**	**$6,239,000**	**($152,000)**
FTE	**57.0**	**57.0**	**0.0**

Strategic Goal 1: *Hire the Best*

Programs: Recruitment & Diversity, Agency & Veterans Support

Hiring Reform

Recruitment and Diversity. Reforming the Federal hiring process is one of OPM's top priorities, and the Recruitment and Diversity office has the lead on this strategy. The role of the Recruitment and Diversity office is to design and develop merit-based Government-wide hiring policies and programs. Federal agencies rely on these policies and programs to classify positions and then to recruit, examine and hire applicants for Federal employment. The Recruitment and Diversity office also approves, or prepares, variations, waivers, and exceptions to staffing policies, rules, and regulations already published in law and regulation.

OPM reduces the timeline, OPM also believe applicant frustration with the hiring process will be lessened because of efforts such as streamlining Job Opportunity Announcements (JOA) and also making the language in the JOAs understandable to the applicant. Finally, there are plans to improve the collaboration and communication between hiring officials and HR professionals. Managers will therefore be more involved in recruitment, and as a consequence, their satisfaction in the hiring process will be more favorable.

It is important to regularly identify statutory and regulatory hiring guidance that could make the Federal hiring process more streamlined. Therefore, OPM will review the current guidance in effort to increase hiring effectiveness and efficiency with regard to attracting and hiring the best qualified personnel for the position.

Lastly, OPM will give USAJOBS an enhanced look and functionality. The plan is to review and revise the current USAJOBS capability and incorporate state-of-the-art technologies, making it more effective and more user-friendly for all stakeholders. OPM will integrate an initial operational capability for the Career Discovery Tool (CDT). The CDT is a promising approach for improving the hiring process. Specifically, this tool will assist applicants in identifying Federal jobs that best fit their career interests and goals. Furthermore, the fully mature capability is also intended to allow potential applicants to be able to obtain information on the mission and culture of a particular organization. The intent is to integrate this capability with USAJOBS and thereby create an all-in-one website. Potential applicants will not only find the information they need in their pursuit of a career but can also find user-friendly, relevant, and powerful tools that can help them target and plan their careers in the Federal Government.

OPM will also develop 12 state-of-the-art assessments for the highest demand occupations along with a flexible platform that will house the assessments for use by agencies and/or applicants. The assessments will be streamlined, relevant, reusable and should better target the skills and abilities of applicants so as to map or match the best candidate(s) to a particular job opening.

To further capitalize on the investment in the development of the assessments, the results will be used to develop and manage shared registers for select, frequently listed occupational series which can be used by all agencies. Shared registers typically result in a pool of thousands of applicants for a particular occupational series and grade. Of the typical list of applicants, approximately 90% are normally deemed eligible for the position. Central registers are intended for high volume hiring across the Government. Of the 12 registers implemented in FY 2009, there are in excess of 70,000 applicants available for review and selection.

In addition to reducing the hiring timeline, the full implementation of other related hiring initiatives should result in reduced applicant frustration with the hiring process and increased manager involvement and satisfaction in the hiring process. We anticipate that our initiatives will improve the collaboration and communication between hiring officials and HR professionals – as measured using the CHCO Manager Satisfaction Survey.

Student Recruitment

An all out effort will be undertaken to revitalize current student programs and to develop other programs like the Student Ambassador Program as well as strengthen the Presidential Management Fellows (PMF) Program, and enhance the STEP and SCEP Programs. Previously, student programs were usually seen and/or implemented as stand-alone programs. The intent is to develop an overarching, Government-wide strategy that links and integrates, where possible, all types of student programs in an effort to create unique and productive synergies that result in students viewing the Federal Government as an employer of choice.

Another anticipated outcome of our hiring reform initiative is to improve the Federal Government's ability to attract and hire students. This means we will create more streamlined, user-friendly pathways for students who would either like more information or would like to work for the Federal Government on a part-time, temporary basis as with the Student Temporary Employment Program or (STEP) or Student Career Experience Program (SCEP).

OPM will continue to improve the Federal Government's ability to attract and hire students and/or to create more streamlined, user-friendly pathways for students who would either like more information or would like to work for the Federal Government on a part-time, temporary basis as with the STEP or SCEP Programs. Finally, we will ensure full implementation of the new and improved USAJOBS.

Diversity

Finally, During FY 2010, OPM will stand up a Federal Diversity Office charged with ensuring Federal agencies improve their outreach to and hiring of diverse groups of candidates. Additionally, OPM will stand up its recruitment office which will be responsible for developing comprehensive integrated policies and associated strategies that focus on the targeted workforce needs of Federal agencies.

During FY 2010 OPM created a new Diversity Office and will begin to hire and train staff for the office. During its first year in operation, the office seeks to work with agencies to improve how diversity and inclusion are viewed and implemented across the Federal Government. Staff in the Diversity Office will also collect results from the Employee Viewpoint Survey (formerly known as the Federal Human Capital Survey) to begin to baseline data related to diversity for future data comparisons.

As OPM and agencies seek ways to support diversity in the Federal work place, sharing accurate and timely information will be a key strategy. For example, the Federal Government has special appointing authorities for persons with disabilities. To be eligible for these noncompetitive, Schedule A, appointments, a person must meet the definition for being disabled. Therefore, one of our efforts will be

to improve USAJOBS Schedule A information written for applicants and hiring managers. We will also increase the Federal Government's presence on college campuses as well as establish direct connections with students and college administrators – thus attracting a more diverse and inclusive pool of applicants. A number of diversity initiatives are planned for this fiscal year such as developing a strategic retention and leadership program; implementing a strategic diversity and inclusion hiring program, and develop other comprehensive action plans recommended by OPM workgroups.

In FY 2011, we anticipate that the Diversity Office will be fully staffed and fully institutionalize new policies, processes and procedures for the purpose of improving diversity and inclusion across the Federal Government. As OPM and agencies seek ways to further support diversity in the Federal workplace, sharing accurate and timely information will be essential. Strategic diversity programs implemented in the prior fiscal year will be evaluated and adjusted as necessary. Such plans include developing a strategic retention and leadership initiative; implementing a strategic diversity and inclusion hiring program, and developing other comprehensive action plans recommended by OPM workgroups.

Agency & Veterans Support. During FY 2010, OPM has embarked on an unprecedented initiative to increase the number of veterans within the Federal Government. We view the alignment of highly skilled veterans with high-demand and other occupations as critical in meeting the current and future skills challenges of Federal agencies. The Government invests significant resources in the training and development of military service personnel. To maximize our investment, we must take aggressive steps to retain transitioning military service personnel and hire veterans within the Federal Government.

The Agency and Veterans Support office has the lead on this initiative. This office provides assistance to Federal agencies to recruit and employ veterans in the Executive Branch. In addition, the office provides programmatic direction and oversight of the 28 Federal Executive Boards and develops and issues work/life policies and guidance to help Federal agencies create a supportive and productive work environment. This office is responsible for assessing Federal agency performance in human resources management. Agency and Veterans Support will work across the Executive Branch to increase the number of veterans qualifying for and securing Federal employment.

To comply with Executive Order 13518 we will develop draft recommendations for the President on improving the effectiveness of veterans' preference laws. Doing so will meet the needs of the new generation of veterans, especially those transitioning from the conflicts in Iraq and Afghanistan. OPM will assist agencies in establishing Veterans Employment Program Offices and providing training to them in the areas of veterans' preference (and special appointing authorities for veterans), employment of military spouses, and reasonable accommodations for disabled veterans.

Plans are being made to work with our partners to provide Skills Translators to help convert Military skills and experience to Federal occupations. We will develop a Veterans Resume Bank as well provide Federal workforce staffing projections to Veterans Employment Counselors and other employment assistance providers.

A marketing campaign targeted to veterans and transitioning service members will be established. The campaign will tout the benefits of continuing a career with the Federal civil service and also inform hiring officials about how veterans can meet skills demands in their organizations. We will redesign OPM's Veterans' Employment Website to serve as the single-source for veterans' employment information and training resources. This website, as well as our other Government-wide marketing campaign initiatives, will be linked to agency-specific recruitment efforts, operational planning, and Transition Assistance Programs to maximize information sharing. Finally, OPM will also serve on the President's Council on Veterans Employment and provide operational/administrative assistance to the Council.

In FY 2011, our goal to increase the number of veterans working in the Federal civil service will remain a top priority of the agency. We anticipate that 100 percent of Executive Branch agencies will report improvement in veteran new hires, and they will have established veterans marketing and recruitment strategies. Finally, we believe 100 percent of HR managers and hiring officials will have completed annual veterans training. We will submit recommendations to the President on how to further improve the effectiveness of veterans' preference laws. Such recommendations will be necessary to meet the needs of the new generation of veterans, especially those transitioning from the conflicts in Iraq and Afghanistan.

Continued oversight and program improvement of Federal hiring programs will keep the dialogue open between OPM and Federal agencies to ensure adherence to veterans' preference laws. Also, staff in Agency and Veterans Support will rely on veterans' employment data reported in the annual Human Capital Management Report (HCMR) submitted by agencies to OPM. Staff will also report on the state of veterans employment using Federal workforce staffing projections and share this information with Veterans Employment Counselors and others providing employment assistance to our veterans.

OPM will encourage and initiate even more Government-wide coordination for Veterans Program Employment Offices by aligning veteran recruitment efforts with other hiring reform initiatives. In turn, this will link Government-wide marketing campaigns to agency-specific recruitment efforts, operational plans, and Transition Assistance Programs underway at Departments of Defense, Labor, and Veterans Affairs. Finally, we will leverage learning technology and establish a gateway to Government-wide veterans' training resources. This includes incorporating a training site for HR professionals and hiring officials on veterans' employment initiatives, hiring flexibilities, etc.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Agencies recruit and hire the most talented and diverse Federal workforce possible to serve the American people	Number of agencies that establish Veterans Program Employment Offices*	n/a	n/a	n/a	24	24
	Number of agencies that incorporate Government-wide veterans employment training materials within their strategies*	n/a	n/a	n/a	24	24

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$15,131,315	64.0	14,948,140	64.0	($183,175)	0.0
Revolving Fund (USAJOBS)	$14,017,000	7	$10,713,000	7	($3,304,000)	0.0
Revolving Fund (CLC)	$459,000	4	$470,000	4	11,000	0.0
Total Program Resources	**$29,607,315**	**75.0**	**$26,131,140**	**75.0**	**($3,476,175)**	**0.0**

* This is a new performance measure; no historical data is available; baseline targets will be established over the next fiscal year.

Strategic Goal 2: *Respect the Workforce*

Programs: Executive Resources & Employee Development, Agency & Veterans Support, and Partnership & Labor Relations

Executive Resources and Employee Development is responsible for designing and developing merit-based systems, policies and programs to recruit, develop, pay, motivate, and retain members of the Federal Government's Senior Executive Service (SES) and other senior positions. In addition, it ensures that the Government's learning and development programs in each agency provide adequate and ongoing

resources to train employees. The office manages the SES Qualifications Review Board (QRB) process, the agency performance appraisal system approval and certification processes, the biennial and out-of-cycle agency allocation request processes, and the annual Presidential Rank Award program.

Training

Training and development are essential in the Federal Government to attract and retain a knowledgeable and skilled workforce.

During FY 2010, OPM will identify best practices in workforce training and share them through interagency forums and documents. The forums will include, but are not limited to, the Interagency Learning and Development Policy Committee, SES Candidate Development Program Coordinators Roundtable, and the Executive Resources Forum. Guidance, tools, templates, online collaboration tools, and best practices reports will be the deliverables.

Promoting approaches to learning and development during "Employee Learning Week" and throughout the year will be a major undertaking. For example, the series of learning topics will include getting the most out of mentoring, how to develop a mentoring program, on-boarding, low cost training options, and using technology to promote learning and development. One specific approach will be the development of a website listing opportunities for SES Candidate Development Program participants. This website will facilitate cross-agency learning, similar to the intelligence community's joint duty program. After the website has been piloted, we expect to expand this idea and develop a similar website listing developmental opportunities for current SES employees to facilitate cross-agency learning and broadening of perspectives. A memorandum of agreement template will be posted on OPM's website for cross-agency developmental assignments, details, and rotations. Agencies can use the template to facilitate cross-agency learning because the memorandum will lay out the issues each agency must address when setting up a detail and/or rotational assignment. Another learning and development initiative OPM will undertake is to submit draft training reform ideas for legislative proposals that will improve learning opportunities for all Federal employees. Such reform will further commit agencies to invest in training programs.

Initiatives implemented in prior fiscal years have a high potential for higher (i.e., favorable) scores related to measurement of training in FY 2011. For example, OPM has been dedicated to providing the Federal human resource development community and its strategic partners the necessary guidance and tools that assist agencies to achieve their strategic goals and create a highly trained workforce. As a result of agencies utilizing our guidance and tools, scores on training related items on the Employee Viewpoint Survey (formerly the Federal Human Capital Survey) should increase. Federal agency training and talent management systems and practices should also improve as demonstrated by performance metrics reported in agencies' annual Human Capital Management Report (HCMR).

Some activities implemented in prior fiscal years will carry over to FY 2011. For example, we will identify best practices in workforce training and share them through interagency forums and documents. This activity strengthens collaboration between OPM and agencies as well as between agencies. Forums will include the Interagency Learning and Development Policy Committee, SES Candidate Development Program Coordinators Roundtable, Executive Resources Forum. The outputs from the forums will include guidance, tools, templates, online collaboration tools, and best practices reports.

We will continue to promote approaches to learning and development during "Employee Learning Week" and throughout the year. Topics will include issues like getting the most out of mentoring, how to develop a mentoring program, on-boarding, low cost training options, and using technology to promote learning and development.

Work-Life

Agency & Veterans Support. Developing Government-wide policies and programs to improve health, wellness and work-life in the workplace is a top priority at OPM. Work-life balance options (e.g., alternative work schedules, health and fitness programs, etc.) are an increasingly important recruitment and retention advantage to assist applicants and current employees in balancing their work with life responsibilities. OPM aims to build a Federal work-life culture that will keep Federal employees productive in their current roles and benefit them in their career advancement.

We will rely on a variety of measures to obtain a broad picture of our progress in creating a healthy work-life culture throughout the Executive Branch:

- Increased percentage of Federal employees who report satisfaction with work-life programs
- Increased percentage of eligible Federal employees who telework

During FY 2010, OPM will revitalize wellness-related websites to improve utility for Federal work-life coordinators and employees. The current Employee Health Services Handbook will be replaced and new health and wellness policy guidance will be published. OPM will re-evaluate the effectiveness of current work-life policies to ensure if they need to be adjusted. OPM will develop a Government-wide work-life survey to assess current satisfaction and use the survey results to identify enhancements for future work/life programs. OPM will develop training on building a work-life culture and we will conduct the HealthyPeople 2010/2020 training seminar, MyPyramid training, and Telework Evaluation Training for Federal telework coordinators and managers. Finally, we will schedule and conduct at least two Employee Assistance Program Professional Roundtable discussions here at OPM.

In FY 2011, OPM will continue to provide the training, benefits, and work-life balance necessary for Federal employees to be productive in their current position as well as succeed, prosper, and advance in their careers. OPM managers will use performance measurement data from the prior fiscal year and compare results and trends to design enhancements in work-life programs throughout the Executive Branch.

Wellness

In 2010, OPM allocated $2.654 million of our appropriation to develop and operate a comprehensive worksite wellness program for the downtown Washington campus including GSA, Interior, and OPM. Aside from supporting the hiring of one wellness coordinator (estimated at $150,000 per annum), this funding is being used to purchase the services of a wellness service provider for the downtown Washington campus. The service provider will complement the existing services of the three agencies and bring the level of services across the campus to match best practice in the private sector. The service provider will be selected through a RFQ process. It is expected that the service provider will be in place from April, 2010 and the initial term of the contract will be for three years, subject to annual appropriations.

The President's Budget for FY 2011 provides $10 million to fund three worksite wellness prototypes. However, the majority of this funding will be added to HHS's budget within the Office of Public Health and Science. This shift will require that OPM develop an interagency agreement with HHS to ensure that the downtown Washington campus receives continued funding (estimated at $3.2 million annually) for the service provider contracts and the one wellness coordinator.

Partnership & Labor Relations. The role of the Partnership and Labor Relations office is that of a facilitator between OPM's strategic HR policy and programs and the interests of Federal employee unions. This office will engage in outreach with the national unions on issues affecting their members and serve as OPM's liaison to the unions through information-sharing, meetings, and informal discussions with key union staff.   Moreover, this office designs, develops, and promotes systems, strategies, and policies that ensure employee accountability to standards of performance, conduct, and ethical behavior.

Finally, the office will review third-party decisions for consistency with civil service laws, rules and regulations by exercising formal intervention, reconsideration or judicial review of decisions.

Executive Order (EO) 13522 requires Federal management "to discuss workplace challenges and problems with labor and endeavor to develop solutions jointly, rather than advise union representatives of predetermined solutions to problems and then engage in bargaining over the impact and implementation of the predetermined solutions." During this fiscal year, the Partnership and Labor Relations office and agencies will therefore increase the number of labor-management forums in accordance with EO 13522. Employees and their union representatives will partner with management representatives to identify problems and craft solutions to better serve the agency's customers and accomplish its mission.

OPM will work with OMB to provide strategic guidance and advice to agencies on how to establish labor-management forums and develop metrics to determine the effectiveness of such forums. We will also develop and present training to management and union leaders on improving the delivery of Government services. Our additional role is to monitor compliance with EO 13522 throughout the Executive Branch and provide feedback to agencies. Finally, we will develop a communications strategy for sharing best practices on cooperative and productive labor-management relationships.

Leading into FY 2011, agencies will have established regular labor-management forums and be able to demonstrate enhanced delivery of Government services as a result of their cooperative relationships. The Partnership and Labor Relations office will continue to implement a series of actions that are necessary to promote labor-management relationships in accordance with EO 13522. OPM and OMB will continue to provide strategic guidance and advice to agencies on how to develop metrics to determine the effectiveness of labor-management relationships. Training will be developed and presented to management and union leaders on how to further improve the delivery of Government services. Again, OPM will have the additional responsibility of monitoring compliance with EO 13522 throughout the Executive Branch and provide feedback to agencies. Finally, we will develop a communications strategy for sharing best practices on cooperative and productive labor-management relationships.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Federal employee will have the training, benefits, and work-life balance necessary to succeed, prosper, and advance in their careers.	Percentage of Federal employees who report satisfaction with work/life programs.*	n/a	n/a	n/a	Baseline	TBD
	Percentage of eligible Federal employees who telework.*	n/a	n/a	n/a	Baseline	TBD

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$6,703,599	28.0	$3,667,016	28.0	($3,036,583)	0.0
Total Program Resources	**$6,703,599**	**28.0**	**$3,667,016**	**28.0**	**($3,036,583)**	**0.0**

* This is a new performance measure; no historical data is available; baseline targets will be established over the next fiscal year.

Strategic Goal 3: *Expect the Best*

Programs: Executive Resources & Employee Development, Agency & Veterans Support, and OPM Human Resources Office

Performance Management

Executive Resources & Employee Development. In order to be a high-performing organization, the long-term goal for all agencies is to have performance management systems that: align employee performance to organizational goals; hold employees accountable for measurable results; hold supervisors accountable for the performance management of subordinates; capture customer and employee perspectives; provide for making distinctions in performance; recognize and reward employees based on performance; address poor performance; require progress reviews; provide training for supervisors and employees on the system; and assess organizational performance and communicate the results to all employees. This is indicated by agency systems meeting the standard established in OPM's Performance Appraisal Assessment Tool (PAAT). The PAAT score is an index representing how well agency performance management systems meet OPM's standard for effectiveness, including alignment to organizational goals and accountability for achieving measurable results (i.e., score at least 80 points on the PAAT). Another indicator is the Performance Culture Index. The PCI is the index for a group of performance culture questions included in the Employee Viewpoint survey (i.e., score of at least 55).

During FY 2010, OPM will undertake a number of activities to accomplish this strategic goal. First, OPM will evaluate agency performance management systems using OPM's PAAT and provide feedback to agencies, with guidance for how to improve their systems. OPM will review agency Human Capital Management Reports (HCMRs) to ensure agencies are making appropriate plans for improving their systems. Another important step will be to provide performance management workshops, forums, and in depth technical assistance on system design and implementation. OPM will update OPM's Performance Management Clearinghouse to include descriptions of effective and successful performance management programs and practices, and support the Chief Human Capital Officer's Council (CHCOC) subcommittee on performance management to accomplish its Government-wide goals.

In FY 2011, OPM will continue to collaborate with agencies on advancing effective performance management systems which meet the standard established in OPM's PAAT. OPM will continue to conduct PAAT evaluations, and review agency HCMRs to provide feedback for continuous improvement of their performance management system. We will maintain dialogue with agencies through workshops, forums, and guidance. Finally, agencies rely on the Performance Management Clearinghouse for performance management information and we will therefore keep the content current and easily accessible.

OPM created the Performance Management Clearinghouse to help agencies share information about their programs, processes, and practices, both formal and informal, for planning, monitoring, developing, rating, and rewarding individual, team, and organizational performance. We will therefore maintain and update the content and accessibility of the clearinghouse so agencies can learn and adopt successful performance management practices.

OPM Human Resources Office

With the recent agency reorganization, Employee Services now includes OPM's internal Human Resources office. The role of OPM's HR office is to lead by example and provide HR management and personnel processing services to OPM internal organizations. This office ensures OPM hires the right people, with the right skills and competencies, at the right time, in a manner that is cost-effective and efficient. The office's recruitment practices also help cultivate a diverse workforce that is reflective of the public. Finally, the role of the office is also to ensure staffing and recruitment processes are carried out in accordance with legal and regulatory requirements.

OPM manages a variety of family friendly and work/life programs that help employees balance work and family. OPM organizations contact staff for technical assistance daily because we administer benefits

counseling, EAP services, and other employee recognition and support programs and policies. These programs and policies create an environment within the Agency that fosters employees' commitment to the organization. Finally, OPM assists managers in maximizing employee productivity by providing them technical assistance on how to deal with employee performance and conduct issues.

During FY 2010, OPM will coordinate and review Agency training and development efforts to ensure that OPM employees have the skills and competencies they need to successfully achieve the Agency's mission. We plan to schedule core competency training and secure training courses for employees in areas where economies of scale can be created, including core supervisory and leadership training and training to address core corporate competencies.

Other activities include developing and implementing a new Director's award program to reward and encourage high performance. OPM will coordinate review of all employee individual performance standards. This will ensure alignment with OPM mission and strategic goals – including revisions to SES and GS performance agreements necessary to achieve SES appraisal system certification and a passing score on the GS PAAT.

OPM's reorganization was effective January 2010. Therefore, we have the responsibility to complete HR action items relating to the implementation of Agency restructuring. We will also coordinate and support Agency efforts to establish a new Labor-Management Partnership Council. Lastly, we will support financial/retirement/benefits literacy of OPM employees in accordance with Public Law (PL) 108-467 through seminars, outreach, and promotional activities.

OPM believes Agencies should invest in training because training produces more efficient and effective ways for employees to work together and based on the confidence that new skills bring, employees have more positive attitudes in the workplace,. OPM will develop and implement FY 2010 supervisory training curriculum to enhance the capacity of OPM supervisors to help them effectively manage OPM's workforce and meet regulatory requirements. This office will ensure all OPM employees have an Individual Development Plan in place to document training and developmental needs. Lastly, OPM believes in succession planning and the office will update the Agency Leadership Succession Plan.

The OPM HR office will be the model HR office as result of the strategies it will implement during FY 2010. We will provide timely and accurate staffing services and improve our time to hire. HR specialists and hiring officials will regularly collaborate to reduce the time to hire and thereby improve management satisfaction with the hiring process. Additionally, the office will support and implement, as required, actions resulting from decisions to 'in-source' Agency work currently performed by contractors. Finally, we will coordinate development of staffing plans for all OPM organizations.

In FY 2011, OPM will continue to enhance the hiring process for OPM jobs in accordance with law, regulation, and hiring reform initiatives.   The office will continue to manage and execute human resources programs to support a work environment that attracts and retains employees and supports managers in sustaining a high performing workforce. We will continue to develop learning, workforce planning, and succession planning solutions that address skills gaps and build and sustain a highly competent workforce. Finally, we will continue to ensure human resources accountability and oversight in accordance with regulatory requirements.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
The Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to perform at the highest levels to achieve superior results.	Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Assessment Appraisal Tool (PAAT)	n/a	n/a	27	30	33
	Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more.**	n/a	n/a	n/a	35%	38%
	Percent of agencies requesting system certification that receive full credit for Alignment and Measurable Results.**	n/a	n/a	n/a	90%	90%
	Percent of 1019 and 1652 forms processed within 2 business days**	n/a	n/a	n/a	95%	95%

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$12,337,917	69	$11,472,386	69	($865,531)	0
Common Services	$6,087,000	57	$6,239,000	57	$152,000	0
Revolving Fund (Investigation)	$2,223,140	14	$2,312,000	14	$88,860	0
Total Program Resources	$20,648,057	140	$20,023,386	140	$624,671	0

* This performance measure was reworded from "Percent of Chief Human Capital Officer (CHCO) agencies with a weighted average Performance Assessment Appraisal Tool (PAAT) scoring at least 80 points out of 100." This change of unit of measure from number of agencies to number of employees attempts to recognize the difference between scale and scope of agency management systems. This is a change to the unit of measure and no historical data is available for the changed units; baseline targets will be established over the next fiscal year.

** This is a new performance measure; no historical data is available; baseline targets will be established over the next fiscal year.

Strategic Goal 4: *Honor Service*

Programs: Pay & Leave, Executive Resources & Employee Development

Pay & Leave. The Pay and Leave office leads the Federal Government's effort to develop, implement, manage, and further improve the administration of pay and leave policies and programs. Federal agencies rely on those policies and programs to attract, motivate, and retain applicants and current employees from diverse backgrounds. In addition, the office advises and assists agencies in design of alternative pay systems to help ensure the Federal Government has an effective civilian workforce.

The Pay and Leave office, as well as the Executive Resources & Employee Development office, have the lead on pay and reward initiatives. The initiatives they will implement this year will have an impact on the percent of favorable employee responses to the Employee Viewpoint Survey question, "How satisfied are you with the recognition you receive for doing a good job?" These initiatives will also be judged on the percent of agency SES appraisal systems with full certification, percent of Office of the Inspector General (OIG) systems with full certification, and the percent of Senior Level/Senior Technical (SL/ST) systems with full certification.

Executive Resources & Employee Development. During FY 2010, OPM will evaluate, improve and certify agency Senior Employee (SES, SES-OIG, SL/ST) pay and performance systems, and establish a new process for investigations/background checks for potential Presidential Rank Award recipients that

comply with newly issued guidance. In addition, a working group will be established to review OPM's recognition program to identify potential improvements and new ways to recognize employees.

Quarterly Executive Resources forums will be hosted at OPM, and workshops will be provided to HR specialists on SES and SL/ST system certification in January 2010 and as needed. We will also post all certification templates and guidance on OPM's Website.

We will work with the CHCOC subcommittee on performance management and issue an agency survey on satisfaction with current the certification process. Agencies seeking certification on the appraisal system will be given extensive feedback via a summary report of their scores from the applicable PAAT instrument.

Finally, we will draft and place into clearance final certification regulations (5 CFR 430 subpart D and 1330 subpart D) and issue proposed SL/ST pay regulations (5 CFR 534 subpart D).

In FY 2011, the majority of the activities initiated in the prior fiscal year will carry over. We do anticipate issuing final certification regulations (5 CFR 430 subpart D and 1330 subpart D) and final SL/ST pay regulations (5 CFR 534 subpart D). OPM will continue providing technical assistance, workshops, forums, and feedback via summary reports. Finally, OPM will issue updated certification guidance as needed and complete any action plans resulting from the agency survey on certification process.

SES Development

OPM has established an office for Executive Resources and Employee Development to oversee the Senior Executive Service (SES). This office will serve as the focal point for leadership and management of the SES and other senior executive personnel systems. The role of this office is further improve agency leadership systems and practices, and report if employees are satisfied with their leaders. Additionally, the office will seek to ensure that agencies have implemented a performance management system with a strong relationship between senior employee performance ratings and rating-based pay. Strengthening the SES selection process by encouraging a more diverse pool of Qualifications Review Board (QRB) members will be a priority, as well as ensuring QRB members have enough guidance to make appropriate determinations of applicants recommended to join the SES. Finally, the agency will develop plans to shorten the time between case submission to OPM and case review by the QRB, and maximize the efficiency of the approval processing for 1019 and 1652 appointment request forms.

A series of milestones and measures will judge the progress of the new SES office. The new office will invite Human Resource specialists to OPM and they will be briefed on leadership bench strength and closing competency gaps, and at least one public forum on corporate management of SES resources will be scheduled. We anticipate agencies will demonstrate improvement on related performance metrics in their annual Human Capital Management Report (HCMR) to OPM. A new baseline for leadership items will be established for the Employee Viewpoint Survey for all agencies. As a result of our dialogue with agencies, we anticipate at least 90% of agencies requesting system certification will receive full credit for Alignment and Measurable Results (appraisal system certification is an ongoing effort and we expect to receive 81 systems for certification in 2010, with about 35 of those systems as new requests for OIG SES and Senior Level/Senior Technical (SL/ST) systems).

Activities planned for Fiscal Year 2010 include a briefing on the *Guide to Strategic Leadership Succession Management Model* (Guide) during the quarterly meeting of SES Candidate Development Program (CDP) Coordinators and also at the Executive Resources Forum. This will improve understanding and use of job aids from the Guide. As part of the briefing, we will have participants discuss the strategic process agencies use when determining the appropriate number of candidates to select for each program. Agencies are asked to anticipate their vacancies in the SES ranks when determining the appropriate number of candidates. Specific activities are planned to ensure agencies continue to ascertain and implement the critical competencies needed for successful leadership and management of the SES.   Resource materials on mentoring and coaching services will be made available

to Federal employees. Key to this activity will be to partner with the Federal Executive Boards (FEB) across the country to help identify resources available in their areas.

OPM will create a website listing developmental opportunities for SES Candidate Development Program (CDP) participants as well as a memorandum of agreement for agencies to use for cross-agency developmental assignments, details, and rotations. The website will help facilitate cross-agency learning. Appropriate supporting materials will also be posted on OPM's website for agencies to access easily. These materials will be discussed at various interagency forums and meetings (e.g., Chief learning Officers Council, SES CDP Roundtables, Learning and Development Best Practice sessions).

Various guidance and resource guides for the SES CDP coordinators and candidates will be collected to assist in the development and administration of agency SES CDPs. We will identify agencies currently practicing comprehensive corporate management of internal SES resources, including executive development and succession management, and highlight best practices. Best practice sessions will be held with various stakeholders including the Executive Resources community, Chief Learning Officers Council, and Learning and Development community.

A one-day thought-leader (innovative leadership) forum will be scheduled to develop an executive on-boarding model for agencies. OPM will partner with the Senior Executives Association (SEA) and the Partnership for Public Service (PPS) for this forum. This forum will include presentations from organizations that have developed executive on-boarding programs and a panel of "new" Senior Executives discussing what would have helped them during their first year. Participants will be stakeholders from the Executive Resources community and the Learning and Development community. OPM hosted a thought-leader forum in April 10, 2007 which was very successful. We gained valuable information on the greatest disconnects between executive and employee views.

We will also continue to work with the CHCOC subcommittee on performance management to improve the SES and SL/ST certification process. A survey will be administered to ask agencies how OPM can assist them with focusing senior employees' performance plans on achieving organizational results. To complement the findings from the survey, OPM will provide several workshops periodically on how to write senior employee critical elements that are linked to organizational goals and that focus on achieving measurable results. Plans are being made now to design and implement the workshop -- "Holding Senior Employees Accountable for Organizational Goals."

We begin work in FY 2011 by continuing activities from FY 2010. That is, the SES office will serve as the focal point for leadership and management of the SES and other senior executive personnel systems. In that role, the office plans to build on prior year activities to further improve agency leadership systems and practices, and report if employees are satisfied with their leaders. Additionally, the office will ensure that agencies have in place a performance system with a strong relationship between senior employee performance ratings and rating-based pay. The office will monitor its progress to strengthen the SES core using milestones and measures. OPM will maintain a dialogue with HR specialists through briefings on leadership bench strength and competency gap closure. Agency performance metrics reported in their HCMR should continue to improve as well as data reported from the Employee Viewpoint Survey (formerly the Federal Human Capital Survey).

OPM will develop additional resource and guidance materials for agencies, and conduct best practice sessions on leadership development with Federal agency stakeholders. We will compare agency best practices in corporate management of SES resources, complete any action plans identified in the agency survey regarding holding senior employees accountable for organizational performance, and continue to work with CHCOC to make improvements.

OPM provides technical assistance to agencies on a daily basis, in many ways. Technical assistance is provided via emails, telephone calls and/or agency visits regarding performance management, certification, leadership development, and strategic succession planning. Periodically we offer the workshop: "Holding Senior Employees Accountable for Organizational Goals." Finally, our technical

assistance on SES and SL/ST ratings, pay, and awards data will be a major activity as well as rolling out the biennial allocation of SES positions and Out-of-Cycle allocation request processes made by agencies.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Current employees are recognized and rewarded for exemplary performance and Federal retirees are honored for their service.	SES/Organizational Performance Relationship: the percent of agencies with strong relationships between SES performance ratings (which are based primarily on achieving organizational goals) and SES performance pay*	n/a	n/a	n/a	Baseline	TBD
	Percentage of Federal employees who are satisfied with their Agency's recognition and rewards system as demonstrated by employee survey results*	n/a	n/a	n/a	Baseline	TBD

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$5,309,677	27.0	$5,112,831	27.0	($196,846)	0.0
Total Program Resources	$5,309,677	27.0	$5,112,831	27.0	($196,846)	0.0

* This is a new performance measure; no historical data is available; baseline targets will be established over the next fiscal year

Retirement and Benefits (R &B)

Retirement and Benefits (R&B) is responsible for the Government-wide administration of developing and providing Federal employees, retirees and their families with benefits programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. R&B is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments. R&B is responsible for negotiating and administering health benefits contracts for the Federal Government, administering the Federal Employee Group Life Insurance (FEGLI) program covering employees, retirees and their families. R&B is also responsible for administering three voluntary, enrollee-pay-all programs: long term care insurance program; flexible spending accounts for medical and dependent care expenses; and a group dental and vision insurance program.

R&B's operating level is **$57,136,000** from the earned benefit Trust Funds and will utilize   funds to maintain the services it delivers to Federal employees, annuitants, and their families through the retirement and insurance programs. In addition**, $252,000** of the General Funds will be used to administer the Flexible Spending Account Program (FSAFEDS).

R & B will strive to meet the new Strategic Goal 4 – Honor Service.   Our strategy to meet this goal is to develop a 21st century focused retirement processing system that adjudicates claims in a timely and accurate manner. This will be accomplished by:

- Investing in information technology tools and solutions to facilitate benefits payments.

- Use performance measures to ensure quality customer service.

- Strengthen quality assurance processes, policies and procedures.

- Deliver optimal customer service experiences by improving processes.

We will also improve OPM service to Federal Agency Benefits Officers. This will be accomplished by:

- Developing an agency benefits officer's service delivery model emphasizing shared responsibility for benefits/retirement among employees, OPM and agencies.

- Defining standards for agency benefit officers, measure their results, and recognize them for exceptional service.

We will also meet the Agency's High Priority Performance Goal for improving retirement claims processing. This goal represents a high priority for the administration and the agency, rely on the effectiveness of the agency for implementation, and will produce significant and measurable results over the next 12 to 24 months. This goal has been incorporated into the Strategic Plan implementation program. We will reduce the number of retirement records OPM receives that are incomplete and require development to less than 38% by the end of FY 2010, 35% by the end of FY 2011 and 30% by the end of FY 2012.

We will complete this goal by performing audits of submissions by agencies, developing a benefits scorecard measure, communicating, results with each agency, identifying training needs for agencies and conducting workshops on the retirement application process. We will measure by conducting audits every 6 months. The results will be analyzed and verified, then shared with agencies.

In addition to the amounts requested above, OPM has access to administrative resources from the earned benefit trust funds under OPM purview that are not subject to Congressional limitation to perform specific tasks. These sources are: authority at 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer Cost of living

adjustments, survivor annuities, alternative form of annuities, voluntary allotments and tax withholding; 5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A) provides for all administrative expenses to manage the Dental & Vision Benefits Program (fully reimbursed by contracted providers); 5 USC 9004(f)(2) provides for all administrative expenses of the Office to manage the Long-Term Care Insurance Program (fully reimbursed by contracted providers); and P.L. 106-265 provides for the Office's administrative expenses implementing the Federal Erroneous Retirement Coverage Correction Act. The amounts of resources used from each of the above authorities by R & B are shown in the resource summary for this section.

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

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

With the advent of social networking, OPM is using such popular internet sites to connect with customers more frequently. Instant updates and messages through these popular sites keep our customers informed and educated on important retirement and insurance matters. As social networking continues to expand and grow on the Web, OPM plans to be an active participant. OPM will utilize websites such as Twitter, YouTube, Facebook, and OPM's video library when information is available to help customers locate answers to benefit questions as well as stay informed on health benefit matters.

Retirement and Benefits Resource Summary
(includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$252,000	2.0	$262,000	2.0	$10,000	0.0
Trust Fund Annual	$57,136,000	488.0	$61,872,000	528.0	$4,736,000	40.0
Total Appropriated	**$57,388,000**	**490.0**	**$62,134,000**	**530.0**	**$4,746,000**	**40.0**
FERCCA – Mandatory Authority	$1,981,000	12.0	$2,052,000	12.0	$71,000	0.0
Long Term Care – Mandatory Authority	$1,500,000	3.0	$1,507,000	3.0	$7,000	0.0
Dental & Vision – Mandatory Authority	$4,591,000	4.0	$4,671,000	4.0	$80,000	0.0
5 USC 8348 (a)(1)(B) – Mandatory Authority	$31,330,000	278.0	$32,477,000	278.0	$1,147,000	0.0
Total Non-Appropriated	**$39,402,000**	**297.0**	**$40,707,000**	**297.0**	**$1,305,000**	**0.0**
Total	**$96,790,000**	**787.0**	**$102,841,000**	**827.0**	**$6,051,000**	**40.0**

Retirement and Benefits Salaries and Expenses – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010-11 Variance
Personnel compensation	$176,000	$183,000	$7,000
Personnel benefits	$76,000	$79,000	$3,000
Travel and transportation of persons	$0	$0	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$0	$0	$0
Printing and reproduction	$0	$0	$0
Other services	$0	$0	$0
Supplies and materials	$0	$0	$0
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total	**$252,000**	**$262,000**	**$10,000**
FTE	**2.0**	**2.0**	**0.0**

Retirement and Benefits Trust Fund Annual – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010-11 Variance
Personnel compensation	$32,501,000	$35,797,000	$3,296,000
Personnel benefits	$9,476,000	$10,704,000	$1,228,000
Travel and transportation of persons	$56,000	$57,000	$1,000
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$2,304,000	$2,336,000	$32,000
Printing and reproduction	$633,000	$643,000	$10,000
Other services	$11,937,000	$12,105,000	$168,000
Supplies and materials	$107,000	$107,000	$0
Equipment	$122,000	$123,000	$1,000
Land and structures	$0	$0	$0
Total	**$57,136,000**	**$61,872,000**	**$4,736,000**
FTE	**488.0**	**528.0**	**40.0**

Retirement processing staffing levels were reduced over the past few years in anticipation of increased automation of retirement processing under Retirement Systems Modernization (RSM). Since RSM will not deliver on significant efficiencies in the short-term, OPM must increase staffing levels in order to process its anticipated workload in a timely manner. The refocus of RSM as well as attrition, which occurred throughout the program and notwithstanding the additional attrition that is anticipated, a significant gap currently exists and will only worsen during fiscal years 2011 and 2012 without the additional FTEs. Legal Administrative Specialist (LAS) experience is fundamental to performance in key areas within the retirement program. Under staffing LAS positions will directly impact succession planning and the need to fill other critical positions.

In FY 2011, we will need to maintain the existing legacy processes in order process claims for the 2.5 million Federal retirees and survivors who receive annuity payments. Additionally, the retirement programs will continue to make benefit determinations based on applicable laws and regulations. The scope of program activities includes making initial eligibility determinations, adjudication, post retirement changes, and survivor processing. It will be a challenge to process over 180,000 claims given the current FTE level.

Beginning in FY 2011, after an initial three month training period, the 40 FTE will permit OPM to process an additional 24,000 claims. The additional claim processing will reduce claims processing time from 45 days to 40 days and from the customers' perspective from 65 days to 60 days. Furthermore, the 40 FTE will have a greater impact during FY 2012 when the LAS's have been fully trained and possess more experience. The LAS's will then be expected to process 32,000 more claims which will reduce claims processing times to 38 days.

Strategic Goal 4 - Honor Service

Program: Benefits Services - Federal Employees Retirement, Process Claims

One of OPM's continuing priorities in FY 2011 will be to continue providing timely and accurate benefit payments. Processing claims includes determining which individuals are entitled to payments from the retirement fund, what kind of payments they are entitled to, and how much they are to receive. A key element in making these decisions is knowledge of the law, which is applicable to a particular claim.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Benefits payments are timely, accurate, and delivered efficiently; annuitants are satisfied	Average unit cost for processing retirement claims	$80.03	$74.28	$81.97	$76.17	$76.17
	Percent of retirement claims processed accurately	95%	95%	91%	95%	95%
	Percent of initial claims processed within 30 days (FY 2006 Operational Goal)*	67%	41%	40%	N/A	N/A
	Retirement claims processing timeliness (days)	30	42	41	45	40
	From a customer's perspective, the length of time (in days) it takes to process their retirement claim	n/a	n/a	n/a	65	60
	The average number of interim payments before the final payment	n/a	n/a	n/a	60% - 1 30% - 2 10% - 3+	60% - 1 30% - 2 10% - 3+
	Relative ratio of complete retirement submissions versus incomplete cases	n/a	n/a	n/a	62%	65%

* Effective FY 2010, this measure will no longer be tracked. It is result of the FY 2006 Operational Goal and is no longer provides information to help measure program success.

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

In FY 2011, the Federal Employees Retirement, Maintain Annuity Payment Accounts will provide timely adjustments for retirees and survivor annuitants as needed after initial processing of their claims. Throughout FY 2010, OPM is committed to providing quality customer service to annuitants and survivors who already receive retirement benefits.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Benefits payments and services are timely, accurate, and attain high customer satisfaction levels.	Percent of customers satisfied with overall retirement services	87%	83%	85%	88%	88%
	Rate of improper payments in the retirement program	0.42%	0.39%	0.32%	0.31%	0.30%
	Average unit cost for Processing customer service requests	$4.42	$4.42	$4.01	$4.32	$4.32
	Percent of change notices mailed within 10 working days (FY 2006 Operational Goal) *	93%	93%	93%	90%	N/A

* Effective FY 2011, this measure will no longer be tracked. It is result of the FY 2006 Operational Goal and no longer provides information to help measure program success.

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

During FY 2011, the Retirement Program will receive more telephone calls as the annuitant population continues to grow. OPM will continue to maximize self-servicing options for our customers through Interactive Voice Response (IVR) and Web-enabled technologies.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Responses delivered efficiently	Percent of retirement program customer calls handled	84%	84%	80%	85%	85%
	Percent of inquiries answered within 72 hours (FY 2006 Operational Goal)*	96%	86%	94%	90%	N/A

* This measure is no longer being tracked; this is a FY 2006 Operational Goal; this measure no longer provides information to help measure program success.

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Request		FY 2010 – 11 Variance	
Fund	$	$	$	FTE	$	FTE
TF Limit – Annual	$48,355,000	411.0	$52,783,000	451.0	$4,428,000	40.0
FERCCA – Mandatory Authority	$1,048,000	6.0	$1,090,000	6.0	$42,000	0.0
5 USC 8348 (a)(1)(B) - Mandatory Authority	$31,330,000	278.0	$32,477,000	278.0	$1,147,000	0.0
Total Program Resources	**$80,733,000**	**695.0**	**$86,350,000**	**735.0**	**$5,617,000**	**40.0**

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

In FY 2011, OPM's Federal Employees Retirement, Benefits Officers Training and Development staff will provide technical assistance to agency benefit officers on complex and unique benefits administration issues and conduct annual training for agency benefits officers. During FY 2010, OPM will improve

retirement readiness profile for employees by expanding available information and training resources based on stage and profile scores.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Agency benefits officers are trained and Federal employees knowledgeable concerning their benefits	Percent of benefits officers trained per year	52%	52%	54%	54%	54%
	Percent of customers who rate satisfaction with guidance material as very good or better	85%	85%	84%	90%	90%

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Request		FY 2010 – 11 Variance	
Fund	$	FTE	$	FTE	$	FTE
TF Limit – Annual	$456,000	3.0	$471,000	3.0	$15,000	0.0
FERCCA – Mandatory Authority	$933,000	6.0	$962,000	6.0	$29,000	0.0
Total Program Resources	**$1,389,000**	**9.0**	**$1,433,000**	**9.0**	**$44,000**	**0.0**

Activities not Directly Mapped to Strategic Plan

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

OPM will continue to improve the FEHBP services during FY 2011 by evaluating quality service and continuing to offer value choices. FEHBP will be evaluating quality and guiding principles among participating health plans. FEHBP will continue to provide the new tools so enrollees can compare and make informed decisions about health, dental and vision plans. In FY 2010, FEHBP will enhance the web-based information and tools to support employee and annuitants benefit decisions.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs	Percent of FEHBP customers satisfied with OPM's Open Season website	32%	35%	67%	70%	70%
	Percent of health benefits claims processed within 30 days	97%	99%	98%	95%	95%
	Percent of health benefits claims processed accurately	98%	98%	98%	96%	96%
	Rate of improper payments in the FEHBP program	0.50%	0.24%	0.30%	0.29%	0.28%
	Percent of FEHBP enrollees satisfied versus industry standard	79% vs. 63%	78% vs. 60%	77% vs. 62%	FEHBP >= industry	FEHBP >= industry

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

In Fiscal Year 2011, Long Term Care (LTC) is requesting additional funds to support continual monitoring of long-term care industry issues and updating LTC regulations and policies. LTC will continue to administer Federal Long Term Care Insurance Program enrollment.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 201 Target
Federal employees have opportunity to purchase group term life insurance that provides financial protection to beneficiaries	Average number of calendar days to pay FEGLI claims	6.6	6.3	5.5	< Industry standard	< Industry standard
	Percent of FEGLI claims paid accurately	99.8%	99.9%	99.9%	99.7%	99.7%
	Rate of improper payments in the FEGLI program	.07%	.05%	0.04%	0.04%	0.04%
	Percent of FLTCIP service calls answered within 20 seconds	92%	89%	90%	85%	85%
	Percent of FLTCIP customers overall satisfied with customer service	97%	98%	99%	90%	90%
	Number of employees participating in FSAFEDS	229,140	248,972	289,815	305,000	320,000
	Percent of "clean" FSAFEDS claims reimbursed within 5 business days	100%	100%	100%	90%	90%
	Percent of Dental and Vision Benefits Claims Processed within 30 Days	n/a	n/a	n/a	n/a	93%
	Percent of Dental and Vision Benefits Claims Processed accurately	n/a	n/a	n/a	n/a	97%
	Percent of FEDVIP Enrollees satisfied vs. Industry standard	n/a	n/a	n/a	n/a	FEDVIP >= Industry

Activities not Directly Mapped to Strategic Plan

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Request		FY 2010 – 11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$252,000	2.0	$262,000	2.0	$10,000	0.0
TF Limit – Annual	$8,325,000	74.0	$8,618,000	74.0	$293,000	0.0
Dental and Vision Benefits	$4,591,000	4.0	$4,671,000	4.0	$80,000	0.0
Long Term Care	$1,500,000	3.0	$1,507,000	3.0	$7,000	0.0
Total Program Resources	**$14,668,000**	**83.0**	**$15,058,000**	**83.0**	**$390,000**	**0.0**

Merit System Audit & Compliance

OPM requests **$14,339,000 and 102.0 FTE** for **Merit System Audit & Compliance**, a decrease of $1,605,000 below the FY 2010 enacted. This amount is composed of **$14,339,000** from General Funds. This level will provide resources for OPM to continue progress across agencies toward implementing Human Capital Standards for Success and other best practices in Human Resources management, consistent with Merit System Principles, veterans' preference, and other standards.

In FY 2011, OPM will use appropriated funds to exercise oversight of Federal human resources programs and activities to protect against prohibited personnel practices and to ensure agency compliance with Merit System Principles and other civil service laws, rules, and regulations. These funds will help support compliance and evaluation of OPM's oversight and compliance program.

Executive Order 13197 (Government-wide Accountability for Merit System Principles; Workforce Information) gives OPM the responsibility and authority to hold Executive departments and agencies accountable to the President for effective human resources management (HRM). Section 1104 of the Civil Service Reform Act of 1978 requires OPM to establish and maintain an oversight program to ensure activities under delegated authorities are in accordance with the merit system principles and OPM standards.

OPM's Merit System Audit and Compliance (MSAC) Division carries out OPM's oversight responsibility and is tasked with ensuring, through rigorous oversight, Federal agency human resources programs are effective, efficient, and meet merit system principles and other civil service requirements. MSAC also oversees the Government-wide classification and job grading appeals program and adjudicates Federal employee claims under the Fair Labor Standards Act, and has Government-wide oversight of the Combined Federal Campaign (CFC) and Voting Rights (VR) programs.

Combined Federal Campaign (CFC): The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. CFC is the largest and most successful annual workplace charity campaign, with more than 300 CFC campaigns throughout the country and internationally to help to raise millions of dollars each year. Pledges made by Federal civilian, postal and military donors during the campaign season (September 1st to December 15th) support eligible non-profit organizations that provide health and human service benefits throughout the world. The Director of OPM has delegated to MSAC/Office of CFC Operations responsibility for day-to-day management of the CFC.

Voting Rights Program: We will continue to manage and oversee the Voting Rights observers at the request of the U.S. Department of Justice (DOJ). The Voting Rights Program, as authorized by The Voting Rights Act of 1965, provides observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General. The Act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language. In FY 2010 and FY 2011, OPM will continue deploying sufficient numbers of Federal Voting Rights observers to monitor polling sites at the request of DOJ throughout the year. For a detailed narrative on voting rights see Part 4. The following narrative describes Merit System Audit and Compliance activities.

Merit System Audit & Compliance Resource Summary (includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$15,944,000	102.0	$14,339,000	102.0	$1,605,000	0.0
Total Appropriated	$15,944,000	102.0	$14,339,000	102.0	$1,605,000	0.0
Total	$15,944,000	102.0	$14,339,000	102.0	$1,605,000	0.0

Merit System Audit & Compliance Salaries and Expenses – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010-11 Variance
Personnel compensation	$10,862,000	$10,956,000	$94,000
Personnel benefits	$2,863,000	$2,847,000	($16,000)
Travel and transportation of persons	$1,201,000	$367,000	($834,000)
Transportation of things	$31,000	$3,000	($28,000)
Communications, utilities, and rent	$211,000	$20,000	($191,000)
Printing and reproduction	$30,000	$24,000	($6,000)
Other services	$616,000	$79,000	($537,000)
Supplies and materials	$78,000	$38,000	($40,000)
Equipment	$52,000	$5,000	($47,000)
Land and structures	$0	$0	$0
Total	$15,944,000	$14,339,000	($1,605,000)
FTE	102	102	0

Strategic Goal 3: *Expect the Best*

Program Merit System Audit & Compliance

OPM has long held statutory responsibility to ensure the protection of the merit system principles through its oversight and compliance program. With the passage of the Chief Human Capital Officers Act of 2002 and the promulgation of 5 CFR 250, the OPM has a regulatory responsibility and a greater role in ensuring the effectiveness and efficiency of agency strategic human capital management programs, in addition to the oversight of human resources management rules and regulations. Oversight ensures the credibility of the merit system, ensures high quality candidates are referred for Federal jobs, and safeguards veterans' preference.

Merit System Audit and Compliance (MSAC) carries out OPM's oversight responsibility with a staff of skilled auditors in five field offices across the nation and here in Washington, DC. The three key components of OPM's oversight and compliance program are:

Delegated Examining Unit (DEU) evaluations: OPM may delegate to agencies the authority to examine applicants for competitive service positions. MSAC evaluates the effectiveness of agency delegated

examining units and determines if they meet requirements established by law and OPM policy. MSAC also provides DEU training and certifies that Federal HR staff have the knowledge and skills they need to conduct delegated examining in accordance with merit system principles and Federal laws, rules, and regulations.

Strengthening Agency Accountability: MSAC works with the CHCO agencies to help them establish strong internal human capital accountability systems. An integral part of an HR accountability system is an agency-led audit program. With MSAC's guidance and active participation, agencies conduct self-audits to determine how well their human capital programs are working to support mission needs. OPM conducts several accountability training sessions each year to ensure agency-led audits fully meet OPM requirements and produce results that benefit the agency.

Human Capital Management Evaluations: MSAC conducts independent evaluations of small agencies to determine if their human capital programs support the mission and meet merit system principles and related civil service laws.

FY2010 Planned Actions: To help meet the overall Strategic Goal of ensuring the Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to perform at the highest levels to achieve superior results, MSAC has begun the following new actions in FY 2010.

Merit System Audit and Compliance (MSAC) carries out OPM's statutory oversight responsibilities, ensuring agency HR programs are effective and meet merit system principles and other civil service requirements. MSAC will ensure, through rigorous oversight, agencies are meeting OPM's hiring reform objectives both in the short term and over time. As part of our effort to ensure agencies are fully implementing OPM's hiring reforms and improving their hiring procedures, MSAC will: 1) Develop an assessment methodology to ensure consistency and rigor and provide training to our evaluators; 2) Conduct independent OPM assessments of agency hiring policies and procedures; 3) Interview applicants, employees, and managers; 4) Assess the level of training provided to HR staff and agency managers and review agency use of any new applicant assessment tools; and 5) Identify metrics to track the efficiency and effectiveness of hiring reforms

MSAC will share our findings with OPM leadership to help them determine the success of hiring reforms and identify areas for improvement. In FY2010 we will focus on agency delegated competitive examining and OPM competitive examining. In succeeding years, we may include merit promotion.

Assess how to best strengthen oversight for agencies having accountability systems and develop operational strategy: OPM regulations require agencies to establish HR accountability systems under which agencies self-assess their HR programs and report results annually to OPM. With regard to the CHCO agencies, OPM's focus shifted over the past four years from conducting HR evaluations to overseeing and guiding agency self-assessments. Agencies have had varying degrees of success with their accountability systems. Agency self-assessments sometimes lack rigor and problems are sometimes not pursued aggressively enough. OPM needs to play a stronger role with more direct oversight to ensure agency HR programs comply with legal and regulatory requirements and meet mission needs. OPM will identify strategies for strengthening our oversight role with respect to the CHCO agencies. With a relatively small staff, we must plan well and use our resources wisely. While we must be mindful of the agencies' responsibilities to maintain robust HR accountability systems, our oversight strategies will be built around and driven by OPM's core statutory duty to ensure HR programs comply with merit system principles and other civil service requirements.

Finalize methodology for evaluation of Human Resource (HR) shared service centers (SSCs): SSCs provide competitive examining and other HR services to client agencies. Currently SSCs are subject to numerous agency-led HR audits in the course of a fiscal year in connection with agency HR accountability programs. In fact, one SSC servicing multiple clients within one agency may be subject to

three or more audits from that one agency alone. This is in addition to OPM-led DEU evaluations at the same sites. This is time consuming and potentially disruptive for the SSCs and likely an inefficient use of OPM and agency resources. MSAC began development of a plan for one OPM-led evaluation of SSCs to replace multiple agency evaluations. Shifting the responsibility for conducting audits from client agencies to OPM will have many benefits. It will alleviate SSCs of the burden of multiple evaluations. It will better focus OPM and agency resources. It will support small agencies, many of whom are ill-equipped to conduct audit programs. Perhaps most importantly, it will ensure strong, consistent oversight of SSCs, organizations that are providing HR services Government-wide.   MSAC would report evaluation results to both the SSC and client agencies to ensure that problems are resolved and agencies maintain accountability for their HR systems.

Review proposed conversions of political appointees to career civil service positions to safeguard Federal hiring from political influence: It has been OPM policy since the Carter Administration and under every President since to ensure that politics plays no role when political appointees are hired for career Federal jobs. In the past, OPM conducted a pre-hiring review of proposed appointments to the career competitive service only during the year leading up to a Presidential election. Effective January 1, 2010, OPM's pre-hiring oversight will expand beyond the Presidential election year to ensure hiring of current or former political appointees -- whenever it occurs -- is fair, open, and free from political influence. We have also expanded the scope of our review. In the past OPM only reviewed an agency's proposed hiring of a current or former political appointee when the career Federal job was in the competitive service. Under our new policy, OPM will review proposed hiring of current of former political appointees for jobs in the excepted service as well. We will apply rigorous safeguards in every review we conduct.

For non-Senior Executive Service (SES) jobs, we will require agencies to submit a full record, including vacancy announcements, recruiting sources, job analyses and crediting plans, and job applications. We will closely examine whether an agency corrupted the hiring process in order to place a political appointee in a career job. For example, we will look at the vacancy announcement to see if it was unfairly tailored to match the appointee's skills or experience.

For SES jobs we will carefully review all records related to recruitment and selection as part of a "merit staffing review." The selection will then be reviewed by an impartial Qualifications Review Board (QRB) overseen by OPM. The QRB carefully evaluates each candidate's qualifications for appointment to the SES.   No SES appointment can be made until OPM concludes there was fair and open competition conducted in accordance with merit system principles and civil service rules.

FY2011 Planned Actions: To help meet the overall Strategic Goal of ensuring the Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to perform at the highest levels to achieve superior results, MSAC plans on doing the following new actions in FY 2011.

Evaluate Government-wide progress on HR hiring reform and other OPM initiatives. In FY 2011, MSAC will continue revising and redesigning performance measures. MSAC will begin to determine a methodology to conduct a rigorous, independent program evaluation of the intermediate and long-term outcomes of the hiring reforms. Over a period of three years, we will evaluate the Government-wide results and provide information that will help OPM decide on changes or improvements needed to ensure the Federal Government's ability to hire the talent it needs. We will focus on agency delegated competitive examining and OPM competitive examining. In succeeding years, we may include merit promotion. Based on evaluation findings, MSAC will help agencies develop action plans to improve the hiring process. MSAC will also submit a written report to the Director on the efficiency and effectiveness of hiring reforms.

Implement operational strategy for strengthening oversight role for agencies having accountability systems: MSAC will implement more direct oversight of CHCO agencies. These strategies will ensure the HR programs of the Government's largest agencies comply with law and regulation and support mission needs. We will also ensure that agencies take corrective measures when problems are found.

Conduct at least one evaluation of HR shared service center (SSC): MSAC will evaluate one SSC in FY 2011 and expand in the following year to two or three SSCs as resources allow. Expanding evaluations to more SSCs will enable MSAC to report trends and suggest SSC-wide improvements.

Review proposed conversions of political appointees to career civil service positions to safeguard Federal hiring from political influence: MSAC will continue to apply rigorous safeguards in every review we conduct. For non-SES jobs, we will require agencies to submit a full record, including vacancy announcements, recruiting sources, job analyses and crediting plans, and job applications. We will closely examine whether an agency corrupted the hiring process in order to place a political appointee in a career job. For example, we will look at the vacancy announcement to see if it was unfairly tailored to match the appointee's skills or experience. For SES jobs we will carefully review all records related to recruitment and selection as part of a "merit staffing review." The selection will then be reviewed by an impartial Qualifications Review Board (QRB) overseen by OPM. The QRB carefully evaluates each candidate's qualifications for appointment to the SES. No SES appointment can be made until OPM concludes there was fair and open competition conducted in accordance with merit system principles and civil service rules.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
	The number of PMC agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards (basic system requirements) for agency accountability systems*	25	25	25	25	25
Federal agencies' human resources programs are efficient, effective, and compliant with Merit Systems Principles.	Percent of agencies with violations of veterans' preference laws, rules, and regulations	25%	33%	30%	25%	25%
	Percent of agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	83%	90%	83%	85%	85%
	Percentage of classification and job-grading appeal decisions that exceed timeliness standards**	2%	3%	9%	8%	8%

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$13,294,366	82.0	$11,741,480	82.0	($1,552,886)	0.0
Total Program Resources	$13,294,366	82.0	$11,741,480	82.0	($1,552,886)	0.0

* All agencies have implemented accountability systems; the goal of all agencies has been met and OPM will no longer track this measure.
** This measure has been re-worded from "percent of classification and job-grading appeal decisions exceeding target time frames

Activities not Directly Mapped to Strategic Plan

Program: Combined Federal Campaign and Voting Rights

Combined Federal Campaign (CFC): The Combined Federal Campaign (CFC) was developed in the 1960's as the only approved solicitation program of Federal employees within their workplaces within the workplace. One of the primary reasons why this campaign was developed was so that Federal employees would only be solicited once in the workplace and can make donations through payroll. The Director of OPM has designated day to day management of the CFC to the MSAC/Office of CFC Operations.

Voting Rights Program: The Voting Rights Program (part of the Voting Rights Act), was originally designed to prevent any discrimination of voting rights due to race, color, or language. Oversight of Voting Rights observers (at the request of DOJ) will be provided by OPM and OPM will provide training labor resources to oversee the election process in regions designated by the U.S. Attorney General.

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$2,649,634	20.0	$2,597,520	20.0	($52,114)	0.0
Total Program Resources	**$2,649,634**	**20.0**	**$2,597,520**	**20.0**	**($52,114)**	**0.0**

* All agencies have implemented accountability systems; the goal of all agencies has been met and OPM will no longer track this measure.
** This measure has been re-worded from "percent of classification and job-grading appeal decisions exceeding target time frames

Federal Investigative Services

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

During FY 2011, OPM will continue to meet and exceed security clearance timeframes established in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), which requires OPM to reduce the average time it takes to conduct initial clearance background investigations. FIS continues to complete background investigations within the newly defined 2010 target of 90 percent completed in an average of 40 days or less. To continually meet this standard, FIS will continue to allocate resources to hire additional personnel as needed, modernize the information technology infrastructure, and provide continuous monitoring of the investigative process to streamline standards and procedures.

In response to significant and continuing security clearance timeliness concerns, Congress called for improvements and established specific timeliness goals as part of IRTPA I. In support of meeting IRTPA timelines, OPM remains committed to supporting Joint Reform initiatives for Security Clearance Reform. OPM is partnering with the Department of National Intelligence and the Department of Defense as part of the Joint Reform Team initiative to address many of the issues identified in the GAO review of personnel security clearances. The JRT continues to develop policy and processes to address reciprocity, improved technology, and standardized investigations and adjudications.

In FY 2011, as part of the e-Clearance initiative, FIS will continue automating and streamlining many aspects of the investigative process to process to provide a high-quality and clearance process for the Federal Government.

Also, FIS will continue with the implementation of major IT transformation initiatives in support of the joint reform goal to streamline the investigative and adjudicative process. FIS looks to make improvements to our security questionnaires, which are used to collect investigative information. With the enhancements to the e-QIP and imaging systems, investigative requests will be easier to submit, process, and deliver. FIS' IT transformation project seeks to further enhance the FIS mission and key goals to meet the ever-changing requirements and deliver the best customer value through the effective use of technology and processes. Resources have been utilized to revamp the core software and hardware infrastructure of all core case processing systems and tools, commencing with the transformation and modernization of the Case Processing and Customer Interfaces, providing agency access and investigative requests to be easier to submit, process and deliver. FIS' IT transformation project is conducting technology proofs of concept and commencing the project releases for these enhancements. These primary initiatives will continue to support the timeliness goals set forth by IRTPA and allow FIS to continue to provide timely and quality services to Federal agencies.

Federal Investigative Services Resource Summary
(in millions; includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Revolving Fund	$935,630,000	2,579.9	$970,127,000	2,740.4	$34,497,000	160.5
Total Non-Appropriated	**$935,630,000**	**2,579.9**	**$970,127,000**	**2,740.4**	**$34,497,000**	**160.5**
Grand Total -$	**$935,630,000**	**2,579.9**	**$970,127,000**	**2,740.4**	**$34,497,000**	**160.5**

Federal Investigative Services – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel Compensation	$184,384,000	$201,835,000	$17,451,000
Personnel Benefits	$47,792,000	$53,263,000	$5,471,000
Travel and Transportation of Persons	$14,782,000	$15,595,000	$813,000
Transportation of Things	$140,000	$148,000	$8,000
Communications, Utilities and Rent	$20,369,000	$21,489,000	$1,120,000
Printing and Reproduction	$1,491,000	$1,573,000	$82,000
Other Services	$652,079,000	$659,504,000	$7,425,000
Supplies and Materials	$4,474,000	$4,720,000	$246,000
Equipment	$10,120,000	$12,000,000	$1,880,000
Land and Structures	$0	$0	$0
Total Non-Appropriated	**$935,630,000**	**$970,127,000**	**$34,497,000**
FTE	**2,579.9**	**2,740.4**	**160.5**

Strategic Goal 1: *Hire the Best*

Program: Investigative Services

In FY2011, FIS will allocate budgetary resources to review all areas of the background investigation process while also supporting agency strategic goals. Resources will be allocated to ensure agencies are provided with sufficient information to make decisions on credentialing, suitability, and/or security clearance determinations. FIS will continue to efficiently allocate resources to provide a quality standard in investigations that meets Federal investigative standards. Resources will be utilized to continue with the implementation of a major IT transformation effort and a joint reform effort to streamline the entire investigative and adjudicative process.

FIS' IT transformation process will look to revolutionize our current Imaging and e-QIP systems, creating a single entry-point for end-users to access a multitude of investigative tools. Resources have been utilized to revamp the core software and hardware infrastructure of all core case processing systems and tools. With the transformation of the e-QIP and imaging systems, investigative requests will be easier to submit, process, and deliver.

The FIS EPIC Transformation directly supports the OPM Mission to "Recruit and Retain a World-Class Workforce to Serve the American People," by ensuring that agencies have sufficient information to make decisions such as credentialing, suitability, and/or security clearance determinations. Specifically, the EPIC Transformation represents the transformation of FIS's business processes and technology that

support the background investigation program to process 90% of the background investigations used by the Federal Government or over 2 million cases annually.

While OPM/FIS is currently meeting the timelines for conducting a background investigation as set forth by the Intelligence Reform and Terrorism Prevention Act (IRTPA) and the Office of Management and Budget (OMB), the vision of the EPIC Transformation is "to enable FIS to meet ever-changing requirements, and deliver the best customer value through the effective use of technology and process." Through the EPIC Transformation, FIS seeks to further enhance the following key goals of FIS's mission: 1) Timeliness: Improve the timeliness of the investigative process; 2) Quality: Improve the quality of the investigative process; 3) Standardization: Enable standardization across the investigative process; 4) Reform: Support reform in the investigative process; 5) Security: Protect and secure investigative information.

Another key initiative within FIS environment is the development of the new Standard Form 86, which will provide the ability to gather more information in the beginning of the investigation, through the use of branching questions. The additional information can be validated upon data entry to increase accuracy, and promotes scheduling of items with original case scheduling to promote timely completion of cases. This new process also supports the expanded focused investigation (EFI) model by obtaining details of issues that will help enable focused issue resolution and mitigation.

Moving forward, OPM is in the process of developing a business plan to present our intentions to provide a training program that will standardize the investigative and suitability adjudicative process for all background investigations conducted for Federal, Military, and contractor personnel. The proposed training center initiative is an idea that has evolved from the Performance Accountability Council (PAC) Training sub-committee which was formed due to Executive Order 13467, dated June, 2008. The training center initiative will support the E.O. 13467 goal of reforming processes related to suitability for Government employment, fitness for contractor employees, and eligibility for access to classified national security information by providing standard training for conducting background investigations and performing adjudications.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Federal agencies receive high-quality, timely background investigation services.	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes
	Timely Investigations--Average number of days within which 90 percent of initial clearance investigations are closed	76	53	32	40	40
	Timely Investigations – all other investigations--percent closed within an average of a pre-determined number of days	90.6%	96.7%	95.1%	93%	94.5% w/in predetermined number of days
	Case returns	0.115%	0.1%	0.08%	<1%	<1%

Percent of customers satisfied with quality and service of its products, policies and guidance	95%	94%	N/A	96%	96%

Budgetary Resources					
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Revolving Fund	$935,630,000	2,579.9	$970,127,000	2,740.4	$35,497,000	160.5
Total Program Resources	**$935,630,000**	**2,579.9**	**$970,127,000**	**2,740.4**	**$35,497,000**	**160.5**

Human Resources Solutions (HR Solutions)

As a Federal business enterprise, *Human Resources Solutions (HR Solutions)* partners with agencies to meet their missions by providing effective human resources solutions that develop leaders committed to public service values, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. As a revolving fund program, HR Solutions recovers costs of operations by managing tens of thousands in agency reimbursable agreements from over 150 Federal customers. This is achieved by providing high quality and competitively priced programs and services. Both new and repeat customers continually cite its programs for their strong value proposition, as demonstrated by improved individual and agency performance.

Human Resource Solutions Resource Summary (includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
HR Solutions-Revolving Fund	$680,000,000	600.0	$690,000,000	600.0	$10,000,000	0.0
Total Revolving Fund	**$680,000,000**	**600.0**	**$690,000,000**	**600.0**	**$10,000,000**	**0.0**

Human Resource Solutions Revolving Fund – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$48,720,000	$50,513,,000	$1,793,000
Personnel benefits	$13,941,000	$14,593,000	$652,000
Travel and transportation of persons	$6,007,000	$6,158,000	$151,000
Transportation of things	$104,000	$75,000	($29,000)
Communications, utilities, and rent	$13,046,000	$13,411,000	$365,000
Printing and reproduction	$662,000	$665,000	$3,000
Other services	$589,258,000	$596,117,000	$6,859,000
Supplies and materials	$2,578,000	$2,645,000	$67,000
Equipment	$5,684,000	$5,823,000	$139,000
Land and structures	$0	$0	$0
Total	**$680,000,000**	**$690,000,000**	**$10,000,000**
FTE	**600.0**	**600.0**	**0.0**

Strategic Goal 3: *Expect the Best*

HR Solutions has identified key deliverables in carrying out the goals of the OPM 2010 – 2015 Strategic Plan for FY2010 and initiatives for FY2011 and beyond to accomplish long term objectives. HR Solutions will participate in supporting the vision to build the Federal Government as America's model employer for the 21st Century by leveraging its knowledge of human resources management and technology products and services. HR Solutions has a direct impact on accomplishing the OPM Strategic Goal, Expect the Best, through its human resources consulting services to Federal agencies. Initiatives for

the Expect the Best goal include implementing the recommendations of key business process reviews, implementing a balanced scorecard framework to assess performance, and investing in research and development for enhancing current products and services.

HR Solutions is comprised of the Leadership and Talent Management Services, Emerging Solutions/HR Innovations, and Administrative Law Judge Programs.

Leadership and Talent Management Solutions

As a Federal business enterprise, Leadership and Talent Management Solutions (LTMS) partners with agencies to meet their missions by providing a portfolio of effective human resources solutions that enhance an agency's ability to attract and acquire specific talent, develop leaders committed to public service values, build a high quality public sector workforce, and transform agencies into high performing organizations. LTMS industrial organizational psychologists and HR consultants are leaders in researching and employing best practices in human resources management.

The LTMS organization provides Federal Government agencies with solutions through four main organizations – the Account Management Project Management Office, Human Resources Strategy and Evaluation Solutions, Human Resources Management Solutions, Leadership and Human Resources Development Solutions.

In FY2010, LTMS will develop a comprehensive marketing plan reflective of the customer account solutions business model and develop a website to promote its human resources products and services. In FY2011, LTMS will implement key tenets of its marketing plan.

In FY 2010, LTMS's HR Strategy and Evaluation Solutions (HR S&E) will build on its current service offerings by developing automated integrated workforce planning and execution software. In FY 2011, HRS&E will increase the functionality of its survey platform to allow for more complex and sophisticated survey formats.

In FY2010 and FY2011, LTMS's HR Management Solutions will continue exceptional delivery of products and services through staffing initiatives that support matching applicants to opportunities commensurate with their knowledge, skills and abilities and improving the quality of applicants for selection.

LTMS's Leadership and HR Development Solutions (L&HRD) is responsible for identifying, developing, enhancing, and delivering quality leadership and development solutions specifically related to the "sustaining" portion of the HR lifecycle that covers training and development in particular. The service offerings included in this solution include: Executive Training, Leadership and Management Training, Customized Leadership Training, Mission Critical Training, and COTS Online Training among others. L&HRD has three subordinate organizations: Federal Executive Institute, Management Development Center West, and Management Development Center East.

In FY2010, LHR&D will increase the number of leadership development and management critical training courses to enable it to serve more participants while also increasing customer course ratings of programs. LHR&D will contribute to increasing Government agency effectiveness by continuing the high quality programs currently delivered, increasing the number of programs offered, and increasing the number of participants across Government active in leadership development programs.

In FY 2010, to support the OPM wellness program goals, LHR&D will increase the health consciousness of participants and agencies by providing them with information necessary to initiate and support wellness programs in their own organizations. LHR&D will continue to market its Leadership Education and Development certificate programs, which provide agencies a roadmap to develop leadership competencies and meet future succession planning needs.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Offer Federal executives, managers, and supervisor's high-quality training to meet agencies' leadership, management development, and succession planning needs.	Overall customer satisfaction, based on five point scale	4.51	4.71	4.72	4.51	4.52
	percent increase in perceived learning	60%	43%	44%	N/A	N/A
	Learning Impact (Kirkpatrick Model Level III)	N/A	N/A	N/A	4.00	4.10
	Number of Presidential Management Fellow hires	403	413	420	451	452
	Full Cost Recovery	100%	100%	100%	100%	100%

Budgetary Resources ($ in millions)						
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
HR Solutions - Revolving Fund	$55,220,000	107.3	$56,632,000	108.3	$1,412,000	1.0
Total Program Resources	**$55,220,000**	**107.3**	**$56,632,000**	**108.3**	**$1,412,000**	**1.0**

HR Management Solutions (HRM), another component of LTMS is responsible for identifying, developing, enhancing, and delivering quality HR management solutions specifically related to the "acquiring and sustaining" portion of the HR Lifecycle to include the tools and technologies associated with delivering these solutions. The service offerings included in this solution are: Recruitment and Branding, Staffing/Examining, Testing, and On-boarding among others. HRM has four subordinate organizations: Staff Acquisition, Testing, Automated Systems Management, and HR Tools and Technology.

In FY 2010 and FY 2011, HRM Solutions will continue exceptional delivery of products and services through staffing initiatives that support matching applicants to opportunities commensurate with their knowledge, skills and abilities and improving the quality of applicants for selection in support of the OPM goal, Hire the Best. The initiatives include developing an online assessment platform with assessment and test content; performing upgrades; major releases to human resources systems, databases, and platforms such as: USA Staffing®, Employee Express, and myPay.

In FY 2010 and FY 2011, HR Management Solutions, Research and Development will work closely with LTMS to transition newly developed solutions or process improvements to the appropriate LTMS organization once it has completed and passed testing and evaluation.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Effective and efficient staffing, training, assessment, and other human resources services that contribute to successful, high-performance organizations.	Percentages of customers satisfied with Human Resources Management and services (ACSI Equivalent Index)	84%	84%	80%	80%	86%
	percent of customers expressing repurchase intention for HRMS products and services	94%	96%	90%	90%	>=96%
	percent of training and management assistance deliverables accepted by customer agencies	99%	100%	97%	97%	99%
	percent of customers agreeing that HRMS products and services contribute to Government effectiveness	94%	94%	90%	90%	>=96%
	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
HR Solutions - Revolving Fund	$563,239,000	399.5	$581,871,000	399.5	$18,632,000	0.0
Total Program Resources	**$563,239,000**	**399.5**	**$581,871,000**	**399.5**	**$18,632,000**	**0.0**

Emerging Solutions/Human Resources Innovations

The Emerging Solutions/Human Resources (ES/HR) Innovations provides the Research and Development (R&D) capability from identification and development of projects to the validation of proof of concepts for new human resources related initiatives and projects in support of the LTMS, OPM and external customers. This group provides a consistent, coordinated, rigorous process for development, testing, and validation of new and emerging technologies and innovative human resources solutions. ES/HR Innovations oversees both the HR Knowledge Management Portal and the HR Solutions R&D Program Management Office.

In FY 2010, (ES/HR) will also focus on continued upgrades to the Knowledge Management Portal system.   Also, for FY2010 and FY2011 HR Solutions is working on an on-line assessment tool for PMF candidates, a performance management training and assessment tool for SES candidates, a training module for Schedule A hiring, on-going IT Security Awareness, and role-based IT Security Training geared specifically to database administrators, systems administrators and chief information officers.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
Support career development for the Federal workforce by increasing return on training investments.	number of Knowledge Management courses completed annually (all Knowledge Management Portal)	2,278,513	3,827,638	2,300,000	2,500,000	N/A
	number of eligible (registered) users of Knowledge Management sites*	1,371,165	1,371,165	1,200,000	1,300,000	N/A
	Full cost recovery for each revolving fund program	Yes	Yes	Yes	Yes	N/A
	Customer surveys will support satisfaction with Knowledge Management products and services.	N/A	N/A	N/A	N/A	65%
	Vendor surveys will support satisfaction with the Knowledge Management contractual vehicle and its administration.	N/A	N/A	N/A	N/A	75%

Budgetary Resources						
		FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance
Fund		$	FTE	$	FTE	$	FTE
HR Solutions - Revolving Fund		$41,966,000	8.0	$44,028,000	16.0	$2,062,000	8.0
Total Program Resources		**$41,966,000**	**8.0**	**$44,028,000**	**16.0**	**$2,062,000**	**8.0**

Administrative Law Judge Program

The Administrative Law Judge (ALJ) Program has total responsibility for planning, operating, and directing the nationwide program for the recruitment, examination and employment of Administrative Law Judges. In addition, the ALJ program provides approval of agency requests for ALJ personnel actions and the utilization of Administrative Law Judge personnel. The ALJ program by statute has the sole authority for administering the program under which Federal agencies select Administrative Law Judges and offer merit system appointments. This includes recruitment, administration of the examination, maintenance of the register, and referral of qualified candidates from which agencies make ALJ competitive appointments. Social Security Administration is the largest user of these services.

The ALJ Program is also responsible for administering the ALJ Loan Program and the Senior ALJ Program. The office acts on requests for all ALJ non-competitive actions; requests for inter-agency details and assignments to non-ALJ duties; requests for increases in pay based on superior qualifications; classification issues; and administers the ALJ priority referral program. The ALJ Program is nationwide in scope and has a very high degree of sensitivity and importance to the Federal Government and to the public.

In FY 2010 and FY2011, the office will continue to participate in the development and implementation of the ALJ application/assessment/selection process in delivering its competitive examining services and to manage all other ALJ personnel related activities.

Office of Planning and Policy Analysis (OPPA)

The OPM 2011 budget requests **$16,475,000**, which consists of **$5,310,000** in General Funds and **$11,165,000** from annual Trust Funds. OPM will use appropriated funds to provide planning and analysis support to help assess trends and issues affecting the Agency.

In addition to the amounts requested above, OPM has access to administrative resources from the earned benefit trust funds under OPM purview that are not subject to Congressional limitation to perform specific tasks. These sources are: authority at 5 USC 8348 (a)(1)(B) permits OPM to access the Civil Service Retirement and Disability Fund for certain expenses incurred to administer Cost of living adjustments, survivor annuities, alternative form of annuities, voluntary allotments and tax withholding; 5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A) provides for all administrative expenses to manage the Dental & Vision Benefits Program (fully reimbursed by contracted providers); 5 USC 9004(f)(2) provides for all administrative expenses of the Office to manage the Long-Term Care Insurance Program (fully reimbursed by contracted providers); and P.L. 106-265 provides for the Office's administrative expenses implementing the Federal Erroneous Retirement Coverage Correction Act. The amounts of resources used from each of the above authorities by OPPA are shown in the resource summary for this section.

OPM's Office of Planning and Policy Analysis (OPPA) examines policy options, legislative changes and government-wide data trends and employee survey findings that affect OPM's management of HR policy, specifically including insurance, retirement and employee health and wellness benefits for Federal employees. To assure benefits provide maximum value and are secure the Office will conduct actuarial analyses, statistical tests using large data bases and analysis of results from surveys of Federal employees. The office will seek to effectively use and integrate the major data sources available to OPM. OPPA has of three subcomponents: Office of the Actuary, Policy Analysis, and Survey Analysis.

Office of Planning and Policy Analysis Resource Summary (includes all resources)

Budgetary Resources	FY 2010 Enacted $	FY 2010 Enacted FTE	FY 2011 Request $	FY 2011 Request FTE	FY 2010–11 Variance $	FY 2010–11 Variance FTE
Salaries & Expenses	$4,644,000	20.0	$5,310,000	20.0	$666,000	0.0
Trust Fund Annual	$5,468,000	22.1	$11,165,000	22.1	$5,697,000	0.0
Total Appropriated	**$10,112,000**	**42.1**	**$16,475,000**	**42.1**	**$6,363,000**	**0.0**
Long Term Care – Mandatory Authority	$350,000	3.0	$400,000	3.0	$50,000	0.0
Dental & Vision – Mandatory Authority	$350,000	2.5	$500,000	2.5	$150,000	0.0
5 USC 8348 (a)(1)(B) – Mandatory Authority	$900,000	6.0	$900,000	6.0	$0	0.0
Total Non-Appropriated	**$1,600,000**	**11.5**	**$1,800,000**	**11.5**	**$200,000**	**0.0**
Total	**$11,712,000**	**53.6**	**$18,275,000**	**53.6**	**$6,563,000**	**0.0**

Office of Planning and Policy Analysis Salaries and Expenses – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2009–10 Variance
Personnel Compensation	$2,204,000	$2,509,000	$305,000
Personnel Benefits	$561,000	$637,000	$76,000
Travel and Transportation of Persons	$10,000	$10,000	$0
Transportation of Things	$0	$0	$0
Communications, Utilities and Rent	$1,000	$1,000	$0
Printing and Reproduction	$50,000	$50,000	$0
Other Services	$1,814,000	$2,099,000	$285,000
Supplies and Materials	$4,000	$4,000	$0
Equipment	$0	$0	$590,000
Land and Structures	$0	$0	$0
Total	**$4,644,000**	**$5,310,000**	**$666,000**
FTE	**20.0**	**20.0**	**0.0**

Office of Planning and Policy Analysis Trust Fund – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$4,170,000	$4,291,000	$121,000
Personnel benefits	$951,000	$987,000	$36,000
Travel and transportation of persons	$10,000	$10,000	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$5,000	$10,000	$5,000
Printing and reproduction	$35,000	$35,000	$0
Other services	$157,000	$5,542,000	$5,385,000
Supplies and materials	$20,000	$20,000	$0
Equipment	$120,000	$270,000	$150,000
Land and structures	$0	$0	$0
Total	**$5,468,000**	**$11,165,000**	**$5,697,000**
FTE	**22.1**	**22.1**	**0.0**

Strategic Goal 2: Respect the Workforce

Program Office of the Actuary

The Office of the Actuary is responsible for assuring that OPM makes decisions regarding various benefits, but in particular insurance and retirement benefits, consistent with best actuarial practices. The Office of the Actuary also participates in the annual negotiation of premium rates for health, dental, vision and long term care insurance and performs actuarial valuation of retirement, life insurance, and post-retirement health insurance programs for the annual OPM financial statement. Actuaries work closely with attorneys in drafting proposed legislative changes, to ensure proper interpretation and implementation of actuarial recommendations. Also, actuaries work closely with the policy staff on the implementation of proposals that are enacted into law to ensure proper interpretation and implementation of actuarial recommendations.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
Both health and retirement reserves are maintained at proper levels to assure ongoing stable program operations.	Percent of retirement reserves receiving clean opinions from outside reviewers	N/A	N/A	N/A	N/A	100
	Increases in overall premiums for the FEHB program are consistent with, or more favorable than private sector premiums for comparable benefits.	N/A	N/A	N/A	N/A	FEHB <= Private Sector

Policy Analysis

This office consists of three sub-components: health policy, retirement policy, and data analysis. This office provides policy guidance and statistical analysis to OPM on a range of issues affecting HR policies, especially employee benefits policy, including retirement and insurance. In doing so, the office will seek to effectively use and integrate the major data sources available to OPM.

Policy Analysis is also responsible for developing a database to collect and analyze comprehensive Federal Employee Health Benefit (FEHB) claims and encounter data and collecting, managing and analyzing health services data on an ongoing basis.

While the FEHB Program directly bears the cost of health services, it is currently difficult to analyze those costs and actively manage the FEHB Program to ensure the best value for both Federal employees and taxpayers. In the past, OPM has not routinely collected, or analyzed, program-wide claims data. The capacities to collect, manage, and analyze health services data on an ongoing basis will allow OPM to: 1) understand the drivers of cost increases for Federal employees; 2) determine the best approach to developing worksite wellness programs; and 3) model the potential effects of health system reform or environmental changes on Federal employees.

During FY 2010, OPM began the FEHB data collection and analysis capacity process. An expanded database and analytical capability will better position OPM to negotiate effectively with FEHB carriers to keep Federal premium increases below industry-wide levels. This initiative will enhance OPM's knowledge base and expertise, strengthening its ability to strategically shape future benefits design, and better positioning OPM to negotiate with the carriers. Over time, this initiative will result in contained premium growth. The magnitude of potential savings is unknown; however, just a 0.1 percent reduction in annual premium growth for three consecutive years yields savings of approximately $1.25 billion to the Program over ten years, and more specifically, $400 million in payments from the Government's general fund for annuitant premiums over the same period.

Implementation will include: 1) **Data collection and maintenance** – establish regular data feeds from the 10 largest FEHB plans (and major Pharmacy Benefit Managers); develop/test front end edits to assure data integrity and consistency across plans; manage data flows; assure and maintain data quality and integrity; manage data storage and back-up. 2) **Analysis support** – design database and linking routines to link claims to individual demographics, provider files, and other OPM maintained data sets. Create databases that analysts can use to run specific analyses. 3) **Development of a data warehouse application** that will allow flexible queries of the data set – not only general demographic queries, but also risk-adjusted profiles, comparison of chronically ill patients and other useful analytics. 4) **OPM analysis capacity** – in order for OPM to take a forward-looking approach to analyzing and utilizing data, it will need to add new skill sets not currently present in the organization. These will need to be developed and/or acquired. Skills include econometric modeling of health trends, risk adjustment methodologies, pharmacy pricing and negotiation. Some capacity will need to be purchased through outside contracts as internal capacity is developed; the need for outside expertise will decrease over time.

During FY 2011, OPM will complete the development of procedures to collect, edit and store health claims data; and produce FEHB management reports on health claims stored in data warehouse.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
Available Benefits Align with Best Practices and Employee's Needs	Percent of claims in database and management reports completed	N/A	N/A	N/A	N/A	75%
	Comparison of Federal employee and private sector/other public sector employee benefits	N/A	N/A	N/A	N/A	Federal benefits =/> other sectors

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Request		FY 2010 – 11 Variance	
Fund	$	$	$	FTE	$	FTE
TF Limit – Annual	$5,468,000	22.1	$11,165,000	22.1	$5,697,000	0.0
Long Term Care – Mandatory Authority	$350,000	3.0	$400,000	3.0	$50,000	0.0
Dental & Vision – Mandatory Authority	$350,000	2.5	$500,000	2.5	$150,000	0.0
5 USC 8348 (a)(1)(B) - Mandatory Authority	$900,000	6.0	$900,000	6.0	$0	0.0
Total Program Resources	**$7,068,000**	**11.5**	**$12,965,000**	**11.5**	**$5,897,000**	**0.0**

Strategic Goal 3: *Expect the Best*

Strategy 3.1: Help Agencies Become High Performing Organizations

Survey Analysis

This office is responsible for overseeing the conduct and analysis of government-wide Federal employee surveys, notably the Employee Viewpoint survey. The Survey Analysis Office is also responsible for ensuring surveys conducted by OPM use proper techniques (sampling, question design, etc.), and that results of surveys are analyzed in a timely and methodologically sound manner.

Since 2002, OPM has conducted a biennial survey of Federal employees (formerly known as the Federal Human Capital Survey). The Survey provides critical input to Capitol Hill and OPM to determine the overall direction and needed changes for future HR policy. Additionally, agencies have been using their survey findings to improve recruitment and retention and to develop/implement action plans to improve its workplace measures in the specific areas the survey has identified.

Consistent with the direction provided by Executive Branch leadership, starting in 2010 OPM will be conducting surveys annually to fulfill the growing need for government-wide standardized data to drive the changes necessary to make the Federal workforce a model for the nation. Agencies will have an increased understanding of progress regarding human resources as well as where to focus future planning efforts. Annual collection of this information also provides essential information on indicators of progress for all four goals in the OPM Strategic Plan.

The 2010 survey has been revised to contain more actionable data as well as to add items targeting critical areas such as engagement and work/life issues. The Federal Employee Viewpoint survey results provide both a longitudinal track record as well as a future path for the improvement of all executive agencies.

The increased resources will provide for additional survey improvements. The survey process will now provide yearly data for agencies to plan and track their progress. OPM is developing "Best in Government" indices designed to highlight an agency's current position on critical areas along with a fair and equitable comparison to other agencies. Approximately 100,000 additional employees are being surveyed government-wide, for a total of about half a million potential survey participants. In 2010 more agencies will be receiving reports for components at lower organizational levels, providing for more targeted action planning activities. Additionally, OPM will provide personnel to assist agencies in developing more effective actions. Lastly, to ensure the most efficient and effective use of the survey process, OPM will undertake an internal and external review of the most effective survey practices to guide the survey process in 2011 and beyond.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
Federal agencies manage employee performance fairly and effectively, as demonstrated by Departments meeting the majority of targets in their annual action plan for improvement.	# of days after survey completion data provided to Director and agencies.	N/A	N/A	N/A	N/A	95

Budgetary Resources						
		FY 2010 Enacted		FY 2011 Request		FY 2010 – 11 Variance	
Fund		$	$	$	FTE	$	FTE
Salaries & Expenses		$4,644,000	20.0	$5,310,000	20.0	$666,000	0.0
Total Program Resources		**$4,644,000**	**20.0**	**$5,310,000**	**20.0**	**$666,000**	**0.0**

Facilities, Security and Contracting

Facilities, Security, and Contracting (FSC) provides OPM with a full range of administrative services; including acquiring goods and services for Office Personnel Management central office, facilities management, leasing and new construction oversight, providing contracting policy oversight and guidance to the Agency's field locations, conducting suitability and national security clearance determinations for OPM personnel, Personal Identity Verification (PIV) card issuance and management, emergency management and continuity activities, physical security oversight, and countermeasure installation and maintenance. These services enable OPM to work toward completing the agency mission and fostering a high quality workforce environment. For FY 2011, OPM request is **$14,159,000** in Common Services. In addition, the Administration is proposing a Government-wide acquisition improvement initiative that would provide an additional **$670,210** that would permit OPM to increase our acquisition workforce to improve contract oversight.

Facilities, Security and Contracting Resource Summary
(in millions; includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Common Services	$13,813,000	75.0	$14,159,000	75.0	$346,000	0.0
Total Appropriated	**$13,813,000**	**75.0**	**$14,159,000**	**75.0**	**$346,000**	**0.0**
Salaries & Expenses	$0	0.0	$670,210	6.0	$670,210	6.0
*Total Budget Authority	$0	0.0	$670,210	6.0	$670,210	6.0
Revolving Fund	$3,186,000	36.0	$3,263,000	36.0	$77,000	0.0
Total Non-Appropriated	**$3,186,000**	**36.0**	**$3,263,000**	**36.0**	**$77,000**	**0.0**
Total	**$16,999,000**	**111.0**	**$18,092,210**	**117.0**	**$1,093,210**	**6.0**

*Funding Provided by the Acquisition Improvement Initiative in General Provisions.

FSC operates and maintains the OPM headquarters building, the Theodore Roosevelt Federal Building (TRB), under authority delegated by the General Services Administration, and provides policy and administrative guidance for OPM's other Federally owned and leased facilities nation-wide. FSC also oversees the rent bill distribution to OPM's program offices and maintains the Agency's real property inventory. Additionally, FSC provides in-house printing and document reproduction and graphic design services for the central office, as well as acquires commercial services for larger-scale needs.

FSC manages a commercial contract for the operation of the OPM Call Center, a centralized service similar to the phone company's 411 information number, which allows information and services seekers to call a central telephone number for quick referral to the appropriate program offices. During periods of peak volume, such as the FEHB Open Season, the Call Center's four operator staff processes as many as 1800 calls a day.

Subsequent to the 2010 OPM reorganization, the functions of the former Center for Security and Emergency Actions (CSEA) were incorporated into FSC's program operations. These include OPM's Continuity of Operations (COOP), Continuity of Government (COG) and Occupant Emergency Programs (OEP). In addition, FSC responsibilities now incorporate the former CSEA functions of managing the TRB security guard force and physical security programs, maintaining a 24 hour Operations Center to provide situational awareness to the Director regarding issues affecting the status of the Federal

workforce, administering the nationwide PIV program, personnel security and suitability determinations for OPM staff, and information and communications security programs.

With the approval of this request, the Center will be able to carry out the following missions:

Facilities Services

The FSC plans, coordinates and execute the activities of Facilities Management, including Real Property Management, Personal Property Management, Space Management and Fleet Management in support of the agency's Strategic and Operational goals. They perform rent/security reviews and distribution, Exhibit 54 budget compilation information, and approvals of Occupancy Agreements and Interagency Agreements within approved time-frames and budgetary constraints to provide continued safe and secure work space. In addition, they effectively manage the agency's inventory of personal property, coordinating with offices to achieve a 100% compliance with the annual certification of OPM's Personal Property Management Inventory System and a 100% inventory of capital assets. The FSC supports mail processing services that include: mail folding, inserting, and sealing; manual and automated mail distribution; sorting all outgoing mail; ensuring 100% compliance with Postal Service regulations for nationwide mail and postage accountability; and screening 100% of all packages and mail for possible biological or chemical threats, and explosives within associated mail services lead times.

Security Services

Guard services are provided for the Theodore Roosevelt Building (TRB). The introduction of enhanced security measures such as perimeter security will provide better protection for our employees in the TRB. Security assessments are routinely conducted of our facilities nationwide to ensure appropriate protection of OPM employees and visitors. Security Services also funds operations and maintenance (O&M) of the HSPD-12 mandated PIV system and investigative processes; HSPD-20 mandated communications upgrades; and rental and O&M of COOP and COG spaces/facilities. Lastly White House-directed COOP/COG exercises are conducted to maintain prepared in case of a national emergency.

Contracting Services

The contracting group performs all pre-award and post-award procurement actions in support of the agency's mission and goals.   It completes all OPM acquisitions within the associated procurement action lead times (PALT) 95% of the time. The Acquisition Management Information System (AMIS) will measure all procurement activities and the time expended in each phase. In addition, it performs all actions in support of the procurement function including reporting, policy, purchase card program administration and special projects. It also completes non-acquisition actions within the associated administrative action lead times 95% of the time.

To strengthen the acquisition process Government-wide, the Administration proposes an Acquisition Improvement Initiative to assist agencies in managing the procurement of goods and services. Under this initiative, OPM would receive an additional $670,210 in FY 2011 to augment the capacity of our Contracting Group

Acquisition Improvement Initiative Resources - $670,210

The Contracting Group is dedicated to completing in a timely fashion all of the Office of Personnel Management's (OPM) acquisitions. Currently, the Contracting Group is handling actions worth an average of $6.4 million more per person per year than they were five years ago. This dramatic

increase in spending resulted primarily from the increased scope of OPM's Government-wide support functions.

In addition, OPM's contracting responsibilities continue to expand. In FY 09, the Office of Small and Disadvantaged Business Utilization (OSDBU) was formed, with the OSDBU Director moving from the Contracting Group. In January, 2010, the OSDBU assumed responsibility for processing incoming invoices for the 14,000+ contracting actions that contracting staff now award. Although the invoice-processing function was staffed by personnel from another component of OPM, these personnel do not support the primary OSDBU mission.

If the Acquisition Improvement Initiative is enacted, the Office of Personnel Management will utilize these additional funds, $670,210, to supplement the existing acquisition workforce. We would recruit for five additional Contracting Officers to increase our general contract group capacity and one Contracting Officer to increase our staff devoted to small and disadvantaged business utilization.

Position	FY 2010 Enacted		FY 2011 Request	
	$	FTE	$	FTE
Contracting Officers (6)	$0	0.0	$584,000	6.0
Training/Information Technology Support	$0	0.0	$86,210	0.0
Total	**$0**	**0.0**	**$670,210**	**6.0**

Publications Management

Perform internal printing services including high-speed copying, hole-punching, stapling, and binding within associated printing services lead times.

Office of Chief Information Officer

The Office of the Chief Information Officer (OCIO) develops the Information Resource Management Plan and defines the Information Technology (IT) vision and strategy to include IT policy and security for the Office of Personnel Management. OPM's request includes **$52,813,000** composed of **$1,003,000** in General Funds, **$7,420,000** in Salaries & Expenses No-Year Funds, **$6,694,000** in Trust Funds, and **$37,696,000** in Common Services.

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

One part of the OCIO mission is to provide IT leadership within OPM. This leadership of core IT assets is the backbone of OPM's business and management applications. The core IT assets are managed in OCIO Operations Technology Management and include Network Management, Application Systems, Benefits Systems, and the OPM Data Center. The OCIO also incorporates agency Enterprise Architecture and IT Security and Privacy. The OCIO develops the Information Resource Management Plan and defines the IT vision and strategy to include the IT policy and security for the Office of Personnel Management. The OCIO shapes the application of technology in support of the Agency's Strategic Plan including the IT architecture that outlines the long-term strategic architecture and systems plans for the agency and includes agency IT capital planning. The OCIO supports and manages pre and post implementation reviews of major IT programs and projects as well as project tracking at critical review points. The OCIO provides oversight of major IT acquisitions to ensure they are consistent with agency architecture and with the IT budget. The OCIO directs the realization of the agency's IT architecture to guarantee architecture integration, design consistency, and compliance with Federal standards.

The OCIO is also charged with providing Government-wide leadership through the OCIO Information Management which includes the following: Enterprise Quality Assurance, Retirement Systems Modernization (RSM), Enterprise Human Resources Integration (EHRI), IT Investment Management, and Records Management. These dual mission areas - OCIO Operations Technology Management and OCIO Information Management - are managed within OCIO and provide support for OPM and partner agencies.

Government-wide programs

Human Resources IT Transformation - HRITT leads the Government-wide transformation of HR information technology by focusing on modernization, integration, and performance assessment. It manages the Human Resources Line of Business (HR LOB) initiative through active collaboration with agencies and service providers and focuses on improving the strategic management of human resources by overseeing Government-wide systems and services employed by agencies and service providers, improving integration and interoperability of HR systems, and promoting innovative technologies.

Retirement Systems Modernization (RSM) - supports the agency strategic goal to "....honor the careers of Federal Retirees" by "developing a 21st century consumer focused retirement processing system that adjudicates claims timely and accurately". The program addresses challenges such as legacy system risk, lack of functionality to address customer's needs, manual paper-based processes, customer service and processing delays, and delay of timely, accurate, full annuity payments. RSM has introduced an agile and

incremental implementation strategy that addresses critical needs in RSM's three interdependent, mission areas: modernizing OPM's IT infrastructure, migrating from a paper-based environment to an integrated data environment and driving improvements in retirement and post-adjudicative business processes to gain efficiencies and improve customer service.

Enterprise Human Resources Integration (EHRI) -supports the strategic management of human capital by providing agency customers with access to timely and accurate Federal workforce data. In support of this objective, EHRI has the following goals: 1) Streamline and automate the exchange of Federal employee human resources (HR) information Government-wide; 2) Provide comprehensive knowledge management and workforce analysis, forecasting, and reporting across the Executive Branch; 3) Maximize cost savings captured through automation; and 4) Enhance retirement processing throughout the Executive Branch. A key initiative of EHRI is the electronic Official Personnel Folder (eOPF), a web-based application that is capable of storing, processing, and displaying the OPFs of all current, separated, and retired Federal Employees.

OCIO Operations Management

The OCIO will continue to be a high performing organization and operate as one of the lowest cost IT providers in the Federal Government. The OCIO will perform legislative oversight, IT capital planning, IT security and privacy, FOIA, Privacy Act, records management, section 508 and enterprise architecture functions and produce the FISMA annual report and the enterprise infrastructure CAP annually; maintain uptime for network access during agreed to business hours throughout the year; maintain mainframe availability during scheduled operating hours each quarter throughout the year; complete applications development for non-retirement/benefits systems within agreed upon dates each quarter; complete web development requests within negotiated delivery dates over the course of a year; and manage the National Archives and Records Administration (NARA) contract. Additionally, the OCIO, in partnership with the Federal Investigative Service, is embarking on a technology transformation of the agency telephone system to convert the current technology to state of the art Voice over Internet Protocol (VoIP). This system will provide unified messaging, reduced cost and complexity of additions, moves, and/or changes to the telephone system, reduced capital and recurring maintenance costs, and reduced or eliminated "long distance" charges. The OCIO is also performing a strategic review of agency databases in an effort to initiate data consolidation for increased cost efficiency. Reviews are also underway to identify additional opportunities to make data more readily available and transparent to the public through data.gov and opm.gov.

Records Management

The OCIO has responsibility for OPM-wide records management and Government-wide personnel records. This includes the agency's agreement with the NARA for Government-wide services and storage related to OPM administrative records and Federal personnel record-keeping. During FY2010, a focus will be to improve the agency Freedom of Information Act (FOIA) program and review and strengthen the agency's Memorandum of Understanding with NARA to ensure cost control and work with agencies to assume cost responsibility for records requested from NARA. Review of and improvements to both of these important areas will be critical in FY2010 and FY2011.

Human Resources Line of Business (HRLOB)

The following HR LOB activities, planned for FY2010 and FY2011, are designed to achieve the initiative's goals:

HR IT transformation – Provide and manage a Government-wide Human Resources Information Technology (HR IT) strategy that integrates Office of Personnel Management (OPM) systems to address multiple feeds and redundant data and enhance the end user experience; put into place the standards, guidelines, architectural specifications and governance to achieve integration; and establish a Government-wide vision for HR IT that enables HR transformation.

Standards and requirements – Monitor the evolution of the Federal Enterprise Architecture (FEA) and ensure HR IT innovation through updating the HR LOB FEA models and target requirements.

SSC oversight and assessment – Oversee agency migrations to Shared Service Centers (SSCs) and implement the Provider Assessment program designed to assess SSCs ability to deliver services to their customer agencies with a focus on compliance, modernization, and transparency.

SSC performance measurement and agency HR benchmarking – Work with agencies and SSCs to identify and pursue opportunities to become more efficient, customer service-oriented, cost effective, and more strategically focused. Conduct HR and payroll benchmarking studies and promote best practices.

Strategy Formulation -- Develop and execute the HR LOB strategy to achieve the initiative goals and objectives. Promote effective and efficient collaboration across partner agencies and other stakeholders through the HR LOB governance structure.

Retirement Systems Modernization (RSM)

During FY2010, a primary focus will be to undertake legacy systems analysis and migration planning to lay the groundwork for upgrading the retirement calculator. Improvements to the retirement calculator commencing in late FY2010 will continue into FY2011.

The other FY2010 initiatives include implementation of an online retirement application tool, continued development of data feeds and data validation capabilities within the EHRI data warehouse, and configuration of the electronic document management system (EDMS), to allow agency and OPM benefit specialists access to millions of imaged retirement documents. Implementation of an online retirement application tool, in concert with the data gathered through electronic feeds from agencies and shared service centers, will allow OPM to gather initial retirement information electronically for the first time, helping improve the accuracy of retirement calculations by eliminating the potential for manual data entry errors and permitting real-time validation of the data provided. Affording agencies access to electronic retirement data as well as imaged retirement documents represents the transition from a paper-based to an automated retirement process. The FY2010 and FY2011 RSM initiatives will help ensure that OPM and agency benefits officers have access to the information needed to perform their jobs processing claims and providing customer service to employees and annuitants.

FY2011 activities will focus on managing the initiatives begun in FY2010 to a successful conclusion. At the close of FY2011 with the delivery of the enhanced retirement calculator, online application tool and electronic document management tool configured for OPM and external agency access, RSM will transition to the identified operations and maintenance organization(s). Further incremental improvements will continue to be made and funded as part of ongoing operations in future years.

Enterprise Human Resources Integration (EHRI)

With more than 70 percent of the Executive Branch using the eOPF system, it is important for EHRI to continue its rollout of the eOPF application to remaining agencies in order to maximize cost efficiencies captured through automation and to achieve EHRI's goal of bringing all Executive Branch folders online by December 2013. In order to achieve this goal, EHRI will continue moving forward with eOPF assessments, deployments, and folder conversions for more than 20 agencies throughout FY 2010. The program expects to achieve an additional 180,000 folders on the eOPF system by year-end FY 2010. EHRI will also continue to provide the analytical tools product offering, enabling agencies to perform workforce analyses and forecasting on more than 1.9M Federal employees. FY 2010 activities also include operating and maintaining the data warehouse at baseline performance and data quality levels,

and meeting all Federal security and privacy requirements. Support to the RSM Program is also expected to continue throughout FY 2010.

In FY 2011, EHRI will continue with eOPF assessments, deployments, and backfile conversions for new agencies, with a majority of the work being done for the Department of Defense. EHRI will also continue to operate and maintain the data warehouse at baseline performance and data quality levels. Other data warehouse activities include maintaining the Statistical Data Mart (SDM), a stand-alone data repository that provides advanced statistical analysis capabilities.

OCIO Performance Metrics:

Performance Measures	FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
% of time computer network available during agreed-upon service hours	99%	99%	99%	99%	99%	99%
eOPF Customer Satisfaction	N/A	72%	83%	87%	93%	93%
No. of Folders on eOPF	355,132	618,808	999,710	1,285,137	1,440,000	1,620,000
No. of Scorecard Agencies on eOPF	6	15	18	21	24	25
Number of assessments of HR Line of Business Providers completed	N/A	N/A	N/A	N/A	2	2

Activities not Directly Mapped to Strategic Plan

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Request		FY 2010 – 11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$1,000,000	0.0	$1,000,000	0.0	$0	0.0
Common Services	$34,113,000	116.3	$37,696,000	116.3	$3,583,000	0.0
TF Limit (Annual)	$6,491,000	28.8	$8,194,000	28.8	$1,703,000	0.0
Trust Fund (Multi Year)	$4,000,000	2.7	$0	0.0	($4,000,000)	(2.7)
Trust Fund (Title V)	$1,003,000	2.9	$1,003,000	2.9	$0	0.0
Revolving Fund - HRLOB	$3,000,000	0.0	$3,000,000	0.0	$0	0.0
Revolving Fund - EHRI	$74,870,000	12.6	$62,616,000	12.6	($12,254,000)	0.0
Revolving Fund - Investigative	$981,000	2.9	$1,019,760	2.9	$38,760	0.0
No-Year Fund	$0	0.0	$7,420,000	6	$7,420,000	6
Salary & Expenses (Multi-Year)	$7,272,000	0.0	$0	6	$7,272,000	6
Total Program Resources	**$132,730,000**	**200.8**	**$121,949,760**	**83.0**	**($10,781,240)**	**(2.7)**

Office of the Chief Information Officer Resource Summary (includes all resources)

	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Budgetary Resources	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$1,000,000	0.4	$1,000,000	0.4	$0	0.0
Salaries & Expenses – Multi- year	$7,272,000	0.0	$0	0.0	($7,272,000)	0.0
Salaries & Expenses – No- year	$0	0.0	$7,420,000	0.0	$7,420,000	0.0
Common Services	$34,113,000	116.3	$37,696,000	116.3	$3,583,000	0.0
Trust Fund Annual	$6,491,000	28.8	$6,694,000	28.8	$203,000	0.0
Trust Fund – Multi-Year	$4,000,000	2.7	$0.0	0.0	($4,000,000)	
Total Appropriated	**$52,876,000**	**148.2**	**$52,810,000**	**145.5**	**($66,000)**	**(2.7)**
5 USC 8348 (a)(1)(B) - Mandatory Authority	$1,003,000	3.0	$1,003,000	3.0	$0	0.0
Revolving Fund – HR LOB	$3,000,000	0.0	$3,000,000	0.0	$0	0.0
Revolving Fund – EHRI	$74,870,000	12.6	$62,616,000	12.6	($12,254,000)	0.0
Revolving Fund-Investigative	$401,000	2.9	$411,000	2.9	$10,000	0.0
Total Non-Appropriated	**$79,274,000**	**15.5**	**$67,030,000**	**15.5**	**($12,244,000)**	**0.0**
Grand Total-$	**$132,150,000**	**163.7**	**$119,840,000**	**161.0**	**($12,310,000)**	**(2.7)**

For FY 2010, EHRI revolving fund resources are expected to increase significantly because implementation of electronic eOPFs for DOD and IRS is expected to occur.
For FY 2011, EHRI revolving fund resources decreased slightly. The funding will primarily be for the implementation of the DOD - U.S. Army.
The funds will cover the cost of scanning and digitizing a large number of personnel files, additional storage charges, and operations and maintenance

Office of the Chief Information Officer Salaries and Expenses– Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel Compensation	$772,000	$772,000	$0
Personnel Benefits	$182,000	$182,000	$0
Travel and Transportation of Persons	$8,000	$8,000	$0
Transportation of Things	$0	$0	$0
Communications, Utilities and Rent	$0	$0	$0
Printing and Reproduction	$1,000	$1,000	$0
Other Services	$34,000	$34,000	$0
Supplies and Materials	$2,000	$2,000	$0
Equipment	$1,000	$1,000	$0
Land and Structures	$0	$0	$0
Total Appropriated	**$1,000,000**	**$1,000,000**	**$ 0**
FTE	**12.0**	**12.0**	**0.0**

Office of the Chief Information Officer Multi Year Salaries and Expenses– Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel Compensation	$1,203,000	$0	($1,203,000)
Personnel Benefits	$299,000	$0	($299,000)
Travel and Transportation of Persons	$32,000	$0	($32,000)
Transportation of Things	$1,000	$0	($1,000)
Communications, Utilities and Rent	$410,000	$0	($410,000)
Printing and Reproduction	$0	$0	$0
Other Services	$5,277,000	$0	($5,277,000)
Supplies and Materials	$45,000	$0	($45,000)
Equipment	$5,000	$0	($5,000)
Land and Structures	$0	$0	$0
Total Appropriated	**$7,272,000**	**$0**	**($7,272,000)**
FTE	**9.0**	**0.0**	**(9.0)**

Office of the Chief Information Officer No Year Salaries and Expenses– Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel Compensation	$0	$1,273,000	$1,273,000
Personnel Benefits	$0	$319,000	$319,000
Travel and Transportation of Persons	$0	$32,000	$32,000
Transportation of Things	$0	$1,000	$1,000
Communications, Utilities and Rent	$0	$294,000	$294,000
Printing and Reproduction	$0	$0	$0
Other Services	$0	$5,449,000	$5,449,000
Supplies and Materials	$0	$42,000	$42,000
Equipment	$0	$10,000	$10,000
Land and Structures	$0	$0	$0
Total Appropriated	**$0**	**$7,420,000**	**$7,420,000**
FTE	**0.0**	**5.0**	**5.0**

Office of the Chief Information Officer Common Services– Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel Compensation	$9,639,000	$11,761,000	$2,122,000
Personnel Benefits	$2,522,000	$2,883,000	$361,000
Travel and Transportation of Persons	$174,000	$174,000	$0
Transportation of Things	$24,000	$24,000	$0
Communications, Utilities and Rent	$5,623,000	$5,724,000	$101,000
Printing and Reproduction	$16,000	$16,000	$0
Other Services	$13,054,000	$14,053,000	$999,000
Supplies and Materials	$179,000	$179,000	$0
Equipment	$2,882,000	$2,882,000	$0
Land and Structures	$0	$0	$0
Total Appropriated	**$34,113,000**	**$37,696,000**	**$3,583,000**
FTE	**116.3**	**116.3**	**0.0**

Office of the Chief Information Officer Trust Fund Annual – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$3,433,000	$3,857,000	$424,000
Personnel benefits	$834,000	$945,000	$111,000
Travel and transportation of persons	$5,000	$4,000	($1,000
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$62,000	$52,000	$0
Printing and reproduction	$0	$0	$0
Other services	$2,134,000	$3,315,000	$1,181,000
Supplies and materials	$23,000	$21,000	($2,000)
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total	**$6,491,000**	**$8,194,000**	**$1,703,000**
FTE	**28.8**	**28.8**	**0.0**

Office of the Chief Information Officer Trust Fund Multi Year – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$0	$0	$0
Personnel benefits	$0	$0	$0
Travel and transportation of persons	$0	$0	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$0	$0	$0
Printing and reproduction	$0	$0	$0
Other services	$4,000,000	$0	($4,000,000)
Supplies and materials	$0	$0	0
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total	**$4,000,000**	**$0**	**($4,000,000)**
FTE	**2.7**	**0.0**	**0.0**

Office of the Chief Financial Officer (OCFO)

The Office of the Chief Financial Officer provides OPM offices with a full range of financial management and budget services, which includes financial performance measurement and evaluation; oversight of internal controls and risk assessments; budget and performance planning and reporting; and coordination and implementation. OPM requests **$44,108,000** and **126.0 FTE** for OCFO, composed of **$23,688,000** and **77.0 FTE** in Common Services, **$10,925,000** and **49.0 FTE** in Trust Fund Annual resources, and **$9,495,000** in Trust Fund no year resources for CBIS.

OPM's ability to achieve its mission depends heavily on the ability of its decision makers and program managers to make fact-based and timely decisions. A key enabling investment occurred in early FY 2010 with the implementation of a new core financial management system, the Consolidated Business Information System (CBIS) which was designed to integrate, standardize and improve OPM's financial operations and processes. The full implementation of CBIS will happen over multiple years and two Phases. Phase I began in October 2009 addressing OPM's Salary and Expense (S&E) and Revolving Fund (RF) processes related to OPM's administrative operations. Phase II addresses the Trust Fund processes and is planned for fiscal year 2011. In Phase 2, OPM's Federal Financial System (FFS) will be replaced and trust fund accounting operations will be transitioned to CBIS, resulting in a single integrated system that supports the general funds, the revolving fund, reimbursable agreements, and the trust funds.

OPM continues to make progress in developing an independent research and evaluation capability to assess and evaluate agency programs and initiatives. Over the last several years, OPM has sponsored its own formative evaluations, literature reviews, and management effectiveness evaluations. OPM program evaluations to date are good formative studies and have focused on evaluating program effectiveness and quality diagnostics. In addition, OPM management has welcomed audits and evaluations conducted by the Office of Inspector General, the Government Accountability Office, and independent contractors and used these findings to improve program performance.

Office of Chief Financial Officer Resource Summary (includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Common Services	$22,722,000	77.0	$23,688,000	77.0	$966,000	0.0
Trust Fund - Annual	$10,140,000	49.0	$10,925,000	49.0	$785,000	0.0
Trust Fund – Multi-year	$9,300,000	0.0	$0	0.0	($9,300,000)	0.0
Trust Fund – No-year	$0	0.0	$9,495,000	0.0	$9,495,000	0.0
Total Appropriated	**$42,162,000**	**126.0**	**$44,108,000**	**126.0**	**$1,946,000**	**0.0**
Revolving Fund	$1,773,000	10.0	$3,924,000	12.0	$2,151,000	2.0
Total	**$43,935,000**	**136.0**	**$48,032,000**	**138.0**	**$4,097,000**	**2.0**

Office of Chief Financial Officer Common Services – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$8,418,000	$9,305,000	$887,000
Personnel benefits	$2,048,000	$2,137,000	$89,000
Travel and transportation of persons	$36,000	$36,000	$0
Transportation of things	$3,000	$3,000	$0
Communications, utilities, and rent	$40,000	$40,000	$0
Printing and reproduction	$117,000	$117,000	$0
Other services	$11,981,000	$11,971,000	($10,000)
Supplies and materials	$60,000	$60,000	$0
Equipment	$19,000	$19,000	$0
Land and structures	$0	$0	$0
Total	**$22,722,000**	**$23,688,000**	**$966,000**
FTE	**77.0**	**77.0**	**0.0**

Office of Chief Financial Officer Trust Fund Annual – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$3,715,000	$3,990,000	$188,000
Personnel benefits	$1,053,000	$1,072,000	($42,000)
Travel and transportation of persons	$5,000	$5,000	$0
Transportation of things	$3,000	$11,000	$8,000
Communications, utilities, and rent	$5,000	$6,000	$1,000
Printing and reproduction	$0	$13,000	$0
Other services	$5,114,000	$5,891,000	$ 777,000
Supplies and materials	$34,000	$44,000	$10,000
Equipment	$11,000	$41,000	$30,000
Land and structures	$0	$0	$0
Total	**$10,140,000**	**$10,925,000**	**$785,000**
FTE	**49.0**	**49.0**	**0.0**

Office of Chief Financial Officer Trust Fund No-year – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$0	$0	$0
Personnel benefits	$0	$0	$0
Travel and transportation of persons	$0	$0	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$0	$0	$0
Printing and reproduction	$0	$0	$0
Other services	$0	$9,495,000	$9,495,000
Supplies and materials	$0	$0	$0
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total	**$0**	**$9,495,000**	**$9,495,000**
FTE	**0.0**	**0.0**	**0.0**

Office of Chief Financial Officer Trust Fund Multi-year – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$0	$0	$0
Personnel benefits	$0	$0	$0
Travel and transportation of persons	$0	$0	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$0	$0	$0
Printing and reproduction	$0	$0	$0
Other services	$9,300,000	$0	($9,300,000)
Supplies and materials	$0	$0	$0
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total	**$9,300,000**	**$0**	**($9,3000,000)**
FTE	**0.0**	**0.0**	**0.0**

Strategic Goal 3: *Expect the Best*

Financial Services

The Office of the Chief Financial Officer (OCFO) manages and oversees OPM accounting, billing, vendor payments, budget, strategic planning, performance, program evaluation, financial systems, risk management, internal control and financial policy functions which enable the Agency to achieve its mission. Together, our programs ensure timely and accurate financial reports that improve decision making and are compliant with Federal requirements and demonstrate effective management of taxpayer dollars. OCFO is comprised of the following subcomponents: Financial Services, Budget and Performance, Financial Systems, and Policy & Internal Control.

Financial Services manages financial and accounting operations and reporting functions for all OPM programs, including retirement and insurance fund programs. Shared Services Group manages accounts payable and disbursement activities for OPM organizations that are funded through Salaries and Expenses (S&E) and Common Services funds. Additionally, the Shared Services Group manages payroll, travel, fair subsidy and other related administrative accounting processing activities for OPM. The Reimbursable Business Operations Group provides a full range of financial management services and reports to OPM program offices that supply Federal agencies with human resource products and services on a reimbursable basis. The Trust Funds Group is responsible for administering accounting functions for the four major benefits programs: Retirement and Disability Program; Federal Employees' Health Benefits Program; Retired Employees' Health Benefits Program; and Federal Employees' Life Insurance Program. The Cost Accounting and Analysis Group manages the development and implementation of OPM's Activity Based Cost Accounting system, assisting OPM managers with obtaining timely relevant labor and costing information for decision-making and day-to-day management of their operations. The Financial Reporting and Analysis Group prepares and coordinates the various monthly, quarterly, annual and special financial reports required by Federal statutes and regulations.

Budget and Performance oversees OPM wide budgetary functions, performance measurement and reporting, the development of Strategic Plan, and corporate program evaluation/research agenda for the

agency. The Budget Group has responsibility for budget formulation and execution activities. The Program Performance and Evaluation Group works jointly with the Budget Group to ensure integration of performance matrices and requirements.

Financial Systems Management leads and coordinates all processes and activities to modernize financial systems and reengineer business processes to meet OPM's financial management responsibilities, within budget, and in accordance with customers' requirements, internal policies and procedures and applicable laws and regulations as defined by the central regulatory agencies. Financial Applications Management oversees daily operation and maintenance of all OPM financial management systems which are designed to monitor, reconcile, and report funding for programs which OPM has legislative oversight. The Systems Planning and Development Group is responsible for managing the deployment of OPM's Consolidated Business Information System (CBIS) and the planning and development of all new and revised financial systems and subsystems.

Policy and Internal Control is responsible for managing OCFO and OPM financial management policy, internal controls, risk management, and for conducting special analyses and projects directed by the CFO and Deputy CFO.

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

To help address the challenge of implementing and maintaining its financial management systems, OPM is guided by the Federal Financial Management Improvement Act of 1996 (FFMIA), the Chief Financial Officers (CFO) Act, and OMB's Financial Management Line of Business (FMLoB) Migration Planning Guidance. In addition, these systems must comply substantially with (1) Federal financial management systems requirements, (2) Federal accounting standards, and (3) the U.S. Government Standard General Ledger at the transaction level. OPM is investing and implementing CBIS. CBIS is a Financial Systems Integration Office (FSIO) certified Commercial Off-The-Shelf (COTS) technology to address regulatory and compliance deficiencies.

Building on previously completed management assessment of OPM independent research and evaluation capability, OCFO will continue evaluation of select program areas OPM programs. The evaluations will permit program and organizational leadership to determine the extent programs achieve their intended objectives and make program design or budgetary decisions based upon sufficiently rigorous, comprehensive, unbiased and regular information. The expected outcome of OPM's evaluation activities is for leaders and program managers to better use objective measurement and systematic analysis to determine the extent programs achieve their intended objectives. Implementing a systemic strategy will help determine whether OPM programs contribute specific benefits and directly translate to desired program impact. This approach will ensure development of decision making analytics to enable compare whether program alternative investments contribute toward the desired benefits.

In addition to the CBIS Project and Program Evaluation, OCFO will continue efforts to implement a robust cost accounting system. Recently, OCFO established an activity-based labor reporting system which provides detailed labor cost information to program managers. The system, based on OPM's new activity-based labor coding structure, is aligned with OPM strategic objectives and tracks labor costs associated with key business processes and projects. Further activities planned in FY 2011 fully support the agency's financial information and budget planning needs.

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
OPM is a model of performance for other Federal agencies	Independent auditors' opinion on annual financial statements	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	Number of financial material weaknesses	0	0	0	0	0
	Percentages of payments within Prompt Pay Act guidelines	99.9%	99.9%	98.0%	98.0%	98.0%

	Budgetary Resources					
		FY 2010 Enacted		FY 2011 Request		FY 2010-2011 Variance	
Fund		$	FTE	$	FTE	$	FTE
Common Services		$22,722,000	77.0	$23,688,000	77.0	$966,000	0.0
Trust Fund Annual		$10,140,000	49.9	$10,925,000	49.0	$785,000	0.0
Trust Fund – No-year		$0	0.0	$9,495,000	0.0	$9,495,000	0.0
Trust Fund – Multi-year		$9,300,000	0.0	$0	0.0	($9,300,000)	0.0
Revolving Fund		$1,773,000	10.0	$3,924,000	12.0	$2,151,000	2.0
Total Program Resources		$43,935,000	136.0	$48,032,000	138.0	$4,097,000	2.0

Consolidated Business Information System (CBIS)

The CBIS implementation is critical to OPM's continued ability to produce timely annual financial statements, receive an unqualified audit opinion from independent auditors, maintain our financial systems free of material weaknesses, ensure compliance with guidelines for the Prompt Pay and Improper Payment Information Acts, address the fundamental deficiencies inherent in the current systems and processes, and provide financial information to OPM program offices to support their efforts in achieving strategic goals.

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

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

2011 Issues and Challenges

During FY 2011, OPM's Federal Financial System (FFS) will be replaced by integrating trust fund accounting processes to the new system that was implemented in Phase 1, resulting in a single integrated system that supports the general funds, the revolving fund, reimbursable agreements, and the trust funds. The integration of trust fund accounting activities into CBIS are challenging due to the dollars and receipts associated with withholdings and contributions for retirement, health benefits and life insurance benefits for Federal employees and retirees and the complexity of investments that OPM manages.

Executive Services

Executive services include executive direction and leadership, legal advice and representation, public affairs, legislative liaison, equal employment opportunity management, contracting and administrative management, and security and emergency services, planning and policy analysis and rent and centrally funded items.

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

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

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

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$13,680,000	0.0	$13,877,000	0.0	$197,000	0.0
Advance & Reimbursement	$821,000	1.5	$860,000	1.5	$39,000	0.0
Common Services	$15,601,000	112.8	$20,104,000	112.8	$4,503,000	0.0
Trust Fund Annual	$12,104,000	0.0	$12,588,000	0.0	$484,000	0.0
Total Appropriated	**$42,206,000**	**114.3**	**$47,429,000**	**114.3**	**$5,223,000**	**0.0**
Revolving Fund	$439,000	2.9	$531,000	2.9	$92,000	0.0
Total Non-Appropriated	**$439,000**	**2.9**	**$531,000**	**2.9**	**$92,000**	**0.0**
Total	**$42,645,000**	**117.2**	**$47,960,000**	**117.2**	**$8,762,000**	**0.5**

Executive Services Salaries and Expenses – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2009–10 Variance
Personnel Compensation	$0	$0	$0
Personnel Benefits	$0	$0	$0
Travel and Transportation of Persons	$0	$0	$0
Transportation of Things	$0	$0	$0
Communications, Utilities and Rent	$13,680,000	$13,877,000	$13,877,000
Printing and Reproduction	$0	$0	$0
Other Services	$0	$0	$0
Supplies and Materials	$0	$0	$0
Equipment	$0	$0	$0
Land and Structures	$0	$0	$0
Total	**$13,680,000**	**$13,877,000**	**$13,877,000**
FTE	**0.0**	**0.0**	**0.0**

Executive Services Common Services – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$11,143,000	13,819,000	$2,676,000
Personnel benefits	2,845,000	3,510,000	$665,000
Travel and transportation of persons	105,000	144,000	$39,000
Transportation of things	5,000	4,000	($1,000)
Communications, utilities, and rent	249,000	308,000	$59,000
Printing and reproduction	100,000	121,000	$21,000
Other services	746,000	1,667,000	$921,000
Supplies and materials	135,000	190,000	$55,000
Equipment	273,000	341,000	$68,000
Land and structures	-	-	$0
Total	**$15,601,000**	**$20,104,000**	**$4,503,000**
FTE	**112.8**	**112.8**	**0**

Executive Services Trust Fund – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$0	$0	$0
Personnel benefits	$0	$0	$0
Travel and transportation of persons	$0	$0	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$12,100,000	$12,588,000	$488,000
Printing and reproduction	$0	$0	$0
Other services	$4,000	$0	($4,000)
Supplies and materials	$0	$0	$0
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total	**$12,104,000**	**$12,588,000**	**$484,000**
FTE	**0.0**	**0.0**	**0.0**

Strategic Goal 3: *Expect the Best*

Program: Office of the Director (OD)

The Office of the Director provides guidance, leadership and direction necessary to make the Federal Government the model employer in the United States, and OPM its model agency. OD looks to provide increased oversight concerning Civil Service Hiring Reform, Retirement Stabilization, Wellness and Work Life, and Reorientation of FEHBP management.

OD will continue to lead the Federal agency's response to pandemic threats that face the nation. To assist agencies in making sure they are able to fulfill their missions, while at the same time, preparing and protecting the Federal workforce, OPM provides policies on leave, pay, hiring, alternative work arrangements and other critical human resources issues, which agencies can use should a pandemic influenza outbreak occurs.

Budgetary Resources					
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance
Fund	$	FTE	$	FTE	$	FTE
OD Common Services	$2,267,000	16.1	$4,927,000	16.1	$2,660,000	0.0
Total Program Resources	**$2,267,000**	**16.1**	**$4,927,000**	**16.1**	**$2,660,000**	**0.0**

Program Executive Secretariat & Ombudsman

The Office of the Executive Secretariat and Ombudsman (ESO) is responsible for the administrative management and support of the Office of the Director, including coordination and review of agency correspondence, policy and program proposals, regulations and legislation. ESO is also responsible for the Agency Ombudsman function to provide a neutral, independent and confidential resource for customers and employees of the Agency to raise issues of concern or complaints that their requests are not being addressed in a timely manner. In addition, ESO coordinates the OPM international affairs activities and contacts.

Budgetary Resources					
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance
Fund	$	FTE	$	FTE	$	FTE
ESO Common Services	$1,502,000	14.0	$ 1,538,000	14.0	$ 36,000	0.0
Total Program Resources	**$1,502,000**	**14.0**	**$ 1,538,000**	**14.0**	**$ 36,000**	**0.0**

Program Chief Human Capital Officers Council

Chief Human Capital Officers Council advices and coordinates the activities of members' agencies on such matters as the modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations.

Budgetary Resources					
	FY 2009 Enacted		FY 2011 Enacted		FY 2010–11 Variance
Fund	$	FTE	$	FTE	$	FTE
CHCO Advance & Reimbursement	$821,000	1.5	$860,000	1.5	$39,000	0.0
Total Program Resources	**$821,000**	**1.5**	**$860,000**	**1.5**	**$39,000**	**0.0**

Program: Office of Communications and Public Liaison (OCPL)

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

OPM's FY 2010-2015 Strategic Plan will fully inform OPM employees, Federal Agencies, Congress and other stakeholders of the agency plan to achieve OPM's mission: to Recruit and Retain a World-Class

Workforce to Serve the American People. OCPL will also promote the efforts of OPM to ensure the Federal Government becomes America's Model Employer in the 21st Century.

During FY 2010, OCPL will continue to support the President's commitment of transparency in the Federal Government by making information related to its policies and services available to external audiences. Additionally, OCPL will continue adding current and historical programmatic information to its electronic repositories making a vast amount of information about OPM programs easily accessible to all OPM employees. In FY 2011, OPM will improve the management of its external and internal websites by establishing a directory of its website and catalog the contents of all pages on its external website: www.opm.gov.

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
OCPL Common Services	$2,284,000	17.6	$2,370,000	17.6	$86,000	0.0
Total Program Resources	$2,284,000	17.6	$2,370,000	17.6	$86,000	0.0

Program: Office of Congressional and Legislative Affairs (OCLA)

OCLA will continue to work with Congressional committees on OPM's legislative agenda, with special emphasis on proposals for Civil Service Hiring Reform, increased Human Resources authority for Federal agencies during a Pandemic Health crisis, Benefits for Domestic Partners of Federal Employees, Short-Term Disability Insurance for Federal Employees, and Annuitant Reemployment. OPM strives to ensure that Federal Executive Boards are better equipped to deal with all emergency situations. OCLA continues to convert its records to an electronic format, thereby securing historical policy knowledge.   OCLA has three subcomponents: Congressional Liaison Group (CLG), Legislative Analysis Group (LAG) and Constituent Services Group (CSG)

CLG serves as OPM's principal interface with Congressional committees and members of Congress. CLG is also the Agency's congressional and legislative liaison with the While House and the Office of Management and Budget. LAG reviews and prepares legislative documents and congressional testimony. LAG is also responsible for the clearance of testimony, congressional reports, questions for the record and other materials. Lastly, CSG provides services to members of Congress, active and retired Federal employees with questions about retirement, health care and other OPM programs and policies.

Budgetary Resources						
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Fund	$	$	$	FTE	$	FTE
OCLA Common Services	$2,001,000	14.0	$2,860,000	14.0	$859,000	0.0
Total Program Resources	$2,001,000	14.0	$2,860,000	14.0	$859,000	0.0

Program: Office of General Counsel

The Office of the General Counsel (OGC) provides expert advisory and legal representation to the Director, Deputy Director, and OPM officials. OGC provides legal advice, assistance, and expertise, to officials of the Administration, to the Department of Justice (DOJ) when representing our interests in Federal courts, and to other Government agencies in carrying out their civil service responsibilities. OGC also provides civil service related legal assistance to annuitants, beneficiaries and members of the public, as needed, so that we can fairly and professional service the American people.

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Enacted		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
OGC Common Services	$5,159,000	31.0	$5,897,000	34.0	$738,000	3.0
Revolving Fund	$300,000	2.0	$383,000	2.0	$83,000	0.0
Total Program Resources	**$5,459,000**	**33.0**	**$6,280,000**	**36.0**	**$821,000**	**3.0**

Program: Office of Internal Oversight and Compliance

The Office of Internal Oversight and Compliance (IOC) proactively provides internal oversight while holding OPM officials accountable for operating effectively and efficiently in accordance with applicable policy, regulations and other criteria as further defined by the Director of OPM.

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
IOC Common Services	$1,496,000	10.0	$1,532,000	10.0	$36,000	0.0
Total Program Resources	**$1,496,000**	**10.0**	**$1,532,000**	**10.0**	**$36,000**	**0.0**

Program: Office of Equal Employment Opportunity

OPM's Equal Employment Opportunity office's provides a fair, legally-correct and expedient EEO complaints process; prepares and issues all internal EEO Complains Processing Reports and Diversity Reports required of OPM; designs and implements all required Special Observance and Special Emphasis initiatives, to promote diversity management; and Supports Human Capital Management through the delivery of policy, guidance, environmental assessment and training.

During FY 2011, EEO will continue to provide anti-harassment training, complete diversity and EEO reports, investigate EEO complaints, administer updated No FEAR Act training, and implement Management Directive 715 training program.

	Budgetary Resources					130
	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
Fund	$	FTE	$	FTE	$	FTE
OEEO Common Services	$892,000	8.1	$980,000	8.1	$88,000	0.0
Revolving Fund	$139,000	0.9	$142,000	0.9	$3,000	0.0
Total Program Resources	**$1,031,000**	**9.0**	**$1,122,000**	**9.0**	**$91,000**	**0.0**

Office of the Inspector General (OIG)

FY 2011 Congressional Budget Justification Narrative

The OPM's Office of the Inspector General (OIG) is requesting **$22,564,000** for its fiscal year (FY) 2011 budget. Our request is composed of **$2,136,000** from the General Fund and **$20,428,000** from the OPM Trust Fund. This request is **($1,799,000)** below the FY 2010 enacted level of $24,363,000. The request amount will permit the OIG to continue audit and investigative oversight of the FEHBP, including FEHBP plans and pharmacy benefit managers; Civil Service Retirement/Federal Employees Retirement System programs and operations; and carrier information systems. This request level will require some reduction of our current level of oversight in these areas. Our request does not include funding for the oversight of other significant OPM programs, including the Revolving Fund programs as well as new initiatives requested by OPM in their FY 2011 budget request.

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Comments from the
Honorable Patrick E. McFarland, Inspector General
U.S. Office of Personnel Management
on the FY 2011 Proposed Funding Level

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Under the provisions of section 6(f)(3)(E) of the Inspector General Act of 1978, as amended, the Inspector General has provided the following comments regarding the fiscal year (FY) 2011 funding level proposed for his office:

> *The funding level contained in the FY 2011 proposed budget for the U.S. Office of Personnel Management (OPM), Office of the Inspector General, represents a reduction of $1,799,000 and 7.38 percent from the FY 2010 level enacted by the Congress. It eliminates all of this office's funding that was designated to support its audit and investigative oversight of OPM's Revolving Fund activities. These reductions thwart the Office of the Inspector General from exercising its statutory duties and responsibilities for audit and investigative oversight of all OPM programs, including the Trust Fund benefit programs.*

> *The Revolving Fund programs represent the human resources management services that OPM performs for other agencies, including recruitment and examining, training, human resources advisory and consulting services, and personnel background investigations. They are projected to expend $1.7 billion in FY 2011, which is more than all other direct OPM program expenditures combined. Similarly, the organizational elements that carry out the Revolving Fund programs constitute the largest components, in terms of numbers of staff, within OPM. Prior audits and investigations have revealed that each of the Revolving Fund activities is vulnerable to fraud, waste, and abuse. Because they are charged to other Federal agencies, improper costs created by such vulnerabilities have a Government-wide impact. Further, well-documented studies have identified persistent shortcomings in addressing falsification and fabrication of background investigations by background investigators. OPM-produced background investigations are used as a basis for adjudicating suitability of persons for Federal employment and for security clearances. Thus, falsified or fabricated background investigations pose a serious risk to*

the national security, through which unsuitable persons may be granted access to Federal employment, facilities and classified information.

The budget proposed by the President for the Office of the Inspector General effectively removes the resources necessary for our office to combat fraud, waste, and abuse with respect to the significant array of large Government-wide Revolving Fund programs. This not only places critical Government interests at risk, but also substantially inhibits the Office of the Inspector General in carrying out its statutory duties and responsibilities.

Program Overview

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

The IG Act requires that each OIG:

. Conduct and supervise independent and objective audits and investigations relating to agency programs and operations;

Promote economy, effectiveness, and efficiency within the agency;

. Prevent and detect fraud, waste, and abuse in agency programs and operations;

. Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations; and

. Keep the agency head and Congress fully and currently informed of problems in agency programs and operations.

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

Specific activities include:

Audits

Experience-Rated Federal Employees Health Benefits Program (FEHBP) Audits. Conduct audits of experience-rated health plans (fee-for-service, with the most popular being the various Blue Cross and Blue Shield plans) participating in the Federal Employees Health Benefits Program. The universe of experience-rated plans currently consists of approximately 100 audit sites. When auditing these plans, the focus is generally on three key areas: the legitimacy of contract charges and the recovery of appropriate credits, including refunds; the effectiveness of carriers' claims processing, financial, and cost accounting systems; and the adequacy of internal controls to ensure proper contract charges and benefit payments.

Community-Rated FEHBP Audits. Conduct audits of community-rated health plans (comprehensive medical plans, commonly referred to as health maintenance organizations [HMOs]) participating in the FEHBP. The community-rated HMO audit universe covers

approximately 180 rating areas. Audits of these plans are designed to ensure the plans assess the appropriate premium rates in accordance with their respective FEHBP contracts and applicable Federal regulations.

Pharmacy Benefit Manager (PBM) Audits. Pharmaceutical-related expenditures comprise approximately 26 percent of all FEHBP costs, most of them handled through third-party PBMs. The OIG conducts a series of audits that deal directly with PBMs. Based on experience and results to date, these audits will identify significant findings related to the handling of the complex series of refunds, rebates, credits, and incentives that characterize the relationships among pharmaceutical manufacturers, PBMs, health insurance carriers, and the FEHBP.

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

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

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

Information Systems Audits. Information systems audits are conducted of health and life insurance carriers that participate in the FEHBP and the Federal Employees Group Life Insurance Program. The agency's computer systems development and management activities are also audited. These audits cover both general controls (the policies and procedures that apply to an entity's overall computing environment) and application controls (those directly related to individual computer applications).

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

Investigations

FEHBP Investigations. The OIG investigates potential fraud committed against the Federal Employees Health Benefits Program. Much of this work is coordinated with the Department of Justice, the Federal Bureau of Investigation, and other Federal, state, and local law enforcement agencies. In addition, OIG special agents work closely with the numerous health insurance

carriers participating in the FEHBP, providing an effective means for reporting instances of possible fraud by FEHBP health care providers and subscribers.

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

Revolving Fund Investigations. The Revolving Fund (RF) programs are the most rapidly growing OPM component and employ the majority of OPM employees. OPM projects RF expenditures of $1.734 in FY 2011. For the Federal background investigation portion of the RF, the risks are inherent in a widely dispersed program where much of the work is performed by background investigators in a setting where they are not directly subject to face-to-face supervision, but whose work product is relied upon as the basis for crucial Governmental decisions. The vulnerabilities of the background investigations program lie not only in the fact that fraudulent, falsified, incomplete, or incorrect background investigations represent a poor quality work product, but rather that they may render the national security vulnerable by allowing the employment of unsuitable persons or the granting of security clearances to individuals who would compromise the national security of the United States.

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

Administrative Sanctions

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

Office of the Inspector General Resource Summary (includes all resources)

Budgetary Resources	FY 2010 Enacted		FY 2011 Request		FY 2010–11 Variance	
	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$3,148,000	19.0	$2,136,000	19.0	($1,012,000)	0.0
Trust Fund Annual	$21,215,000	128.0	$20,428,000	128.0	($787,000)	0.0
Total Appropriated	**$24,363,000**	**147.0**	**$22,564,000**	**147.0**	**($1,799,000)**	**0.0**

Office of the Inspector General Salaries and Expenses – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$2,000,000	$1,334,000	($666,000)
Personnel benefits	$500,000	$305,000	($195,000)
Travel and transportation of persons	$150,000	$40,000	($110,000)
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$228,000	$228,000	$0
Printing and reproduction	$0	$0	$0
Other services	$200,000	$200,000	$0
Supplies and materials	$0	$19,000	$19,000
Equipment	$60,000	$10,000	($50,000)
Land and structures	$10,000	$0	($10,000)
Total	**$3,148,000**	**$2,136,000**	**($1,012,000)**
FTE	**19.0**	**19.0**	**0**

Office of the Inspector General Trust Fund – Obligations by Object Class

Object Class	FY 2010 Enacted	FY 2011 Request	FY 2010–11 Variance
Personnel compensation	$14,495,000	$13,870,000	($625,000)
Personnel benefits	$3,000,000	$2,908,000	($92,000)
Travel and transportation of persons	$800,000	$770,000	($30,000)
Transportation of things	$20,000	$20,000	$0
Communications, utilities, and rent	$1,600,000	$1,600,000	$0
Printing and reproduction	$20,000	$20,000	$0
Other services	$1,000,000	$1,000,000	$0
Supplies and materials	$180,000	$150,000	($30,000)
Equipment	$100,000	$90,000	($10,000)
Land and structures	$0	$0	$0
Total	**$21,215,000**	**$20,428,000**	**($787,000)**
FTE	**128.0**	**128.0**	**0.0**

Office of the Inspector General Objectives

Program: Office of the Inspector General, Oversight

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
OPM is a model of performance for other Federal agencies	Return on investment	$7.3	$6	$6	$6	$6
	Carrier audit cycle (years)	5.0	5.0	4.0	4.0	4.0
	FEHBP audit recovery rate	86%	90%	90%	90%	90%
	Positive financial impact	$186.3M	$103.0M	$123.0M*	$123.0M*	$131.0M*

Budgetary Resources						
		FY 2010 Enacted		FY 2011 Requested		FY 2011-11 Variance	
Fund		$	FTE	$	FTE	$	FTE
OIG Salaries & Expenses		$2,898,000	18.0	$1,500,000	18.0	($1,398,000)	0.0
OIG Trust Funds Annual		$14,850,500	87.0	$14,299,600	87.0	($550,900)	0.0
Total Program Resources		$17,748,500	105.0	$15,799,600	105.0	($1,948,900)	0.0

- * The positive financial impact is calculated based on the average of the previous five years' actual results.
- ** Enacted level was as of March 2009

Office of the Inspector General

Program Outcome	Performance Measures	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target
OPM is a model of performance for other Federal agencies	Number of arrests	46	45	50	60	65
	Number of indictments	66	45	50	60	65
	Number of convictions	50	45	50	60	65
	Number of debarments and suspensions	900	900	900	1,100	1,100
	Number of administrative sanction actions based on investigative referrals	(100)	(100)	(100)	(200)	(200)
	Number of e-debarments	(50)	(50)	(50)	(100)	(100)
	Number of administrative sanction actions based on HHS action	(750)	(750)	(750)	(800)	(800)
	Number of administrative sanction fact-finding hearings	3	3	3	4	4
	Number of debarment inquiry responses	2,800	2,800	2,800	2,800	2,800

Budgetary Resources						
		FY 2010 Enacted		FY 2011 Requested		FY 2010-11 Variance	
Fund		$	FTE	$	FTE	$	FTE
Salaries & Expenses		$250,000	2.0	$636,000	1.0	$386,000	1.0
OIG Trust Funds Annual		$6,364,500	40.0	$6,128,400	41.0	($236,100)	(1.0)
Total Program Resources		$6,614,500	42.0	$6,764,400	42.0	$149,900	0.0

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

Participation in Council of the Inspectors General on Integrity and Efficiency

Budget

Budget Source	FY 2010 Enacted		FY 2011 Request		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
OIG Salaries and Expenses	$5,126	0.0	$7,065	0.0	$1,939	0.0
OIG Trust Funds	$49,027	0.0	$63,576	0.0	$14,549	0.0
OIG Total	$54,153	0.0	$70,641	0.0	$16,488	0.0

Office of the Inspector General Training Resources

Budget

Budget Source	FY 2010 Enacted		FY 2011 Request		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
OIG Salaries and Expenses	$14,000	0.0	$37,000	0.0	$23,000	0.0
OIG Trust Funds	$200,000	0.0	$280,000	0.0	$80,000	0.0
OIG Total	$214,000	0.0	$317,000	0.0	$103,000	0.0

Part 4 – Additional Activities Supported by OPM

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

President's Commission on White House Fellows

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Requested		FY 2010-11 Variance	
Fund	$	FTE	$	FTE	$	FTE
WHF Salaries & Expenses	$845,000	5.0	$873,000	5.0	$28,000	0.0
Total Program Resources	$845,000	5.0	$873,000	5.0	$28,000	0.0

Executive Order 11181, as amended, established the President's Commission on White House Fellowships (WHF) to provide gifted and highly motivated Americans with firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of society. The Order also requires OPM to provide administrative assistance to the Commission.

A broad range of qualified applicants are attracted to the fellowship program in order to spread the benefits of this leadership development and public service opportunity to remarkable men and women of all backgrounds and professions throughout the U.S.

Voting Rights

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Requested		FY 2010-11 Variance	
Fund	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$630,000	5.0	$654,000	5.0	$24,000	0
Advances & Reimbursements	$1,300,000	10.0	$3,000,000	9.0	$1,700,000	1.0
Total Program Resources	**$1,930,000**	**15.0**	**$3,654,000**	**14.0**	**$1,724,000**	**1.0**

OPM will continue to manage and oversee the Voting Rights observers at the request of the U.S. Department of Justice (DOJ). The Voting Rights Program, as authorized by The Voting Rights Act of 1965, provides observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General. The Act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language. In addition, the Act defines language minorities as persons who are American Indian, Asian American, Alaskan Natives, or of Spanish heritage. In FY 2010 and FY 2011, OPM will continue deploying sufficient numbers of Federal Voting Rights observers to monitor polling sites at the request of DOJ throughout the year.

Prior to FY 2009, OPM used between $1.5 and $4M of S&E appropriations to fund all of its responsibilities under the Voting Rights Act of 1965, including the direct cost of deploying Federal observers and the indirect costs associated with program administration. Given that multiple external factors bear on DOJ's requests for observers and that funding requirements tend to be cyclical (with odd fiscal years typically being greater than even ones), a decision was made to shift the Program's funding in FY09. Starting in FY 2009, resources for voter observations have been included in DOJ appropriations. DOJ uses these resources to reimburse OPM for the direct costs associated with observations. Appropriations for OPM finance the program administration costs.

OPM has a cadre of trained voting rights observers who possess diverse language skills that can be called upon to meet the unique demographic needs of the observation sites requested by DOJ. In FY 2007, which included the general election in November 2006, OPM deployed 884 voting rights observers. In FY 2009, we deployed 800 observers. FY 2010 is an off-cycle year for this activity in that there is not a nationwide general election. We estimate that we will only deploy about 400 observers in FY 2010. However, we anticipate that we will deploy approximately 850 observers in FY 2011.

Federal Prevailing Rate Advisory Committee

	Budgetary Resources					
	FY 2010 Enacted		FY 2011 Requested		FY 2010-11 Variance	
Fund	$	FTE	$	FTE	$	FTE
FPRAC Salaries & Expenses	$239,000	1.0	$247,000	1.0	$8,000	0.0
Total Program Resources	**$239,000**	**1.0**	**$247,000**	**1.0**	**$8,000**	**0.0**

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

Part 5 – Payment Accounts

Payment Accounts[1]

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

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

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	FY 2010–11 Variance
Budget authority	$9,114	$9,526	$10,118	$592
Obligations	$9,114	$9,526	$10,118	$592
Outlays	$9,062	$9,501	$10,052	$551

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

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

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

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

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	FY 2010-11 Variance
Budget authority	$44	$47	$48	$1
Obligations	$44	$47	$48	$1
Outlays	$44	$47	$48	$1

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

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

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

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

	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	FY 2010–11 Variance
Budget authority	$31,422	$32,050	$33,150	$1,100
Obligations	$31,422	$32,050	$33,150	$1,100
Outlays	$31,422	$32,050	$33,150	$1,100

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

Current Appropriation

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

Permanent Indefinite Authorization

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

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

Detail of Payment Account (in millions)

	FY 2009 Actual	FY 2010 Estimate	FY 2010 Estimate	FY 2010–11 Variance
Current appropriation	$10,798	$10,768	$10,468	($300)
Permanent indefinite authorization	$20,624	$21,282	$22,682	$1,400
Total	**$31,422**	**$32,050**	**$33,150**	**$1,100**