United States Office of Personnel Management

Congressional Budget Justification Performance Budget

Fiscal Year 2012

CBJ Submission
February 2011

Contents

Abbreviations

Abbreviation	Description
3Rs	Recruitment, Relocation and Retention
ACA	Patient Protection and Affordable Care Act
ALJ	Administrative Law Judges
AMIS	Acquisition Management Information System
APR	Agency Program Review
APS	Alternative Personnel Systems
ARC	Automated Record Checks
BFE	Budget Formulation and Execution
BS	Benefits Systems
CAP	Computer/Electronic Accommodations Program
CBIS	Consolidated Business Information System
CBP	Center for Budget and Performance
CFC	Combined Federal Campaign
CFI	Centrally Funded Items
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officers
CIO	Chief Information Officer
CL	Congressional Liaison
CLA	Congressional and Legislative Affairs
CMSA	Center for Merit System Accountability
COG	Continuity of Government
COLA	Cost-of-living Adjustment
COOP	Continuity of Operations Program
COTS	Commercial Off-the-Shelf
CPL	Communications and Public Liaison
CR	Continuing Resolution
CS	Constituent Services
CSEA	Center for Security and Emergency Actions
CSRDF	Civil Service Retirement and Disability Fund
CSRS	Civil Service Retirement System
CVS	Clearance Verification System
DCW	Dual Comp Waivers
DEU	Delegated Examining Unit
DHA	Direct Hire Authority
DOD	Department of Defense
DOJ	Department of Justice
DSS	Defense Security Service (Department of Defense)
E2E	End-To-End Hiring Process
EAP	Employee Assistance Program
EDMS	Electronic Document Management System
EEO	Equal Employment Opportunity
e-Gov	Electronic Government
EHRI	Enterprise Human Resources Integration
EISA	Energy Independence and Security Act
ELR	Employee and Labor Relations
EO	Executive Order

Abbreviation	Description
eOPFs	Electronic Official Personnel Folders
e-QIP	Electronic Questionnaires for Investigations Processing
ERED	Executive Resources and Employee Development
ERMG	Executive Resource Management Group
ES	Employee Services
ESO	Executive Secretariat & Ombudsman
EVM	Earned Value Management
FCAT	Federal Competency Assessment Tool
FEA	Federal Enterprise Architecture
FEB	Federal Executive Boards
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees Group Life Insurance
FEHBP	Federal Employees Health Benefits Program
FEIO	Federal Employee Insurance Operations
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FFS	Federal Financial System
FIS	Federal Investigative Services
FLIS	Federal Labor Information System
FLRA	Federal Labor Relations Authority
FLTCIP	Federal Long-Term Care Insurance Program
FMLoB	Financial Management Line of Business
FOIA	Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FSA	Flexible Spending Account
FSAFEDS	Flexible Savings Account Program
FSC	Facilities Security & Contracting
FSIO	Financial Systems Integration Office
FTE	Full-time Equivalent
FY	Fiscal Year
GFIS	Government Financial Information System
GPO	Government Printing Office
GSA	General Services Administration
HBCU	Historically Black Colleges and Universities
HCAAF	Human Capital Assessment and Accountability Framework
HCMR	Human Capital Management Report
HHS	Health and Human Services
HI	Healthcare & Insurance
HMO	Health Maintenance Organization
HPDI	HEALTHCARE Program Development and Implementation
HR	Human Resources
HR LOB	Human Resources Line of Business
HRA	Health Risk Appraisal
HRS	Human Resources Solutions
HSPD	Homeland Security Presidential Directive
IDP	Individual Development Plan
IHCIREA	Indian Health Care Improvement Reauthorization and Extension Act

Abbreviation	Description
IOC	Office of Internal Oversight & Compliance
IPA	Intergovernmental Personnel Act
IRTPA	Intelligence Reform and Terrorism Prevention Act
IT	Information Technology
JOA	Job Opportunity Announcement
LA	Legislative Analysis
LAIRS	Labor Agreement Information Retrieval System
LAS	Legal Administrative Specialist
LEAD	Leadership Education and Development
LFCC	Local Federal Coordinating Committee
LMR	Labor Management Relations
LMS	Learning Management System
LOB	Line of Business
LTC	Long Term Care
LTMS	Leadership Talent Management Solutions
MAX HS DB	MAX Homeland Security Database
MSAC	Merit System Audit & Compliance
MSPB	Merit Systems Protection Board
NARA	National Archives and Records Administration
NSPS	National Security Personnel System
O&M	Operations and Maintenance
OASDI	Old Age, Survivors and Disability Insurance
OD	Office of the Director
OEP	OPM Emergency Planning
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSDBU	Office of Small and Disadvantaged Business Utilization
P&L	Pay and Leave
P.L.	Public Law
PAAT	Performance Assessment Accountability Tool
PALT	Procurement Action Lead Times
PASP	Program Assessment and Special Programs
PBM	Pharmacy Benefits Managers
PCFO	Principal Combined Fund Organization
PCIP	Pre-existing Condition Insurance Plan
PD	Procurement Desktop
PDS	Professional Development Series
PII	Personally Identifiable Information
PIPS	Personnel Investigations Processing System
PLR	Partnership and Labor Relations
PMF	Presidential Management Fellows
PMP	Planning and Measurement Program
PPA	Planning and Policy Analysis
R&D	Research & Development
RAPS	Retirement Application Processing Seminar
RD	Recruitment Office

Abbreviation	Description
RF	Revolving Fund
RIF	Reduction in Force
ROI	Return on Investment
ROWE	Result Only Work Environment
RS	Retirement Services
RSM	Retirement Systems Modernization
S&E	Salaries & Expenses
SCI	Sensitive Compartmented Information
SES	Senior Executive Service
SL	Senior Leader
SSC	Shared Service Centers
SSM	Systems/Standards/Metrics
ST	Scientific and Technical
TMA	Training and Management Assistance
TMO	Telework Manager Officer
TRB	Theodore Roosevelt Building
USERRA	Uniformed Services Employment and Reemployment Rights Act
VoIP	Voice over Internet Protocol
VR	Voting Rights
WHF	White House Fellowship

Part 1 – Executive Summary

OPM Financial Summary– (dollars)

Fund	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Request
Discretionary Appropriations			
Salaries & Expenses	$102,971,000	$102,971,000	$100,027,000
Trust Fund Limitation	$112,737,000	$112,737,000	$132,523,000
Salaries & Expenses Total	**$215,708,000**	**$215,708,000**	**$232,550,000**
OIG Salaries & Expenses	$3,148,000	$3,148,000	$3,804,000
OIG Trust Fund Transfer Limitation	$21,215,000	$21,215,000	$21,559,000
OIG total	**$24,363,000**	**$24,363,000**	**$25,363,000**
Total (dollars)	**$240,071,000**	**$240,071,000**	**$257,913,000**
Mandatory Administrative Authorities			
5 USC 8348(a)(1)(B) (Retirement)	$32,233,000	$35,380,000	$36,422,000
FERCCA (P.L. 106-265) (Retirement)	$1,981,000	$2,052,000	$2,109,000
5 USC 9004(f)(B) (Long-Term Care)	$1,850,000	$1,907,000	$2,048,000
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) (Dental & Vision Ins.)	$4,941,000	$5,171,000	$5,299,000
Mandatory Authority Total (dollars)	**$42,005,000**	**$44,510,000**	**$45,878,000**
Revolving Fund			
Estimated New Spending Authority	$2,080,000,000	$1,913,000,000	$1,945,000,000
Estimated Obligations	$2,254,000,000	$1,798,000,000	$1,845,000,000
Estimated End-of-Year Fund Balance	$694,000,000	$809,000,000	$909,000,000
Total OPM Operational Budget Authority	**$3,230,076,000**	**$2,197,581,000**	**$2,248,295,000**

Overview

The Office of Personnel Management's (OPM) vision for FY 2012 is to provide the Federal government the resources necessary to become America's model employer for the 21st century. OPM's FY 2012 Performance Budget reflects how the agency will fulfill its 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 guide our efforts to treat 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 governmentwide responsibility for HR policies enables OPM 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 total FY 2012 discretionary request (inclusive of OPM's Inspector General) is $257,913,000, a $17,842,000 increase all above OPM's FY 2010 discretionary budget of $240,071,000. A full year 2011 appropriation was not enacted at the time that this budget was prepared; therefore, OPM is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

OPM faces many challenges in FY 2012, and these are reflected in our budget request. One major challenge is OPM's role in health insurance. In FY 2011, OPM has created a new organization called

Healthcare and Insurance (HI) which will consolidate OPM's existing and new healthcare and insurance responsibilities. With the enactment of the Affordable Care Act, OPM has been designated as the agency responsible for implementing and overseeing multi-state qualified health plans for the American public. This will be the first time that OPM will administer a program for a population outside of the Federal family. In addition, the Act extended eligibility for participation in the Federal Employees Health Benefits Program and the Federal Employees Group Life Insurance Program to employees of Tribal organizations.

OPM has made the difficult decision to suspend all retirement systems modernization activities immediately. We recognize that the full automation of the Federal retirement process is needed to bring better and more efficient services to current and future retirees. We have endeavored for many years to fully implement these changes and have determined that we must suspend this project in response to the financial challenges our Government is currently facing.

Lastly, the deployment of OPM's financial system, the Consolidated Business Information System (CBIS), during FY 2010 exposed a number of critical issues that are currently being addressed and remediated. As OPM works to remediate these issues, the planned second phase of the project, the extension of CBIS' scope to encompass the earned benefit trust funds has been placed in indefinite hold after extensive consultation with the Office of Management and Budget.

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

During the spring of 2009, OPM began 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, and executed through the Chief Financial Officer. The plan includes four strategic goals and seventeen strategies. Also displayed are other activities that are not directly aligned to a strategy. The strategic goals are high level indicators that gauge OPM's progress over the six-year planning period and engage both internal and external stakeholders. OPM solicited feedback on the draft plan, via the Internet, from external 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 mission statement and strategic goals are shown in the following table. OPM developed the goals and strategies contained in the Strategic Plan, in part, to help other Federal agencies achieve their missions and produce superior results. OPM's unique governmentwide role provides OPM the opportunity to make the Federal government America's model employer.

OPM's Mission:	
Recruit, Retain, and Honor a World-Class Workforce to Serve the American People	
Strategic Goal 1: *Hire the Best*	Recruit and hire the most talented and diverse Federal workforce possible to serve the American people
Strategic Goal 2: *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 3: *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 4: *Honor Service*	Ensure comparable recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees
Other Program Activities	Programs and activities not directly mapped to a specific Strategic Plan Goal

OPM has tracked the implementation of its Strategic Plan in several ways. Each strategic goal has strategies. An OPM executive champions each strategy's implementation and has developed detailed yearly operating plans until the strategy is successfully implemented. These implementation plans include distinct actions with planned completion dates, along with performance measures and indicators to gauge progress. The implementation plans are reviewed and approved at the beginning of the fiscal year by the Office of the Director, Chief Financial Officer/Center for Budget and Performance (CFO/CBP), and the corresponding programs. Every month thereafter the program offices' plans are reviewed in order to ensure that the programs are properly spending their resources according to plan. In addition, the CFO/CBP office monitors programs' strategic goal progress on a consistent basis.

OPM's Organizational Structure

This budget is divided along OPM's organizational structure, implemented in January 2010, as described on the following pages. There are a group of programs that are referred to as the Executive Offices whose functions are further clarified below and funded through proportionate contributions from OPM's various administrative funding sources. The remaining core programs operate with multiple funding sources. An additional reorganization occurred in 2010. The Healthcare and Insurance (HI) office consolidates all of OPM's healthcare and insurance responsibilities into a single organization. With the enactment of the Affordable Care Act, OPM has been designated as the agency responsible for implementing and overseeing Multi-State Plan Options. HI will assume management of the Federal employee insurance programs (health, life, long term care, dental vision, and Flexible Spending Accounts), which were formerly under Retirement and Benefits (now Retirement Services). HI is comprised of three components: Healthcare Program Development and Implementation, National Healthcare Operations, and Federal Employee Insurance Operations. Additionally, retirement policy has moved from Planning and Policy Analysis to Retirement Services during this reorganization. The separation of the National Healthcare Operations and the Federal Employee Insurance Operations will allow the Director to ensure no fewer financial or personnel resources will be allocated to the administration of the Federal Employee Health Benefits Program as required under ACA. As shown in Figure 1, OPM is composed of the following components after the reorganization:
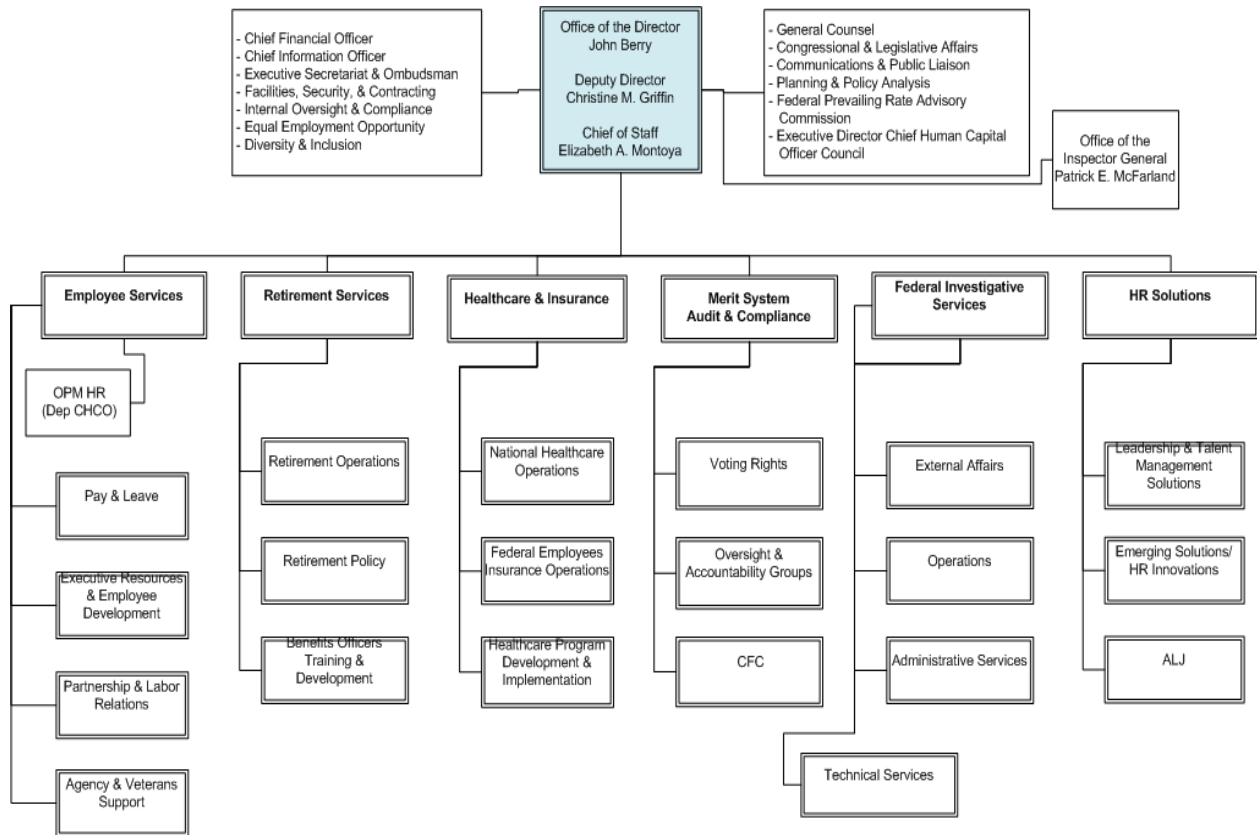
Figure 1 OPM Organizational Structure

Executive Offices

Office of the Director (OD) includes the Deputy Director, Chief of Staff, and the Executive Director of the Chief Human Capital Officers Council. This office is charged with keeping the direction of the agency in line with its mission.

Communications and Public Liaison (CPL) is responsible for communicating a better understanding of OPM's mission and top line information to the public, press and federal employees through announcements, releases, reports, speeches, new media, video, conferences and events.

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

Planning and Policy Analysis (PPA) provides the Director with reports, information and other analysis assessing program trends and policy issues that affect OPM. The scope of PPA analysis spans the full range of human resource management issues facing Federal agencies (such as workforce supply, pay, benefits, diversity) and involves a variety of analytical tools (including actuarial analysis, surveys, economic analysis, and policy analysis). A particular area of responsibility is the analysis of policy options, legislative changes and trends that affect OPM's management of health and insurance benefits for Federal employees.

OPM has created priority and long-term strategic goals that are in various stages of execution. These goals and initiatives will have a significant impact on Federal workers. PPA supports the agency's strategic goals to "Respect the Workforce" and "Expect the Best" by evaluating trends in employee

benefits to ensure Federal employees have a competitive and effective benefit package and by using surveys and other analytical tools to evaluate the effectiveness of OPM and agency HR initiatives.

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. IOC will also respond to GAO Reports, other external oversight agencies, as applicable, and the OPM OIG findings that require an official response on behalf of the OPM Director.

Equal Employment Opportunity (EEO) 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). EEO designs and implements all required Special Observance and Special Emphasis initiatives, to promote diversity management.

Operation Offices

Employee Services (ES) provides policy direction and leadership in designing, developing and promulgating governmentwide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, Work/Life and Wellness programs and labor and employee relations. ES provides technical support to agencies regarding the full range of human resources management policies and practices, to include veterans' employment and agency program evaluation. ES also manages the operation of OPM's internal human resources program.

Retirement Services (RS) is responsible for governmentwide administration of developing and providing Federal employees, retirees and their families with retirement programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. Retirement Services is responsible for administering the Civil Service Retirement Services System (CSRS) and the Federal Employees Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments.

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 program carries out this responsibility with a staff of skilled auditors in five field offices across the nation and here in Washington, D.C. The three key components of the oversight and compliance programs are: (1) Delegated Examining Unit Evaluations, (2) Strengthening Agency Accountability, and (3) Human Capital Management Evaluations. MSAC also oversees the Government-wide classification and job grading appeals program and adjudicates Federal employee claims under the Fair Labor Standards Act. Additionally, 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 Federal employees the opportunity to donate to charities. 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. The Voting Rights Program is currently partially funded by the Department of Justice.

Office of Diversity and Inclusion (ODI) examines policy options, governmentwide data trends, and employee survey findings that affect OPM's management of HR policy, specifically including diversity and inclusion throughout the Federal government. To ensure that Federal departments and agencies recruit and retain talented individuals from all communities, ODI will develop comprehensive strategies, like those found in the private sector and successful agencies, to drive and integrate diversity and inclusion practices throughout the Federal government and to help build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws. ODI will assist departments and agencies to accomplish their varied missions as

they develop a strategic focus on diversity and inclusion, allowing them to prepare for shifting workplace demographics, improved services to all populations and innovation for the future.

Federal Investigative Services (FIS) ensures the Federal government has a suitable workforce that protects national security and the public trust. FIS provides 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 percent of the Government's background investigations are provided by OPM.

Healthcare and Insurance (HI) is a consolidation of all of OPM's healthcare and insurance responsibilities into a single entity. This includes new functions such as the Affordable Care Act's Multi-State Plan Option, the work performed by OPM in support of the Federal Pre-Existing Condition Insurance Plan (PCIP), plus existing responsibilities for the Federal Employees Health Benefit Program (FEHBP), Federal Employees Group Life Insurance Program (FEGLI), the Federal Flexible Spending Account Program (FSA), the Federal Long Term Care Insurance Program (FLTCIP), and the Federal Employees Dental/Vision Insurance Program (FEDVIP). HI is comprised of 3 components: Healthcare Program Development and Implementation, National Healthcare Operations, and Federal Employee Insurance Operations.

Human Resource Solutions (HRS) partners 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.

Agency Administration

This group of programs executes the mission of the agency and these programs and activities are not directly mapped to a specific Strategic Plan goal.

Chief Financial Officer (CFO) manages and oversees OPM's accounting, billing, vendor payments, budget, strategic planning, performance, program evaluation, financial systems, risk management, internal control and financial policy. CFO also ensures timely and accurate financial and performance reports that improve decision making, complies with Federal requirements and demonstrates effective management of taxpayer dollars.

Chief Information Officer (CIO) manages OPM's information technology resources. Additionally, it defines the Information Technology (IT) vision and strategy to include IT policy and security for the Office of Personnel Management. CIO shapes the application of technology in support of the Agency's Strategic Plan which includes long term Strategic Architecture and Systems Plans for the Agency as well as IT Capital Planning. Major IT programs and projects are managed, tracked, and reviewed through an Investment Review Board that ensures consistency with agency IT parameters and security policies

Facilities, Security & Contracting (FSC) is composed of the following seven subcomponents and manages a broad array of OPM's key 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) Security Services manages the Security Guard Force, ensures appropriate protection of OPM employees and visitors, and administers the nationwide HSPD-12 mandated PIV program (4) Personnel Security facilitates investigative processes and suitability determinations. (5) Contracting provides centralized contract management that supports the operations and governmentwide mission of OPM; (6) Office of Small and Disadvantaged Business Utilization manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies; (7) Publications Management establishes and oversees OPM's publishing and printing management system for internal/external design and reproduction, GPO/commercial print ordering program, publications management, and electronic/office publishing systems.

Office of the General Counsel (OGC) provides expert legal advice to the Director and senior OPM officials to ensure that policies, programs, and procedures are consistent with applicable rules, regulations, and statutes affecting civil service personnel law and human resources management. OGC also provides legal representation to OPM managers and leaders to mitigate the agency's risk of litigation and ensure agency actions are in compliance with applicable statutes, rules, and regulations, and to ensure that agency actions are lawful.

Executive Secretariat and Ombudsman (ESO) is responsible for 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 OPM customers and agency employees that raise issues of concern or complain 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). 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.

Overview of FY 2012 Request

OPM's total FY 2012 discretionary request is **$257,913,000.** 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. Three mandatory appropriations payments provide resources from the General Fund to the three earned benefit Trust Funds, and finance benefits for Federal employees and annuitants. The Earned Benefit Trust Funds are discussed in more detail in Part 5.

In FY 2012, OPM's administrative accounts will support **5,405** full-time-equivalent employees (FTE) as compared to **4,831** FTE in FY 2011. Of these, the discretionary appropriations and mandatory Trust Fund transfers will support **1,700** FTE, an increase from **1,635** FTE in FY 2010. The remaining allocation of **3,705** FTE is supported by Revolving Fund activities and OIG discretionary appropriations.

OPM has created priority and long-term strategic goals that are in various stages of execution. These goals and initiatives will have a significant impact to Federal workers. Some of the anticipated benefits will be a streamlined hiring process as a result of greater system efficiencies, and a more evenly distributed retirement claims processing workload, a result of staff activities re-directed from retirement systems modernization to retirement claims activities. OPM is expanding efforts in telework, as championed by the Administration and required by the Telework Enhancement Act of 2010 (P.L.111-292), and improving worksite wellness--two major areas with potential governmentwide workforce impact. Lastly, OPM will continue to meet the goals of timeliness, accuracy, and quality in security clearance reform and the requirements of the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458).

Salaries & Expenses

General Funds. OPM's General Funds request for basic operating expenses totals **$100,027,000**. The FY 2012 request includes **$91,965,000** in annual funds, **$642,000** to strengthen the capacity and capability of OPM's Acquisition workforce, and **$7,420,000** in no-year funds for the Chief Information Officer's Human Resources Line of Business/Enterprise Human Resources Integration projects. This reflects a decrease of **$2,944,000** 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 **$132,523,000** in transfers from the Trust Funds. The FY 2012 request consists of **$132,523,000** in annual funds, a net increase **$19,786,000** above the FY 2010 limitation.

The Annual Trust Fund resources support Retirement Services, programming and accounting functions within CIO and CFO respectively, as well as administration of 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.

Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund, rather than from OPM's direct discretionary appropriation. For ongoing Revolving Fund programs, the FY 2012 budget includes an estimated **$1,944,536,000** in new budget authority and **3,558** FTE to be financed by other agencies' payments. These services are provided through a mixture of Federal and qualified private sector staff. Services provided include conducting more than 90 percent of the Federal government's background investigations of Federal employees, contractors, and military members for various Federal agencies. OPM also conducts national agency check and inquiry cases and background security/suitability investigations for Federal agencies on a reimbursable basis through the Revolving Fund. In addition, OPM provides testing potential military personnel for the Department of Defense in those locations where it is cost effective for OPM to do so; providing 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.

Agency contributions through the Revolving Fund for the HR LOB in FY 2012 are expected to be approximately **$3,000,000**. These funds will be used to further develop enterprise architecture planning and requirements development, 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 $2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, $100,027,000, of which $6,004,000 shall remain available until expended for the Enterprise Human Resources Integration project, of which $642,000 shall be for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management, $1,416,000 shall remain available until expended for the Human Resources Line of Business project; and in addition $132,523,000 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: 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 2012, 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. Note.--A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

OIG Salaries and Expenses (Including Transfer of Trust Funds)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, $3,804,000, and in addition, not to exceed $21,559,000 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. Note.--A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Summary Tables

FY 2012 Budget by Goal and Strategy (thousands)

Goal/Strategy	Discretionary $	Discretionary FTE	Non-Discretionary $	Non-Discretionary FTE	Total $	Total FTE
Hire the Best						
1.1 Reform the Federal hiring process	$8,149	26.0	$16,399	13.5	$24,548	39.5
1.2 Assist veterans to find a place in the Federal workforce	$2,155	12.7	$0	0.0	$2,155	12.7
1.3 Promote diversity and inclusion in the Federal workforce	$1,100	6.5	$0	0.0	$1,100	6.5
1.4 Ensure agencies have sufficient information to make decisions	$0	0.0	$999,231	2,730.3	$999,231	2,730.3
Hire the Best Total	**$11,404**	**45.2**	**$1,015,630**	**2,743.8**	**$1,027,034**	**2,789.0**
Respect the Workforce						
2.1 Improve training opportunities for Federal employees	$931	5.8	$0	0.0	$931	5.8
2.2 Ensure available benefits align with best practices and employees' needs	$20,884	95.0	$7,070	16.6	$27,954	111.6
2.3 Improve Federal employee engagement and satisfaction	$3,852	7.0	$0	0.0	$3,852	7.0
2.4 Improve Federal labor-management relations	$2,775	18.1	$0	0.0	$2,775	18.1
Respect the Workforce Total	**$28,442**	**125.9**	**$7,070**	**16.6**	**$35,512**	**142.5**
Expect the Best						
3.1 Help agencies become high-performing organizations	$5,536	7.2	$850,381	705.0	$855,917	712.2
3.2 Recognize, select, and sustain individuals who provide strong leadership and direction for agencies	$1,823	10.1	$0	0.0	$1,823	10.1
3.3 Provide leadership and direction to governmentwide HR programs	$2,790	16.0	$0	0.0	$2,790	16.0
3.4 Hold agencies to account for improvements in strategic human resources management	$18,927	119.3	$0	0.0	$18,927	119.3
3.5 OPM will lead by example to implement human resources reforms and achieve results	$742	38.5	$8,396	19.0	$9,138	57.5
3.6 Ensure the safety of the Federal workforce through emergency preparedness	$699	4.6	$0	0.0	$699	4.6
Expect the Best Total	**$30,517**	**195.7**	**$858,777**	**724.0**	**$889,294**	**919.7**
Honor Service						
4.1 Improve Federal pay and reward systems	$5,518	35.1	$0	0.0	$5,518	35.1
4.2 Develop a 21st century customer-focused retirement processing system	$57,584	463.0	$35,761	284.0	$93,345	747.0
4.3 Improve OPM service to Federal agency benefits officers	$471	3.0	$1,044	6.0	$1,515	9.0
Honor Service Total	**$63,573**	**501.1**	**$36,805**	**290.0**	**$100,378**	**791.1**
Other Activities Total	**$98,613**	**523.5**	**$166,749**	**92.2**	**$265,362**	**615.7**
OPM total	**$232,550**	**1,391.4**	**$2,085,031**	**3,866.6**	**$2,317,581**	**5,258.0**

2012 Budget by Organization and Strategic Goal – Discretionary Resources (thousands)

Organization/Activity	Strategic Goal				Other Activities	Total Discretionary Resources
	1	2	3	4		
Employee Services	$10,304	$4,859	$13,958	$5,518	$0	$34,639
Retirement Services	$0	$0	$0	$58,055	$0	$58,055
Merit System Audit & Compliance	$0	$0	$12,169	$0	$1,370	$13,539
HR Solutions	$0	$0	$0	$0	$0	$0
FIS	$0	$0	$0	$0	$0	$0
HI	$0	$10,458	$0	$0	$23,500	$33,958
CIO*	$0	$0	$0	$0	$20,098	$20,098
Planning & Policy Analysis	$0	$13,126	$4,390	$0	$6,800	$24,316
ODI	$1,100	$0	$0	$0	$0	$1,100
CFO*	$0	$0	$0	$0	$9,070	$9,070
Facilities, Security & Contracting*	$0	$0	$0	$0	$1,327	$1,327
Executive Services	$0	$0	$0	$0	$10,009	$10,009
Office of the Director*	$0	$0	$0	$0	$2,037	$2,037
ESO*	$0	$0	$0	$0	$840	$840
IOC*	$0	$0	$0	$0	$831	$831
EEO*	$0	$0	$0	$0	$511	$511
OGC*	$0	$0	$0	$0	$3,116	$3,116
CLA *	$0	$0	$0	$0	$1,469	$1,469
CPL*	$0	$0	$0	$0	$1,204	$1,204
Federal Prevailing Rate Advisory Committee	$0	$0	$0	$0	$247	$247
President Commission on White House Fellows	$0	$0	$0	$0	$873	$873
Rent and other CFI	$0	$0	$0	$0	$25,319	$25,319
OPM total	**$11,404**	**$28,442**	**$30,517**	**$63,573**	**$98,613**	**$232,550**

* 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.

2012 Budget by Organization and Strategic Goal – Non-Discretionary Resources (thousands)

Organization/Activity	Strategic Goal				Other Activities	Total Non-Discretionary Resources
	1	2	3	4		
Employee Services	$16,399	$0	$8,396	$0	$0	$24,795
Retirement Services	$0	$0	$0	$36,805	$0	$36,805
Merit System Audit & Compliance	$0	$0	$0	$0	$0	$0
HR Solutions	$0	$0	$850,381	$0	$0	$850,381
FIS	$999,231	$0	$0	$0	$0	$999,231
HI	$0	$6,005	$0	$0	$0	$6,005
CIO*	$0	$0	$0	$0	$115,996	$115,996
Planning & Policy Analysis	$0	$1,065	$0	$0	$0	$1,065
ODI	$0	$0	$0	$0	$0	$0
CFO*	$0	$0	$0	$0	$25,869	$25,869
Facilities, Security & Contracting*	$0	$0	$0	$0	$16,076	$16,076
Executive Services	$0	$0	$0	$0	$8,808	$8,808
Office of the Director*	$0	$0	$0	$0	$1,508	$1,508
ESO*	$0	$0	$0	$0	$709	$709
IOC*	$0	$0	$0	$0	$701	$701
EEO*	$0	$0	$0	$0	$654	$654
OGC*	$0	$0	$0	$0	$2,978	$2,978
CLA *	$0	$0	$0	$0	$1,240	$1,240
CPL*	$0	$0	$0	$0	$1,016	$1,016
Federal Prevailing Rate Advisory Committee	$0	$0	$0	$0	$0	$0
President Commission on White House Fellows	$0	$0	$0	$0	$0	$0
Rent and other CFI	$0	$0	$0	$0	$0	$0
CHCO	$0	$0	$0	$0	$0	$0
OPM total	**$1,015,630**	**$7,070**	**$858,777**	**$36,805**	**$166,749**	**$2,085,031**

* 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 non-discretionary portion of the cost of operating these offices.

2012 Budget by Organization and Strategic Goal – Total Resources (thousands)

Organization/Activity	Strategic Goal				Other Activities	Total Resources
	1	2	3	4		
Employee Services	$26,703	$4,859	$22,354	$5,518	$0	$59,434
Retirement Services	$0	$800	$0	$94,860	$0	$94,860
Merit System Audit & Compliance	$0	$0	$12,169	$0	$1,370	$13,539
HR Solutions	$0	$0	$850,381	$0	$0	$850,381
FIS	$999,231	$0	$0	$0	$0	$999,231
HI	$0	$16,463	$0	$0	$23,500	$39,963
CIO*	$0	$0	$0	$0	$136,094	$136,094
Planning & Policy Analysis	$0	$14,191	$4,390	$0	$6,800	$25,381
ODI	$1,100	$0	$0	$0	$0	$1,100
CFO*	$0	$0	$0	$0	$34,939	$34,939
Facilities, Security & Contracting*	$0	$0	$0	$0	$17,403	$17,403
Executive Services	**$0**	**$0**	**$0**	**$0**	**$18,817**	**$18,817**
Office of the Director*	$0	$0	$0	$0	$3,545	$3,545
ESO*	$0	$0	$0	$0	$1,550	$1,550
IOC*	$0	$0	$0	$0	$1,532	$1,532
EEO*	$0	$0	$0	$0	$1,165	$1,165
OGC*	$0	$0	$0	$0	$6,095	$6,095
CLA *	$0	$0	$0	$0	$2,710	$2,710
CPL*	$0	$0	$0	$0	$2,220	$2,220
Federal Prevailing Rate Advisory Committee	$0	$0	$0	$0	$247	$247
President Commission on White House Fellows	$0	$0	$0	$0	$873	$873
Rent and other CFI	$0	$0	$0	$0	$25,319	$25,319
CHCO	$0	$0	$821	$0	$0	$821
OPM total	**$1,027,034**	**$35,512**	**$889,294**	**$100,378**	**$265,362**	**$2,317,581**

* 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.

OPM FY 2012 Appropriations Request

Accounts Requiring Congressional Action (thousands)

Fund	FY 2011 Annualized CR	FY 2012 Request	Increase/Decrease
Salaries & Expenses Annual	$95,699	$91,965	($3,734)
Salaries & Expenses Multi-Year – Enterprise Human Resource Initiative (EHRI)	$5,856	$0	($5,856)
Salaries & Expenses Multi-Year – HR Line of Business (HRLOB)	$1,416	$0	($1,416)
Salaries & Expenses No-Year – Enterprise Human Resource Initiative (EHRI)	$0	$6,004	$6,004
Salaries & Expenses No-Year – Human Resources Line of Business (HR LOB)	$0	$1,416	$1,416
(Acquisition Improvement)Salaries & Expenses	$0	$642	$642
Salaries & Expenses Total	**$102,971**	**$100,027**	**($2,944)**
Trust Fund Annual	$99,437	$132,523	$33,086
Trust Fund Multi-Year (Retirement Modernization)	$4,000	$0	($4,000)
Trust Fund Multi-Year (CBIS)	$9,300	$0	($9,300)
Trust Fund No-Year (CBIS)	$0	$0	$0
Trust Fund Limitation Total	**$112,737**	**$132,523**	**$19,786**
Total Discretionary	**$215,708**	**$232,550**	**$16,842**
OIG Salaries & Expenses	$3,148	$3,804	$656
OIG Trust Fund	$21,215	$21,559	$344
OIG Total Discretionary	**$24,363**	**$25,363**	**$1,000**
Total OPM Discretionary	**$240,071**	**$257,913**	**$17,842**
Mandatory Payments: (estimated)	$44,010,000	$44,342,000	$332,000
Civil Service Retirement and Disability Fund	$33,778,000	$33,478,000	($300,000)
Federal Employees Health Benefits Fund	$10,185,000	$10,817,000	$632,000
Federal Employees Group Life Insurance Fund	$47,000	$47,000	$0

Revolving Fund Activities

Revolving Fund Activities (thousands)

Business Line		FY 2011 Annualized CR	FY 2012 Request	Increase/Decrease
Investigative Services	Revenue	$990,348	$1,020,058	$29,710
	Expenses	$970,127	$999,231	$29,104
	Budget authority	$970,127	$999,231	$29,104
Human Resource Solutions	Revenue	$710,000	$752,000	$42,000
	Expenses	$709,000	$750,000	$41,000
	Budget authority	$819,409	$850,381	$30,972
USAJOBS/PMF	Revenue	$12,134	$12,147	$13
	Expenses	$17,951	$12,801	($5,150)
	Budget authority	$21,020	$16,399	($4,621)
Human Resource Integration Services	Revenue	$106,398	$81,630	($24,768)
	Expenses	$101,868	$78,525	($23,343)
	Budget authority	$101,868	$78,525	($23,343)
Totals	**Revenue**	**$1,818,880**	**$1,865,835**	**$46,955**
	Expenses	**$1,798,947**	**$1,840,557**	**$41,610**
	Budget authority	**$1,912,424**	**$1,944,536**	**$32,112**

Historical OPM Discretionary Appropriations (thousands)

Fund	FY 2008	FY 2009	FY 2010	FY 2011 Annualized CR	FY 2012
Salaries & Expenses:	$225,666	$210,911	$215,708	$215,708	$232,550
General Fund:	$101,765	$92,829	$102,971	$102,971	$100,027
Annual	$93,913	$85,627	$95,699	$95,699	$92,607
No-Year/Multi Year	$7,852	$7,202	$7,272	$7,272	$7,420
Trust Funds:	$123,901	$118,082	$112,737	$112,737	$132,523
Annual	$96,936	$102,882	$99,437	$99,437	$132,523
No-Year/Multi Year	$26,965	$15,200	$13,300	$13,300	$0
OIG Salaries & Expenses:	$18,600	$20,583	$24,363	$24,363	$25,363
General Fund	$1,519	$1,828	$3,148	$3,148	$3,804
Trust Funds	$17,081	$18,755	$21,215	$21,215	$21,559
Total OPM:	**$244,266**	**$231,494**	**$240,071**	**$240,071**	**$257,913**

Total Discretionary Accounts Request by Object Class (thousands)

Object Class	FY 2011 Annualized CR	FY 2012 Request	Increase/Decrease
Personnel compensation	$98,312	$106,671	$8,359
Personnel benefits	$25,482	$29,710	$4,228
Travel and transportation of persons	$1,010	$1,359	$349
Transportation of things	$25	$6	($19)
Communications, utilities, and rent	$36,013	$29,306	($6,707)
Printing and reproduction	$1,216	$1,103	($113)
Other services	$51,597	$61,291	$9,694
Supplies and materials	$636	$2,235	$1,599
Equipment	$1,417	$869	($548)
Total	**$215,708**	**$232,550**	**$16,842**
FTE	**1,388.6**	**1,391.4**	**2.8**

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

Object Class	FY 2011 Annualized CR	FY 2012 Request	Increase/Decrease
Personnel compensation	$46,714	$48,954	$2,240
Personnel benefits	$11,398	$13,192	$1,794
Travel and transportation of persons	$826	$1,028	$202
Transportation of things	$11	$2	($9)
Communications, utilities, and rent	$16,927	$13,403	($3,524)
Printing and reproduction	$448	$345	($103)
Other services	$18,278	$14,624	($3,654)
Supplies and materials	$352	$750	$398
Equipment	$745	$310	($435)
Total	**$95,699**	**$92,607**	**($3,092)**
FTE	**744.7**	**746.4**	**1.7**

Trust Fund Limitations – Obligations by Object Class – Annual Authority (thousands)

Object Class	FY 2011 Annualized CR	FY 2012 Request	Increase/Decrease
Personnel compensation	$50,396	$56,907	$6,511
Personnel benefits	$13,784	$16,327	$2,543
Travel and transportation of persons	$152	$300	$148
Transportation of things	$13	$4	($9)
Communications, utilities, and rent	$18,675	$15,624	($3,051)
Printing and reproduction	$768	$759	($9)
Other services	$28,045	$40,605	$12,560
Supplies and materials	$239	$1,439	$1,200
Equipment	$666	$559	($107)
Total	**$112,738**	**$132,523**	**$19,785**
FTE	**637.9**	**641.0**	**3.1**

Fiscal Year Comparison of FTE Staffing

Fiscal Year Comparison of FTE Staffing

Fund	FY 2011 Annualized CR	FY 2012 Request	Increase/Decrease
Salaries & Expenses Annual	744.7	746.4	1.7
Salaries & Expenses No-year	6.0	4.0	(2.0)
Salaries & Expenses total	750.7	750.4	(0.3)
Trust Fund Annual	637.9	641.0	3.1
Trust Fund Multi-year	0.0	0.0	0.0
Trust Fund No-year	0.0	0.0	0.0
Trust Fund limitation total	637.9	641.0	3.1
Total appropriated	1,388.6	1,391.4	2.8
5 USC, 8348(a)(1)(b) Mandatory Authority	286.9	285.0	(1.9)
FERCCA – Mandatory Authority	12.0	12.0	0.0
Long-Term Care – Mandatory Authority	6.0	5.3	(0.7)
Dental/Vision – Mandatory Authority	6.5	6.3	(0.2)
Mandatory Authority - total	311.4	308.6	(2.8)
OIG Salaries & Expenses	19.0	22.0	3.0
OIG Trust Fund	128.0	125.0	(3.0)
OIG total	147.0	147.0	0.0
Subtotal	1,847.0	1,847.0	0.0
Revolving Fund	3,557.0	3,558.0	1.0
Total	**5,404.0**	**5,405.0**	**1.0**

Government Payment Accounts (thousands)

Government Payment Accounts	Funds
Government Payment for Annuitants, Employees Health Benefits	
Budget request, FY 2011 (estimate)	$10,185,000
Budget request, FY 2012	$10,817,000
Request compared with estimate	$632,000
Government Payment for Annuitants, Employees Life Insurance	
Budget request, FY 2011 (estimate)	$47,000
Budget request, FY 2012 (estimate)	$47,000
Request compared with estimate	$0
Payment to Civil Service Retirement and Disability Fund	
Budget request, FY 2011 (estimate)	$33,778,000
Budget request, FY 2012 (estimate)	$33,478,000
Request compared with estimate	($300,000)

Note: 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 5, Earned Benefit Trust Funds for additional details). In addition, the payment to the Civil Service Retirement and Disability Fund is a permanent indefinite authorization that provides an annual transfer representing interest on the unfunded liability of the Civil Service Retirement System (please see Part 5, Earned Benefit Trust Funds for additional details).

Summary of Total Resources (thousands)

Fund	FY 2011 Annualized CR	FY 2012 Request	Increase/Decrease
Salaries & Expenses Annual	$95,699	$92,607	($3,092)
Salaries & Expenses multiyear	$7,272	$0	($7,272)
Salaries & Expenses No-year	$0	$7,420	$7,420
Salaries & Expenses total	**$102,971**	**$100,027**	**($2,944)**
Trust Fund Annual	$99,437	$132,523	$33,086
Trust Fund Multi-Year	$13,300	$0	($13,300)
Trust Fund No-year	$0	$0	$0
Trust Fund limitation total	**$112,737**	**$132,523**	**$19,786**
Total appropriated	**$215,708**	**$232,550**	**$16,842**
5 USC, 8348(a)(1)(b) Mandatory Authority	$33,233	$36,422	$3,189
FERCCA – Mandatory Authority	$1,981	$2,109	$198
Long-Term Care – Mandatory Authority	$1,850	$2,048	$358
Dental/Vision – Mandatory Authority	$4,941	$5,299	$94
Mandatory Authority - total	**$42,005**	**$45,878**	**$3,873**
OIG Salaries & Expenses	$3,148	$3,804	$656
OIG Trust Fund	$21,215	$21,559	$344
OIG total	**$24,363**	**$25,363**	**$1,000**
Other resources:			
Revolving Fund	$1,912,424	$1,944,536	$32,112
Total	**$2,197,005**	**$2,248,327**	**$51,322**

Priority Performance Goals

The following Priority Goals are measurable commitments to deliver specific results for the American people. The goals represent priorities for both the Administration and OPM. These goals are relevant to the public, are aligned to the agencies key mission areas, and will produce significant results. OPM has published the priority goals on the Performance.Gov website. The narrative in this section focuses on goal statements, goal overviews and strategies, and key performance measures as presented on the Performance.Gov website. These goals have been integrated into OPM's strategic goals reflected in this budget. Each of the five specific goals was begun in FY 2010 and will continue throughout FY 2011 and FY 2012 includes:

Hiring Reform: Departments and major agencies meet agreed upon targeted improvements to: reduce time to hire (T2H) by 10% per year, improve manager satisfaction with applicant quality by 2% per quarter, and improve applicant satisfaction with the hiring process by 1% per quarter

Telework: increase the strategic use of telework to improve continuity of operations, reduce management costs, and increase employee job satisfaction.

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: increase the number of retirement records OPM receives that are complete and require no development actions to more than 70 percent by the end of 2010, 72 percent by the end of 2011, and 75 percent by the end of 2012.

Wellness: by the end of 2011, every agency has established and begun to implement a plan for a comprehensive health and wellness program which will achieve a 75 percent participation rate over 5 years.

The following pages provide descriptions/justifications of the Director's FY 2012 Priority Performance Goals and Strategic Goals. Responsibility for some of these activities spans multiple OPM organizations, and is financed by appropriated and non-appropriated resources.

Hiring Reform

Overview

President Obama's Memorandum of May 11, 2010, *Improving the Federal Recruitment and Hiring Process*, outlined Phase I of the Administration's comprehensive initiative to address major, long-standing impediments to recruit and hire the best and the brightest into the Federal civilian workforce. The U.S. Office of Personnel Management (OPM) is spearheading the government-wide initiative to reform recruiting, hiring and retention policies and procedures. The reform effort will encompass multiple years and will require sweeping changes to streamline and improve the hiring process. As of Dec 2010, the intensive work accomplished by OPM and the agencies have established a solid framework from which to build. The goal of Hiring Reform is to create a hiring process that:

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

The Hiring Reform effort will encompass sweeping changes to streamline the hiring process. OPM will assist agencies to find, hire, and retain the best talent possible for the Federal government. Some indicators of our progress will include the following:

- A decrease in the hiring time for job applicants
- An increase in applicant/manager satisfaction as reported in surveys
- An increase in hiring manager involvement in the process

Some of the work to date includes:

- Agencies identified a senior accountable official and a Hiring Reform Point of Contact
- Agencies conducted a self-assessment and developed their requests for assistance
- Agencies participated/attended training on the topics of Action Planning and Continuous Process Improvement (Delivered by OPM)
- Agencies submitted their Action Plans
- Agencies met with OPM/OMB to review APs and collaborate on the way ahead for hiring reform implementation
- Agencies assessed their status and submitted self-assessment implementation checklists – status check
- OPM delivered in excess of 220 training workshops to more than 40 locations across the country and to more than 50 agencies

In addition to the aforementioned efforts, and to achieve OPM's Priority Goal – Hiring Reform, OPM accomplished the following during FY 2010 and will continue work on these areas to meet the Hiring Reform goal:

- High Quality Assessment Tools--OPM developed high quality (valid and legally defensible) assessments that allow Federal agencies to identify best-qualified applicants for target position. 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.
- Parallel to the assessment development effort, OPM created a web-based capability that will host these assessments; referred to as USAJOBS Assess. OPM's efforts in this area have reduced the

burden on Federal applicants (i.e., applicants will only need to be assessed once rather than multiple times by different agencies)

- Centralized Shared Registers --To further capitalize on the investment in the development of the assessments, OPM has built and now maintains ready-to-hire listings of pre-cleared candidates for common, frequently listed Government vacancies. This has improved the experience for the applicant and provided agencies with a wealth of talent they could hire quickly, rather than investing in one job announcement at a time.

- Governmentwide Recruiting Campaign--OPM added an online component of USAJOBS with tools and training for Recruiters across government. This enabled the Federal government to be more proactive and more effectively market its careers/jobs and to design recruitment strategies to attract and recruit talent from all segments of society. OPM developed a web-based tool that will enhance recruitment. It is referred to as USAJOBS Recruit; this tool made it easier 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.

- Career Discovery Tool--Federal jobs seekers unfamiliar with Federal service often struggle to match their expertise against the myriad job opportunities available with Federal agencies. The tool is an online, interactive self-assessment available on the USAJOBS website. By providing information about his/her experience, education, and interests, the job seeker is 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.

Key Performance Measures

OPM program managers in coordination with OMB performance management leadership re-defined the performance measures for hiring reform. OPM created more aggressive measures for FY 2011 and FY 2012 target based on initial agency successes in reducing the hiring cycle time.

Key Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of managers that respond to the Chief Human Capital Officer (CHCO) manager survey with a positive rating of applicant quality**	N/A*	70%	72%	75%	83%
Percent of applicant surveys indicating applicant satisfaction with hiring process for Chief Human Capital Officer (CHCO) agencies	N/A*	N/A*	71%	74%	78%

* New measure--no historical data available for this period
** This measure was re-worded; recently OPM revamped performance measures for Hiring Reform initiative; OPM coordinated development of performance measures through coordination with OMB
Note: The performance measures and associated targets you will view for this goal are related; however, the methodology and mechanisms to analyze the cause and effect among and between the supporting measures and the performance indicators have not yet been developed, therefore, the direct correlation between the two will need to be studied before conclusions can be drawn about their relationship.

Implementation Strategy

President Obama's Memorandum of May 11, 2010, *Improving the Federal Recruitment and Hiring Process*, launched the Obama Administration's flagship personnel policy reform initiative. It builds on a nearly year-long collaboration between OPM and agencies to recruit top talent and streamline the hiring process. Agencies have already taken significant strides to map their current hiring process, identify barriers and put in place action plans to streamline and improve their processes. Building on these efforts, the President's initiative provides for three main objectives to further reform the hiring process:

1) Initiates a vigorous Government-wide recruiting effort that makes it easier for Americans to apply for Federal jobs while also raising the bar on candidate quality;

2) Charges agency managers and supervisors to assume a greater leadership role in the planning, recruitment, and selection of employees, with human resource offices to provide collaborative/consultant support for these important efforts; and

3) Establishes a regular process to monitor agency progress to improve hiring timeliness and quality as well as applicant and manager satisfaction with the hiring process and manager satisfaction with applicant quality.

In addition to the aforementioned efforts and to achieve OPM's Priority Goal - Hiring Reform, OPM accomplished the following during FY 2010 and will continue work on these areas to meet the Hiring Reform goal:

- 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. As assessments are developed and validated, they will be made available to agencies for use as they see fit. Parallel to the assessment development efforts is an effort to create a web-based capability that will host these assessments; referred to as USAJOBS Assess.

  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.

- Governmentwide 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.

- OPM is developing a web-based tool that will enhance recruitment. Referred to as USAJOBS Recruit, the purpose of this tool is to make it easier 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 to 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 Student Jobs 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.

Telework

Overview

Empowering and equipping employees to perform their official duties at alternative worksites will increase the resiliency of the workforce and promote the uninterrupted delivery of Government services. In addition, a well-designed telework strategy that is driven by each agency's mission will lead to more efficient operations, improved quality of employee work-life, and other broad social and environmental benefits.

Under the Telework Enhancement Act of 2010 (P.L. 111-292), each agency is required to establish a policy under which all employees are notified of their eligibility to telework in writing and all eligible employees may participate in telework without diminishing employee performance and agency operations. Based on the most recent data, more than one million Federal employees are eligible to telework; however, telework remains an under-utilized tool in the Federal Government. There are several key barriers and challenges preventing its widespread use, including a management culture that is often resistant to change; out-of-date and inconsistent telework policies; inadequate application of strategic, measureable goals for telework programs; and insufficient information technology systems. The Administration seeks to address those barriers and advance the optimal use of regular telework as a

management strategy for effective operations and delivery of government services to the American people.

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.

Key Performance Measures

Key Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
Number of employees equipped and trained to telework during an emergency	N/A*	N/A*	N/A*	N/A*	N/A*
Number of telework eligible employees who regularly telework	102,900	113,946	120, 000**	140,000	155,000

* New measure intended to begin collection in FY 2011--no historical data available for this period
**Actual not yet available

Implementation Strategy

The performance goal links directly to 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. 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 will work with the new Telework Managing Officers created by the Telework Enhancement Act of 2010 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, 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 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:

- Convened an advisory group of telework program managers to draw on their knowledge and expertise in formulating standards for telework policies
- Directed agencies to submit telework policies for review against a set of standards crafted by the advisory group; OPM provided technical assistance to help agencies meet the standards; OPM also will review the standards every three years to ensure best practices and innovations are incorporated

- Ensure each agency has established the position of Telework Managing Officer; to ensure telework policies are applied fairly, supported by agency managers and used to strategically deliver agency mission and other benefits
- 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, weather-related emergencies, etc.
- Key measures have been identified but lack baseline data and/or aren't collected quarterly.

OPM is leading a measurement working group of agency telework managers to fully define the collection methods for telework program performance. OPM will gather data from respective agencies and reflect the results on www.performance.gov.

Security Clearance Reform

Overview

Over the last few years, the Federal Government has made critical advances in reforming the security clearance process. While there is still work to be done, individuals seeking to work for the Federal government now face a substantially different clearance experience than they did just a few years ago. IRTPA, signed into law in 2004, challenged the Federal government to address longstanding coordination problems that unnecessarily affected the timeliness and quality of security clearances. As a result of actions taken to meet the objectives of IRTPA, the speed of the average security clearance has increased dramatically. IRTPA required all agencies to complete 90 percent of their security clearances in an average of 60 days. At the time IRTPA was enacted, the government-wide average was 205 days. By December 2009, 90 percent of the government's clearances were completed within the IRTPA-required timeframe of 60 days. The government has consistently met the IRTPA target since that date.

For many years, the backlog of security clearances caused problems and significant expense for the Federal government. In 1994, a Joint Security Commission report noted that substantial delays in processing security clearances led to unnecessary costs because workers were unable to perform their jobs while waiting for a clearance. In light of these results, the Government Accountability Office placed DoD's security clearance programs on its high-risk list in 2005. Even as recently as October 2006, the backlog of pending clearance investigations over 180 days old stood at almost 100,000 cases.

In response to significant and continuing security clearance timeliness concerns, Congress called for improvements and established specific timeliness goals as part of the IRPTA. In 2004, 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. OPM's key contributions to a comprehensive Federal Government end-to-end process are:

- Clearance Verification System (CVS)
- Revised e-QIP (electronic employee questionnaire for security clearance)
- Implementation of revised SF-86 (hard copy employee questionnaire for security clearance)
- 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

Key Performance Measures

Key Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Average number of days to complete the fastest 90% of initial national security investigations	N/A*	N/A*	39	40	40
Investigations determined to be deficient due to errors in investigation processing	0.1%	0.19%	0.16%	1.00%	1.00%

* New measure-- no historical data available for this period

Implementation Strategy

OPM implemented numerous reforms that drive efficiencies in each phase of our improved clearance process, including: validate need; eApplication; automated records checks, eAdjudicate; enhanced subject interview; expandable focused investigation; and continuous evaluation/periodic investigations. We realized progress in several critical areas: the alignment of suitability and security processes and policies; improving and tracking outcomes in reciprocity and quality; and driving new information technology solutions to advance timeliness and quality goals.

- Policy Alignment. We are aligning suitability and security policies and processes to limit redundancies in our investigative and adjudicative processes. To achieve this, we are modifying the regulatory and investigative standards as well as the information collection forms that underlie our clearance operations. For example, in March 2010, we published a revised Standard Form 86 that will capture the information necessary to enable more cost-effective security investigations.

- Reciprocity. We are working to improve reciprocity through initiatives such as enhanced sharing of relevant investigatory data among Federal agencies and robust performance metrics for tracking reciprocity outcomes. For example, OPM Central Verification System and the Department of Defense's (DoD) Joint Personnel Adjudication System are now integrated through a single interface, allowing agencies to view previous security, suitability, and credentialing decisions as well as investigatory information when they are deciding whether to grant reciprocity for a previous clearance.

- Quality. We are improving clearance quality by increasing access to investigatory information, clarifying policies and procedures, enhancing training, and measuring results. DoD, for instance, has developed an information technology solution called Rapid Assessment of Incomplete Security Evaluations (RAISE) that allows the Department to evaluate and track investigative quality in ways that were not previously possible. Similarly, OPM has created a feedback process that allows customer agencies to raise quality concerns with investigative products. To ensure that our approach on quality is most effective, the impact of these and other advances must be fully measured. In May 2010, OPM, in partnership with the Government Accountability Office (GAO), reported to Congress a proposed set of quality metrics, which we will continue to refine and deploy in the short-term.

- Technology Advances. We are using enhanced technology to improve timeliness and reduce the number of unnecessary questions or the possibility of receiving incomplete forms. We have made important advances in converting paper-based application processes with automated solutions such as eQIP. Notably, over 98% of clearance application submissions to OPM are now completed electronically.

- Accordingly, this reform process has already achieved many successes in the areas of policy alignment, reciprocity, quality, and technology. With that said, much work still remains to be done. Currently, we are making progress on the establishment of a new, five-tier framework for investigations that will enable greater reciprocity of clearances among tiers of equal or lower risk level. We expect this new framework to be released early next calendar year. By the end of FY 2011, we plan to deploy the new Standard Form 86 in an electronic format. We will also continue to develop an improved set of metrics to track reciprocity and quality.

This Priority 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

Retirement Claims Processing

Overview

The Office of Personnel Management (OPM) is responsible for the administration of the Federal Retirement Program covering over 2.9 million active employees (including the Postal Service) and 2.5 million annuitants. This responsibility is shared with our agency partners who are responsible for counseling their employees and administering the initial retirement application process. The agencies submit the employee's application and all supporting documentation required. That documentation includes but is not limited to: the agency certified summary of service documenting all creditable service performed by the employee; the agency certification of life insurance coverage and all associated documents to support the 5 years of coverage required to continue FEGLI coverage into retirement, and the employee's designation of beneficiaries, if applicable; all documentation required to support the 5 years of coverage required to continue FEHB coverage into retirement; and, documentation required in direct support of the application, such as court orders, verification of military retired service and requests to waive military retired pay, among others.

This process is also shared with Payroll Shared Service Centers (SSC), who contract with the agencies to provide payroll services. When an employee separates for retirement, the SSCs submit the employee's individual retirement record, which documents their service covered by retirement deductions and the amount of the retirement deductions withheld from pay. They also prepare an employee's post-1956 military service deposit records to document payment of the deposit required to credit that service.

This High Priority Performance Goal links directly to OPM's Strategic Goal—Honor Service. 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. 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, developing claims for missing and incorrect documentation, inputting data into benefit calculators, and providing customer service. The need to develop documentation in incomplete and inaccurate applications submitted by the agencies contributes to the time and cost.

Key Performance Measures

Key Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of complete retirement submissions to total submissions	N/A*	N/A*	77%	79%	81%

* New measure--no historical data available for this period

Implementation Strategy

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. 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. OPM is committed to ensuring this priority is implemented in an effective manner, 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 increase the relative ratio of incomplete retirement submissions to more than 70 percent by end of FY 2010, 72 percent in FY 2011 and 75 percent in FY 2012.

The Federal government's commitment to its employees does not end when someone retires from service. OPM administers retirement and insurance benefits for 2.5 million retirees, survivors, and beneficiaries. We must ensure quality delivery of those benefits and respond to retirees' questions and concerns in a caring and timely manner.

One of the biggest challenges in retirement processing is receiving incomplete packages from agencies. Incomplete and inaccurate retirement packages require follow up action by legal administrative specialists at OPM and HR staff at the submitting agency. The double and triple handling of the case greatly increases the processing time it takes to process a retirement claim. We plan to improve the quality and completeness of retirement packages through ongoing agency audits, feedback, and training.

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

- Audit of Agency Retirement Submissions – To determine the quality of agency retirement submissions, we began a program to audit agency retirement submission to determine what percentage of claims we receive that were incomplete or inaccurate. We conducted a pilot audit of agency submissions in 2008. OPM legal Administrative Specialists (LAS) reviewed 6 weeks of agency submissions using a checklist of the various forms agencies submit and noted errors found manually. Following that initial audit, our Operations Support Group developed a program on Microsoft Access for the LAS to indicate what errors were committed on these forms. The program could track the errors by agency and where requested, sub-agencies. This program was first used in the baseline audit we performed in November and December 2009 and has been refined for use in future audits. The baseline audit determined that 32 percent of the claims were inaccurate and/or incomplete. We will continue to run full audits on a semi-annual basis and will conduct smaller focused audits as they are needed.

- Feedback – Following the 2008 audit, we held meetings with the headquarters retirement counselors for each of the major agencies. During these meetings, we discussed the findings of the audit and provided feedback on the types of errors detected in the agency's submissions. We also asked agencies to develop action plans to improve the quality of their submissions. It became apparent that we needed to provide more specific feedback if we were to be able to help agencies improve the quality of their submissions. This lead to the development of the program for the LAS to enter more specific findings. Following the 2009 audit, we again held meetings with agencies to discuss the results of their audit. We were able to provide more specific feedback on the types of errors made and were able to determine some problem areas the agencies could focus on to improve upon the quality of their submissions. We again asked for action plans and the action plans we are receiving are more focused on the specific areas where we noted there were problems. Also, as a result of the meetings, we determined that some errors were not really made by the agency in the submission of their claims and revamped some of the error definitions. Based on agency feedback, we also determined that a resolution process may be needed when they have a specific dispute with a finding and we are working to have that in place for the upcoming audit. We will continue the agency feedback process after each audit and on a case by case basis as needed.

- Training – Agency benefits officers are required by 5 USC 8350 to attend benefits training. OPM is one of the main providers of that training. We hold an annual Benefits Conference in the Spring and attendance meets the training requirement. As part of the conference, we have 2 days of pre-Conference Training, which consists of half-day, full day and day and a half workshops on benefits specific topics. We also hold an annual 3 day Fall training event, again providing workshops in specific benefits areas. In addition, we hold numerous training events each year on the Federal Erroneous Retirement Coverage Corrections Act (FERCCA) in Washington DC and across the country and we have provided training on-site for several agencies. The retirement application workshop was revamped to include information that we have gleaned from these audits. This workshop was presented at the Spring Conference. We also gave a presentation on the key audit findings and improvement opportunities during a plenary session at the conference. We will continue using audit and feedback results in the design of our training workshops and are working on development of additional training vehicles, such as web based training. In 2009, based on the results of the 2008 audit, we held the Retirement Application Processing Seminar (RAPS), focused solely on the retirement application process. We plan another RAPS for the second quarter of FY 2011, which will be based largely on the results of the upcoming audit.

Wellness

Overview

Comprehensive worksite wellness programs help in reducing health care costs, improving worker productivity and attracting the best talent. For these reasons, OPM is encouraging federal agencies to expand and improve their wellness programs. 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.

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 OPM, OMB, National Economic Council, and HHS explore the development of similar programs for the Federal workforce. The five-part initiative below proposed by the agencies named above 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 at 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 Employees 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.

Key Performance Measures

Key Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Chief Human Capital Officer (CHCO) Agencies have developed final wellness plans	N/A*	N/A*	75%	100%	100%
Weighted average number of wellness program opportunities per work location; weighted by the employee population of the work location	N/A*	N/A*	55	60	70

* New measure--no historical data available for this period; this measure is effective thru FY 2012

Implementation Strategy

Worksite health and wellness programs have proven effective at improving the health of employees, lowering overall health care costs, reducing absenteeism, and improving employee morale and productivity. Comprehensive health and wellness programs have resulted in returns on investment averaging $3 benefit for every $1 invested. Worksite health and wellness programs across the Federal Government vary in scope; however, few could be considered at a comprehensive level that would constitute best practice. Based on the best evidence, HHS, Healthy people 2010/2020 has identified the elements of a comprehensive worksite wellness program to include:

- 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.)

The following are the key deliverables that will support the high priority performance goal:

- Guidance for Federal agencies on what constitutes a comprehensive health and wellness program and criteria for assessing the adequacy of agency plans.
- Workshops to explain the guidance and share best practice.
- A common needs assessment tool (WellCheck inventory) based on Healthy People 2010/2020 that allows agencies to analyze and evaluate their current health promotion programs, benchmark with other agencies and the private sector, and determine areas where improvement is required. Use of the common needs assessment tool is voluntary; however, if the tool is not used, agencies must describe how they assess their needs as part of their health and wellness plans.
- High level questionnaire for agency headquarter staff (CHCO or equivalent) to assess their agency's organizational and leadership capacity with respect to employee health and wellness policies and programs.

- Establishment of a community of practice with CHCO's focused on communication of the benefits of a comprehensive program and how to market the benefits to agency employees.
- Collection of best practices from agencies on existing programs to be shared Governmentwide.
- An implementation guide that agencies can use at a worksite or campus level to develop comprehensive health and wellness programs. This guide will incorporate appropriate information from the GSA/OPM/Interior Campus prototype in addition to information collected from the development of agency plans for their comprehensive programs.
- A training package aimed at employees and managers that agencies can use to inform their employees of the value of health and wellness programs, how such worksite programs can be used to enhance.
- Plans, from all CHCO agencies, to develop comprehensive health and wellness programs that will lead to 75 percent participation by agency employees. The plans will target no more than 10 worksites per agency as determined by the agency CHCO. Plans should include the steps the agencies will take to achieve the 75 percent participation rate.
- As determined by OMB, Budget awards (FY 2012) to agencies based on their plans. [proposed; under discussion with OMB]
- Quarterly reports that track agency completion of plans and their progress toward implementing these plans.

Part 2 –Performance Budget by Strategic Goal

This section of the OPM budget contains detailed descriptions on how each OPM organization will use its requested budgetary resources to achieve the strategic goals outlined in *OPM's 2010 – 2015 Strategic Plan – a New Day for Federal Service*. It is intended to meet the requirements of OMB Circular A-11, Part 6, and Section 220 – *Preparing and Submitting Performance Budgets*. A summary breakdown of OPM's budget request by organization can be found in Part 3.

Strategic Goals

The four strategic goals and seventeen corresponding strategies are designed to help other Federal agencies achieve their missions and produce superior results. The strategic goals are presented in an order that parallels 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.

Other Activities – Responsibility for some of activities spans multiple OPM organizations, and is financed by appropriated and non-appropriated resources.

Note: This is the first year we have budgeted by individual strategy, thus resource tables in this section only reflect this FY 2012 request.

Summary of Total Resources by Strategic Goal and Funding Source (dollars)

Fund	FY 2012 Request	
Goal 1: Hire the Best		
Salaries & Expenses total	$11,404,000	
Trust Fund limitation total	$0	
Total appropriated	$11,404,000	
Trust Fund Mandatory Authority - total	$0	
Revolving Fund	$1,015,630,000	
Common Services	$0	
Other resources:	$0	
Goal 1: Hire the Best Total	**$1,027,034,000**	
Goal 2: Respect the Workforce		
Salaries & Expenses total	$9,360,000	
Trust Fund limitation total	$19,082,000	
Total appropriated	$28,442,000	
Trust Fund Mandatory Authority - total	$7,070,000	
Revolving Fund	$0	
Common Services	$0	
Other resources:	$0	
Respect the Workforce Total	**$35,512,000**	
Goal 3: Expect the Best		
Salaries & Expenses total	$29,775,000	
Trust Fund limitation total	$0	
Total appropriated	$29,775,000	
Trust Fund Mandatory Authority - total	$0	
Revolving Fund	$853,281,000	
Common Services	$6,238,000	
Other resources:	$0	
Expect the Best Total	**$889,294,000**	
Goal 4: Honor Service		
Salaries & Expenses total	$5,518,000	
Trust Fund limitation total	$58,055,000	
Total appropriated	$63,573,000	
Trust Fund Mandatory Authority - total	$36,805,000	
Revolving Fund	$0	
Common Services	$0	
Other resources:	$0	
Honor Service Total	**$100,378,000**	

Strategic Goal 1: Hire the Best

Strategic Goal Statement: Help agencies recruit and hire the most talented and diverse Federal workforce possible to serve the American people.

President Obama's Memorandum: Improving the Federal Recruitment and Hiring Process (May 11, 2010), outlines one part of the Administration's comprehensive initiative to address major, long-standing impediments to recruiting and hiring the best and the brightest prospects. The initiative is designed to help agencies build the workforce required to achieve their goals. OPM is spearheading a governmentwide initiative to reform recruiting and hiring policies and procedures. OPM will extend its influence to ensure agencies recruit and hire the best talent possible. Successful implementation of these reforms will help each agency achieve its objectives.

FY 2012 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 1: Hire the Best										
	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Common Services	
Strategy	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
1.1 Reform the Federal Hiring Process	$8,149,000	26.0	$0	0.0	$0	0.0	$16,399,000	13.5	$0	0.0
1.2 Assist veterans to find a place in the Federal workforce	$2,155,000	12.7	$0	0.0	$0	0.0	$0	0.0	$0	0.0
1.3 Promote diversity and inclusion in the Federal workforce	$1,100,000	6.5	$0	0.0	$0	0.0	$0	0.0	$0	0.0
1.4 Ensure agencies have sufficient information to make to decisions such as credentialing, suitability, and/or security clearance determinations	$0.0	0.0	$0	0.0	$0	0.0	$999,231,000	2,730.3	$0	0.0
Total (dollars)	**$11,404,000**	**45.2**	**$0**	**0.0**	**$0**	**0.0**	**$1,015,630,000**	**2,743.8**	**$0**	**0.0**

*Salary & Expenses (inclusive of Multi-year and No-year)
**Trust Annual Limitation (inclusive of Multi-year and No-year)

Strategy 1.1 - Reform the Federal Hiring Process

In order for the Federal government to compete with the private sector, efficient and effective processes must be in place to recruit, hire, and retain high-performing employees. Due to a shrinking labor market and a tough economy, candidates will be attracted to organizations that can bring them on board the fastest. OPM leads the governmentwide staffing effort to ensure that Federal agencies hire and retain employees with the specific competencies necessary for agencies to attain their goals and missions. OPM helps Federal agencies compete with other employers through the use of effective recruitment, assessment, hiring, and retention strategies.

There is a broad understanding that the current competitive hiring process must be improved. Applicants regularly report confusion about differences between various agencies' application processes, complex application requirements, and the lack of communication from the agencies regarding the hiring process and the applicant's status. Human Resources (HR) professionals express frustration at a perceived lack of managerial commitment to participate fully in the key elements of hiring and delays in decision making that slow down the process. Managers complain that HR policies and procedures are ambiguous, overly bureaucratic, and do not facilitate timely hiring. These combined factors make it more difficult for the Federal government to hire qualified employees in the competition for top talent. One of the challenges facing Federal agencies is how to attract and recruit qualified individuals by meeting their expectations for user-friendly application procedures, clear communication about the hiring process and a seamless on-boarding experience.

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

FY 2010 Accomplishments:

During FY 2010, OPM established an Office of Student Programs tasked with coordinating comprehensive, governmentwide recruiting and hiring efforts. In addition, OPM developed a Virtual Federal Recruiter (see USAJOBS) that will assist Federal recruiters with effective, targeted recruiting by providing useful tools, collaboration opportunities, and relevant guidance.

In the area of streamlining the end-to-end hiring process, OPM has issued guidance and is providing assistance to agencies in moving towards the 80-day timeframe to hire for the most commonly filled positions. Increasing manager engagement in the hiring process is also essential to hiring reform success. OPM will monitor and regulate agency efforts to identify the barriers that block manager involvement in the hiring process, and subsequently establish corrective action plans to address this involvement. Streamlining the end-to-end hiring process also encompasses an overhaul of USAJOBS to make it a more positive experience for jobseekers.

In addition, the USAJOBS Program initiated a comprehensive system upgrade and re-configuration project to correlate the system functionalities with the Hiring Reform initiative. This effort was initiated in FY 2010, will span FY 2011, and is scheduled to be completed in FY 2012. The USAJOBS system upgrade will encompass the reconfiguration of the existing system, as well as the addition of two new websites to compliment the USAJOBS Program. These websites are intended to enhance the applicant experience. The first website will be USAJOBSRecruit.gov; and the second will be USAJOBSAssess.gov. The overall goals for the system upgrade are as follows:

- Provide greater ability to modify system functionality to align with Federal Hiring Reform initiatives and give greater control of system functionality to OPM leadership
- Take an applicant-centric approach where USAJOBS serves as the primary interface for applicant interactions

- Streamline the process for applicants by providing agencies the ability to share applicant ratings/qualifications determinations
- Ensure flexibility in agency choice of applicant assessment systems and tools, thus preserving competition
- Create opportunities for agencies to foster innovation and grow new private sector Human Resources Information Technology (HRIT) markets in the following areas: virtual recruiting, career discovery tools, job matching, social networking, targeted outreach, and other initiatives
- Provide common data standards and a seamless interface with public/private staffing systems
- Improve government controls of sensitive Personally Identifiable Information (PII)
- Provide redundancy for disaster recovery and continuity of operations in both OPM's Macon and Boyers facilities
- Facilitate the flow of data into other personnel systems (eQIP, eOPF, payroll, etc.)
- Support collection and distribution of governmentwide data, leading to the development of applicant dashboards and enhanced agency metrics

Anticipated FY 2011 Accomplishments:

During FY 2011, OPM will continue to promote innovative and coordinated approaches to hiring through the implementation of USAJOBSRecruit which expands the initial operational state to operating at full capacity.

In support of the efforts for the Hiring Reform initiative, USAJOBS will incur new systems development costs while sustaining operations and maintenance costs for the current system. To address this increased funding requirement, the program expects to increase the annual assessment fee to agencies by 19 percent and utilize $5,800,000 to fund a portion of the initial costs related to this effort. For FY 2012, the USAJOBS Program projects no significant increase in the annual assessment fee. It will, however, use an additional $653,000 to fund the remaining system upgrades. In FY 2012, OPM plans to will fund the successful completion of the USAJOBS upgrade project while allowing for the stabilization and normalization of operational program costs recovered through the annual assessment fee.

Anticipated FY 2012 Accomplishments:

To support the FY 2012 continued effort, the following organization actions are planned:

Employee Services-Recruitment & Hiring (R&H): OPM will continue to manage all RH lines of operations that include: Student Programs, USAJOBS, Staffing (all legislative and policy related issues), and Recruitment, Classification-Assessment-Qualifications. In addition, it will continue to participate in the implementation and management of any additional hiring reform issues as needed. RH will also provide all responses to all OPM/OMB requirements associated with strategic planning and integration for applicable functional areas.

Student Programs: OPM will continue the continued development and implementation of the Student Pathways initiatives per the President's Hiring Reform Memo and the maintenance and management of the President's Management Fellow Program (PMF). The anticipated outcome for the PMF program is that we will gain approval for a plan that will expand the Program in FY 2012.

OPM will initiate the PMF Reinvigoration Plan which recognizes the strategic importance of the PMF Program as it relates to recruiting, developing, and retaining future managers and leaders for the Federal government. Key milestones for the PMF Reinvigoration Plan are as follows:

- New assessment process
  - Assessment process will change beginning in 2011/2012 to an in person assessment at four locations nationwide that will increase the program expenses

- Reinvigoration of the orientation
  - The PMF Orientation location, curriculum, and overall format will be revamped in 2011/2012
  - New brand and purchase of associated materials--update the PMF brand and logo; and purchasing of new marketing materials for outreach
- Expanded PMF recruitment efforts
- Increase outreach efforts through strategic partnerships and marketing efforts.
- Expansion of OPM training opportunities to Fellows
- Enhancement of PMF data collection systems, including--collection of demographic data (diversity outreach) and Survey and analysis of PMF Program operations
- Expected increase in number of finalists/Fellows--the number of finalists/Fellows has increased in recent years and we expect an increase to approximately 1500 Fellows over the next three years; and anticipated cost of hiring Fellow is $6,000 to $7,000 per Fellow

Recruitment: OPM will continue to carry out its full range of activities to help agencies improve employee recruitment that include:

- Refining and managing the USAJOBS Recruit capability
- establishing a comprehensive outreach program that aligns with the President's guidance and intent as related to "recruiting the best and the brightest"
- Engaging agencies to assist them in developing recruitment programs that are relevant, targeted and meet the needs of the agencies in an effective and efficient manner
- Achieving full operational capability of USAJOBSRecruit and integrate it with the USAJOBS platform
- Create and implement a world class outreach program

Staffing: OPM will continue to develop and refine legislative language associated with the various hiring reform initiatives as well as other Federal hiring related issues. Current items, under development that may result in legislative and or regulatory action include but are not limited to:

- Proposed Rule 330 Subpart A
- Elimination of Knowledge Skills and Abilities (KSAs)
- Acceptance of resumes and cover Letters
- Streamlined Job Opportunity Announcements (JOAs)
- Notification of employee applicants at four points of hiring process
- Agencies shared resumes
- Revise Delegated Examining Unit Handbook
- Revise/maintain Interagency Delegated Examining Agreements
- Public Notice Related Hiring Issues (Trade/Professional publications)
- Announcement of all jobs on USAJOBS
- Category Rating
- 18 Month non-competitive conversion (surge capability)
- Student Pathway Initiatives (current and future)
- Use of Search Firms for Recruiting
- Debt Forgiveness, Sabbaticals, etc.

OPM will also continue to provide daily assistance in areas of Voluntary Early Retirement Authority, Voluntary Separation Incentive Payments, Dual Compensation Waivers (DCW), Direct Hire Authority (DHA), Category Rating Plans, etc. OPM will continue to support all agency requests for assistance associated with the President's Hiring Reform initiatives (Category Rating, Streamlined Job Opportunity Announcements, Resume and Cover Letter, Various Hiring Authority implications associated with the reform initiatives, other) gain approval for the issues requiring legislative or regulatory guidance associated with the President's Hiring Reform initiatives, maintain rapid turnaround for decisions related to agency Direct Hire Authority and Dual Compensation Waivers issues and continue to assist agencies in implementing hiring reform issues through consulting and training.

Classification, Assessment and Policy: OPM will continue to focus on all classification, assessment and qualification related issues that are directly impacted by the President's Hiring Reform initiatives such as development, training, implementation and integration in support of agencies. With completion and implementation of the initial on-line assessments for 12 occupations (includes integration with USAJOBS), OPM will develop of the next set on line assessments for selected occupations.

USAJOBS Program: OPM's primary focus is to maintain and manage the USAJOBS site. It will also focus on the integration of the "add-on capabilities" related to hiring reform (Recruit and Assess). USAJOBS will also continue the complete review and overhaul of the USJOBS site.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of managers that respond to the Chief Human Capital Officer (CHCO) manager survey with a positive rating of applicant quality**	N/A*	70%	72%	75%	83%
Percent of applicant surveys indicating applicant satisfaction with hiring process for Chief Human Capital Officer (CHCO) agencies	N/A*	N/A*	71%	74%	78%

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Salaries & Expenses	$8,149,000	26.0
ES—(PMF) - Revolving Fund	$3,610,000	6.5
ES—(USAJOBS) Revolving Fund	$12,789,000	7.0
Total Program Resources (dollars)	**$24,548,000**	**39.5**

*New measure--no historical data available for this period
** This measure was re-worded; recently OPM revamped performance measures for Hiring Reform initiative; OPM coordinated development of performance measures through coordination with OMB

OPM and OMB recently completed development of Hiring Reform measures; these measures had been initially proposed; however the data required to calculate these measures was inconsistent across agencies and these measures will not be used

Strategy 1.2 - Assist veterans to find a place in the Federal workforce

On November 9, 2009, the President signed Executive Order 13518 on the Employment of Veterans in the Federal government, establishing the Veterans Employment Initiative. The Initiative underscores the importance of recruiting, employing, and retaining Veterans within the Executive Branch of the Federal government.

The primary goal of the initiative is to increase the number of Veterans employed in the Federal government. Currently, the Government invests significant resources in the training and development of military personnel. To leverage this investment, the Federal government must take aggressive steps to recruit transitioning military personnel and Veterans for continued service in the civil service. OPM has identified five key barriers to increasing the number of Veterans employed in the Federal government. These barriers are a lack of clear leadership regarding the value and importance of hiring Veterans; infrastructure that does not support advocacy of Veterans' employment within Federal agencies; insufficient understanding of Veterans' Preference and utilization of special hiring authorities by HR professionals and hiring officials; an inadequate understanding of these preferences and processes by our Veterans and transitioning service members; and an absence of systems to match Veterans' skills and education to positions within the Federal government.

To mitigate these barriers, EO 13518 outlined four focus areas that include:

- Leadership commitment which establishes a governance structure and infrastructure dedicated solely to the employment of Veterans in the Federal government;
- Skills development and employment which focuses on providing employment counseling and aligning the talents and aspirations of Veterans and transitioning service members with civil service career opportunities;
- Marketing Veterans' employment creates a marketing campaign targeted to Veterans and transitioning service as well as targeted to hiring officials on how Veterans can meet skills demands in their organizations;
- Information gateway that creates single source website for disseminating accurate and consistent Veterans employment information and resources for Veterans, human resource (HR) professionals, and hiring officials.

With the increased focus on Veteran hiring, OPM is leading the renewed effort to initiate new and innovative programs to reach the Veterans in Federal employment.

FY 2010 Accomplishments:

OPM met performance targets as we partnered with key agencies and stakeholders to implement the plans, monitor the progress and measure the results of the initiative. By the end of FY 2010:

- 24 agencies established Veterans Program Employment Offices
- 18 agencies use governmentwide marketing materials to support their veteran marketing and recruitment efforts
- 18 agencies incorporated governmentwide veterans employment training materials within their strategies
- Realize an increase in governmentwide Veterans hiring numbers over baseline numbers
- Issued governmentwide Veterans Strategic Plan
- Launched FedsHireVets.gov web portal

Anticipated FY 2011 Accomplishments:

OPM, with the continued support of the CHCO Council and our strategic partners: Labor, Defense, Veterans Affairs, Homeland Security, as well as, agency Veteran Employment Program Offices will achieve the following goals:

- Deliver recommendations to the President on improving the ability of Veterans' preference laws to meet the needs of the new generation of Veterans, especially those transitioning from the conflicts in Iraq and Afghanistan, and the needs of Federal hiring officials.
- Prepare a progress report, in consultation with the Council on Veterans Employment, for the President on the initiative
- EO 13518 agencies report increased number of veteran new hires compared to previous year
- All EO 13518 agency Human Resources practitioners and hiring managers/officials complete Veterans annual training by end of FY 2011

Anticipated FY 2012 Accomplishments:

Veterans Services will continue to build on the activities started in FY 2010 and FY 2011 by expanding marketing, social networking, and resume bank and skills translation capability to improve employment opportunities for veterans in the Federal government. OPM will support currently defined initiatives within existing limits and may need to seek additional funding to support unanticipated expansion of requirements or additional initiatives.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Number of agencies that establish Veterans Program Employment Offices*	N/A*	N/A*	24	24	24
Number of agencies that incorporate governmentwide veterans employment training materials within their strategies	N/A*	N/A*	18	22	24
Number of EO 13518 agencies that incorporate governmentwide marketing materials to support their veterans recruitment efforts	N/A*	N/A*	18	22	24

Fund	Budgetary Resources FY 2012 Request		
	$	FTE	
ES--Salaries & Expenses	$2,155,000	12.7	
ES—(PMF) - Revolving Fund	$0.0	0.0	
ES—(USAJOBS) Revolving Fund	$0.0	0.0	
Total Program Resources (dollars)	**$2,155,000**	**12.7**	

* New measure--no historical data available for this period

Strategy 1.3 - Promote diversity and inclusion in the Federal workforce

Promoting diversity and inclusion in the Federal workforce helps agencies recruit and retain talented individuals from all communities to reflect the people we serve and create an environment in which the best people do their best work.   With shifting workplace demographics, the pipeline of talent is becoming increasingly diverse, producing more women, people with disabilities, people of color, and older workers ready to take on a myriad of challenges. By developing a strategic focus on diversity and inclusion, agencies can hire the best talent and improve their returns on investment in the form of decreased turnover, enhanced customer and employee satisfaction, and improved quality of decision-making at all organizational levels. As agencies begin to embrace the diversity and inclusion model, the Federal Government will continue to improve services to all populations and foster innovation for the future, allowing them to accomplish their varied missions.

In support of this goal, the Office of Personnel Management is requesting funds to support our effort to assist agencies as they recruit, hire, retain and develop a talented and diverse Federal workforce. We will develop comprehensive strategies, like those found in the private sector and successful agencies, to drive and integrate diversity and inclusion practices throughout the Federal Government and to help build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws.

FY 2010 Accomplishments:

During FY 2010, in support of the President's Executive Order on increasing the number of employees in the Federal government with disabilities, OPM developed model strategies on the recruitment and hiring of individuals with disabilities through Schedule A hiring authority and created a database with qualified Schedule A individuals who meet the qualifications to fill a variety of entry level Federal positions.   In addition, OPM spent considerable time working with other Federal departments and agencies, as well as the private sector, identifying leading diversity and inclusion practices, training, and guidance, resulting in the decision to establish OPM's Office of Diversity and Inclusion. Finally, to monitor the diversity of applicants seeking employment in the Federal workforce, OPM, in collaboration with the Equal Employment Opportunity Commission (EEOC), developed a mechanism to collect applicant flow data for Federal jobs to improve recruitment efforts and in compliance with law and regulation.

Anticipated FY 2011 and FY 2012 Accomplishments:

OPM will build on the activities which began in FY 2010 and FY 2011 by supporting governmentwide initiatives to recruit a diverse workforce; develop hiring and inclusion guidance; expand marketing; design diversity and inclusion training for managers, supervisors and employees; and leverage advanced technologies to integrate diversity and inclusion practices throughout the Federal Government. Specific accomplishments will include:

- Building diversity and inclusion partnerships:
    - Provide support and create action plans for diversity-related policies, including the Executive Order on Increasing Federal Employment of Individuals with Disabilities, the Hispanic Council on Federal Employment and the White House Initiative on Asian Americans and Pacific Islanders
    - Benchmark and develop model processes (*e.g.*, on-boarding, mentoring, exit interviews)
    - Launch a government-wide Diversity and Inclusion website and portal
- Ensuring diversity and inclusion is valued and recognized in and across the federal government:
    - Issue OPM guidance on how to create effective recruitment plans and gain input from HR, EEO, Diversity and hiring managers

- o Develop communities of practice on the portal to allow agencies to leverage resources

- Helping agencies become high-performing organizations:
  - o Design and develop a diversity and inclusion Reference Guide, including guidance on leading practices in the private sector and successful agencies
  - o Design and develop a suite of diversity and inclusion training
- Providing diversity and inclusion leadership and direction to government-wide programs:
  - o Host forums for sharing leading practices to include information from corporations like IBM, AT&T and Goldman Sachs
  - o Develop diversity and inclusion recruiting and learning using social media
- Improving federal employee engagement and satisfaction with health, wellness and work-life flexibilities as means of fostering inclusion and retaining a diverse workforce:
  - o Promote, encourage and provide guidance on work-life balance policies, including Telework, wellness programs, and other work-life flexibilities and benefits

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percentage of employees in the Federal government with targeted disabilities	N/A*	N/A*	N/A*	TBD**	TBD**
Number of managers trained in diversity issues	N/A*	N/A*	N/A*	TBD**	TBD**
Percentage of Federal employees and managers who report satisfaction in the area of diversity and inclusion	N/A*	N/A*	58%	66%	63%

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ODI--Salaries & Expenses	$1,100,000	6.5
Total Program Resources (dollars)	**$1,100,000**	**6.5**

* New measure--no historical data available for this period
** Targets to be set end of FY 2011

Strategy 1.4 - Ensure agencies have sufficient information to make to decisions such as credentialing, suitability, and/or security clearance determinations

In response to significant 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. Previously, initial clearances took 179 days; today they take 40 days. When OPM took over the Background Investigation Program from the Department of Defense's Federal Investigative Service, 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.

FY 2010 Accomplishments:

During FY 2010, OPM re-invested resources into information technology (IT) infrastructure to continue providing quality and timely investigative products while also aligning the IT infrastructure to support Joint Reform Team (JRT) efforts. These efforts include improving and streamlining the processes for determining eligibility for access to classified information, suitability for Federal employment, eligibility to work on a Federal contract, as well as granting access to federally controlled facilities and information systems. OPM also migrated the Clearance Verification System to become the Central Verification system, providing broader data elements and access to fully support security clearance, suitability and credentialing determinations. OPM will develop the revised Standard Form 86 to be implemented in e-QIP. The Automated Records Checks of select DOD populations will conclude and depending on the pilot outcome, OPM will begin expanding the suite of automated records checks to be incorporated into existing investigative products. Automated tools to support quality assessments will be implemented, giving OPM better information to assess the efficiency of current processes and inform future product enhancements.

Anticipated FY 2011 Accomplishments:

In FY 2011, OPM will continue to invest resources to transform the IT infrastructure while supporting JRT efforts, including reform of investigative products with enhanced subject interviews and expandable focused investigative actions triggered by issue events. OPM will offer optional investigative products to support continuous evaluation and will provide an expanded suite of automated records checks with each investigation. OPM will develop and publish in the Federal Register a revised Standard form 85P for Public Trust Investigations, and will continue the expansion of the Central Verification System user base across Executive Branch agencies. OPM will implement the revised Standard Form 86 in e-QIP, providing branching questions and enhanced data collection to meet the reform goals for electronic applications.

Anticipated FY 2012 Accomplishments:

In FY 2012, OPM will begin the redesign of investigative processes and procedures, laying the groundwork for implementation of Federal investigative standards at the end of CY 2013. OPM will implement the enhanced subject interview, informed by automated records checks and establish periodic standards for individuals in positions of trust. We will revise our position designation tool based on the Federal Investigative standards and will implement an automated toolbox to support suitability adjudications.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Average number of days to complete the fastest 90% of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act	N/A*	N/A*	39	40	40
Investigations determined to be deficient due to errors in investigation processing	0.1%	0.19%	0.16%	1.0%	1.0%

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
FIS--Revolving Fund	$999,231,000	2,730.3
Total Program Resources (dollars)	**$999,231,000**	**2,730.3**

* New measure--no historical data available for this period

Strategic Goal 2: Respect the Workforce

Strategic Goal: Provide the training, benefits, and work/life balance necessary for Federal employees to succeed, prosper, and advance in their careers

To improve Federal programs and services, the government must invest in its most valuable resource – its employees. Providing training– from entry-level to executive – is critical to mission accomplishment and leadership succession planning. Providing a suite of flexible benefits and promoting a healthy work/life balance across the Federal government also contributes to building an engaged workforce, employee well-being and retention. Programs and initiatives, such as alternative work schedules, telework, and employee assistance programs are designed to help employees identify and resolve personal and/or work-related issues that may affect their productivity. Investments in training, benefits, and work/life balance initiatives benefit current employees and help us continue to attract the best and brightest for Federal service.

FY 2012 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 2: Respect the Workforce										
	S&E*		**Trust Annual Limitation****		**Trust Fund Mandatory**		**Revolving Fund**		**Common Services**	
Strategy	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**	**$**	**FTE**
2.1 Improve training opportunities for Federal employees	$931,000	5.8	$0	0.0	$0	0.0	$0	0.0	$0	0.0
2.2 Ensure that available benefits align with best practices and employees' needs	$1,802,000	5.0	$19,082,000	90.0	$7,070,000	16.6	$0	0.0	$0	0.0
2.3 Improve Federal employee engagement and satisfaction with health, wellness, and work/life flexibilities	$3,852,000	7.0	$0	0.0	$0	0.0	$0	0.0	$0	0.0
2.4 Improve Federal labor-management relations across the government	$2,775,000	18.1	$0	0.0	$0	0.0	$0	0.0	$0	0.0
Total (dollars)	**$9,360,000**	**35.9**	**$19,082,000**	**90.0**	**$7,070,000**	**16.6**	**$0**	**0.0**	**$0**	**0.0**

*Salary & Expenses (inclusive of Multi-year and No-year)
**Trust Annual Limitation (inclusive of Multi-year and No-year)

Strategy 2.1 - Improve training opportunities for Federal employees

To improve Federal programs and services, the Federal government must invest in its most valuable resource – its employees. Providing training throughout an employee's career is critical to mission accomplishment and leadership succession planning. Having a suite of flexible benefits and promoting a healthy work/life balance across the Federal government also contributes to building an engaged workforce, employee well-being and retention. Programs and initiatives, such as alternative work schedules, telework, and employee assistance programs are designed to help employees identify and resolve personal and/or work-related issues that may affect their productivity. Investments in training, benefits, and work/life balance initiatives benefit current employees and help us continue to attract the best and brightest for Federal service.

FY 2010 Accomplishments:

During FY 2010, OPM continued its dedication to providing the Federal human resource development community and its strategic partners the necessary guidance and tools that assist agencies in achieving their strategic goals and creating a highly trained workforce. As a result of agencies utilizing our guidance and tools, OPM expects that scores on training related items on the Employee Viewpoint Survey (formerly the Federal Human Capital Survey) will increase. Federal agency training and talent management systems and practices are anticipated to improve as evidenced in the annual Human Capital Management Report (HCMR).

Training and development are essential in the Federal government to attract and retain a knowledgeable and skilled workforce. During FY 2010, OPM published revised regulations on training and supervisory, managerial and executive development in 5 CFR 410 and 5 CFR 412. Subsequently, OPM drafted a revision of the "Training Policy Handbook" in an effort to update the handbook and make it more user-friendly, which highlighted agency best practices in workforce training through webcasts and forums for the Federal learning and development community. OPM initiated a series of webcasts on leadership development, including presentations on pre-supervisory development, new supervisors training, and executive development. These webcasts were recorded and posted on OPM's YouTube channel. OPM hosted multiple interagency forums including quarterly SES Candidate Development Program Coordinators Roundtable where best practices were shared and issues surrounding these programs were discussed, and the Executive Resources Forum.

In addition, OPM developed guidance, tools, templates, online collaboration tools, and best practices reports that were shared with the Federal agencies and posted on OPM's website. OPM promoted approaches to learning and development through various collaborative and social media vehicles including hosting knowledge cafes and developing a wiki for agencies. The wiki includes pages on a series of learning topics including 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. OPM developed 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 is piloted, the agency expects 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.

During FY 2010, OPM has also supported several other initiatives efforts such as the development of the Federal Human Resource Virtual University to help ensure that the Federal Human Resource workforce has the competencies required to meet increasingly complex human capital demands both today and in the future. These efforts included development of a Federal HR career map with success factors and sub-competencies identified for various HR specialty areas. Another learning and development initiative OPM undertook was to 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.

Anticipated FY 2011 Accomplishments:

During FY 2011, 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 executive development, coaching, and steps in the individual development plan (IDP) process. One specific approach will be the development of a complementary website with the listing opportunities for SES Candidate Development Program participants—a website listing developmental opportunities for current Federal executives. OPM will also develop guidance for 1) the supervisory training requirements in 5 CFR 412, and 2) developing your executive onboarding program for use by Federal agencies.

Anticipated FY 2012 Accomplishments:

During FY 2012, in support of promoting workforce training and development as a critical element of civil service reform, the agency will network with other agencies and conduct informal surveys, which identify best practices in workforce training and hold interagency forums. The forums will include 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.

Holding agencies accountable for providing training opportunities for their employees is a critical element to the success of this initiative. OPM will provide agencies EHRI reports on training data which illustrates the number of training events occurring in the agency, the dollars spent, whether mandatory training is taken, and the type of training supported by the agency. Agencies are to notify OPM of the reports accuracy. OPM will post raw datasets of agency training events on Data.gov for use by Federal agencies and the public.

Performance Measures	FY 2008 Result		FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Increased number of governmentwide training events as reported in EHRI	N/A*		2,984,653	5,984,693	5% over FY 2010	5% over FY 2011
Increase in dollars spent as exhibited in OPM's EHRI training data	N/A*		$38.74 million	$95.9 million	$76.7 million	$76.7 million

Fund	Budgetary Resources		
	FY 2012 Request		
	$	FTE	
ES--Salaries & Expenses	$931,000	5.8	
Total Program Resources (dollars)	**$931,000**	**5.8**	

* New measure--no historical data available for this period

Strategy 2.2 - Ensure that available benefits align with best practices and employees' needs

To ensure benefits align with best practices and employees' needs, evaluations are conducted on the results of public and private sector organizations' benefit surveys. These results are used to ensure Federal benefits are consistent with, equal to, or better than, private and other public sectors' benefits, and increases in overall premiums for the Federal Employees Health Benefits Program (FEHBP) program are consistent with, or more favorable than, private sector premiums for comparable benefits.   Benefit options are communicated to potential candidates and current employees to make certain they understand the flexibilities and benefits available to them.

At the beginning of FY 2010, OPM laid out a five year strategic plan to achieve this assigned goal and began accomplishing this strategy by: 1) ensuring that employees understand their benefits; 2) maximizing technology to enhance enrollment, communications, and internal processes; 3) maintaining a strong outreach program to employees, agencies, and carriers to continuously improve products and services; and 4) continuing to market and expand all Federal benefit product lines.

In FY 2011 and FY 2012, OPM will continue using multiple communications media to explain and market Federal insurance programs. In addition, we will continue to conduct focus groups to learn about customer needs, preferences, issues, and insights into product improvement and programs communication and expand focus groups to include new employees, querying them regarding their experience as applicants.

OPM will continue to negotiate FEHBP 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, website postings, health plan customer satisfaction survey results, Web-based comparison/decision tools, and the Health Plan Employer and Data Information Set.

OPM will continue to engage in tough negotiations with health carriers that offer a broad range of health insurance benefits 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.

The Health Claims Data Warehouse (HCDW) project is an initiative to collect, maintain and analyze data on an ongoing basis. The data will derive from health claims under FEHBP (including drug utilization from PBMs), PCIP, and Multi-State Plan options. The HCDW will allow OPM to understand the drivers of cost increases and model the potential effects of health system reform or environmental changes on Federal employees. This warehouse will also strengthen OPM's ability to shape future benefits design by positioning the agency to negotiate effectively with FEHBP carriers to keep premium increases below industry-wide levels. In addition enrollment data derived from the PCIP and Multi-State Plan options will enable us to understand the demographics and utilization patterns for pricing and market analysis for this population.

OPM authorized analysts using the warehouse for analysis purposes will only have access to de-identified data, and no identifiable data will be released outside OPM. The HCDW will employ role-based access controls to restrict access to data contained within the HCDW. The data warehouse will be fully compliant with all applicable provisions of the Privacy Act, Health Insurance Portability and Accountability Act (HIPAA), Federal Information Security Management Act (FISMA), Records Act, and National Institute of Standards and Technology (NIST) guidance.

During FY 2010, OPM began developing the FEHB data collection and analysis capacity. With the passage of the Affordable Care Act, OPM has a role in administering the Pre-Existing Condition Insurance Plan (PCIP) program, and is responsible for implementing Multi-State Plans that will be

offered through state-based Exchanges. Accordingly, PPA has delayed award of the Health Claims Data Warehouse in order to properly re-baseline and expand the scope to include not only FEHB but also PCIP and Multi-State Plan Options. A dedicated Project Manager and contractor to provide Project Management Office support were selected and brought on board in the fourth quarter, FY 2010. The statement of objectives is being finalized and acquisition of contractor to develop and implement the system is planned for no later than the fourth quarter of FY 2011. 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.

With the advent of social networking, OPM is using 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.

FY 2010 Accomplishments:

Some of the major activities completed in FY 2010 include:

- Revamped Federal Long Term Care Insurance Program (FLTCIP) materials for greater transparency and to promote a better understanding of the insurance products for prospective applicants
- Expanded communication regarding benefits for internal and external customers through the use of focus group and social media
- Used "go green" strategies in to eliminate mail costs for Audit Resolutions, communications to FEHB plans, make the disputed claims process paper--free, increase telework and workplace flexibilities, and review document retention practices to reducing paper dependency and storage
- Maximized our enrollment clearinghouse to identify problematic practices, and piloting an enrollment verification and premium income data base using EHRI data, to reduce Federal agency and FEHB plan discrepancy rates
- Conducted negotiations with carriers to ensure compliance with OPM's benefits and rate guidance for contract year 2011
- Administered FEHB contracts to ensure that enrollees have access to well-managed and accredited carriers, with competitive healthcare choices and good healthcare benefits
- Conducted the full range of Insurance Operations functions and governmentwide systems support for Open Season activities, audit functions, contract administration, disputed claims, and oversight
- Enhanced web-based information and tools to support employee and annuitant benefits decision making, and fully utilize self service enrollment services
- Provided consultative services to the Department of Health and Human Services' (DHHS) in standing up the PCIP program and implemented the Federal plan in 23 states and the District of Columbia which did not set up their own plan
- Began developing the FEHBP data collection and analysis capacity. Selected and brought on board dedicated Project Manager and a contractor to provide Project Management Office support

Anticipated FY 2011 Accomplishments:

OPM will continue to improve the FEHBP services during FY 2011 by evaluating quality service and continuing to offer value choices. OPM 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 and will further enhance the web-based information and tools to support employee and annuitants benefit decisions.

In FY 2011 the HCDW project will continue implementation activities for the Program Management Office: establishment of the Earned Value Management System and baseline; procurement of a systems integrator; on-board the systems integrator vendor and initiate requirements documentation; and validation activities with the contractor. The System Integrator will stand-up a proto-type version of the anticipated system to streamline requirements documentation and validation activities utilizing a copy of the health claims records maintained by the Office of the Inspector General.

Anticipated FY 2012 Accomplishments:

In FY 2012 the Health Claims Data Warehouse and Analysis project will continue a phased system development life cycle and implementation. Iterations for development and deployment will be determined with the system integrator once an award is made.

Key Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of FEHBP customers satisfied with OPM's Open Season website	35%	67%	79%	70%	70%
Percent of health benefits claims processed within 30 days	99%	98%	99%	95%	95%
Percent of health benefits claims processed accurately	98%	98%	TBD*	96%	96%
Rate of improper payments in FEHBP	0.24%	0.30%	TBD*	0.28%	0.28%
Percent of FEHBP enrollees satisfied versus industry standard	78% vs. 60%	77% vs. 62%	77% vs. 63%	FEHBP >= industry	FEHBP >= industry
Average number of calendar days to pay FEGLI claims	6.3	5.5	4.4	< 10 day Industry standard	< 10 day Industry standard
Percent of FEGLI claims paid accurately	99.9%	99.9%	99.9%	99.7%	99.7%
Rate of improper payments in the FEGLI program	.05%	0.04%	.03%	0.04%	0.04%
Percent of FLTCIP service calls answered within 20 seconds	89%	90%	93%	85%	85%
Percent of FLTCIP customers overall satisfied with customer service	98%	99%	92%	90%	90%
Number of employees participating in FSAFEDS	248,972	289,815	318,044	320,000	320,000
Percent of "clean" FSAFEDS claims reimbursed within 5 business days	100%	100%	99%	90%	90%
Percent of Dental and Vision Benefits Claims Processed within 30 Days	N/A*	N/A*	N/A*	93%	93%
Percent of Dental and Vision Benefits Claims Processed accurately	N/A*	N/A*	N/A*	97%	97%
Percent of FEDVIP Enrollees satisfied vs. Industry standard	N/A*	N/A*	N/A*	FEDVIP >= Industry	FEDVIP >= Industry
Percent of retirement reserves receiving clean opinions from outside reviewers	N/A*	N/A*	N/A*	100	
Increases in overall premiums for FEHBP are consistent with, or more favorable than private sector premiums for comparable benefits.	N/A*	N/A*	N/A*	FEHB <= Private Sector	FEHB <= Private Sector
Percent of claims in database and management reports completed	N/A*	N/A*	N/A*	75%	75%

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
RS—Dental & Vision – Mandatory Authority	$0	0.0
PPA—Salaries & Expenses	$1,540,000	3.0
PPA---TF Limit -- Annual	$8,886,000	14.0
PPA---5 USC 8348 (a)(1)(B) - Mandatory Authority	$523,000	5.0
PPA—Dental & Vision – Mandatory Authority	$271,000	2.3
PPA--Long Term Care – Mandatory Authority	$271,000	2.3
HI—Salaries & Expenses	$262,000	2.0
HI---TF Limit -- Annual	$10,196,000	76.0
HI---Dental & Vision – Mandatory Authority	$4,228,000	4.0
HI---Long Term Care – Mandatory Authority	$1,777,000	3.0
Total Program Resources (dollars)	**$27,954,000**	**111.6**

* New measure--no historical data available for this period

Strategy 2.3 - Improve Federal employee engagement and satisfaction with health, wellness, and work/life flexibilities

Work/life is the practice of providing employees a flexible, supportive work environment that allows them to be focused and productive at work. OPM's role is to partner with Federal agencies to help them develop and manage excellent work/life programs that meet the human capital needs of the Federal workforce; and provide the policies and guidance that form the foundation of these programs.

To improve employee satisfaction with health, wellness and work/life flexibilities, OPM will provide agencies tools to help them promote health and wellness, evaluate their programs, in particular telework, and address employee satisfaction.

As OPM supports the agencies in their work/life and wellness action planning, OPM expects an increase in employee participation in agency health and wellness programs, an increased percentage of eligible Federal employees who telework, and an increased percentage of Federal employees who report satisfaction with work/life programs in general as evidenced in Employee Viewpoint Survey results.

FY 2010 Accomplishments:

Health and wellness:

- Supported agencies in developing draft comprehensive worksite wellness implementation plans that will achieve 75 percent participation rates over 5 years
- Updated tool that agencies can use to do a needs assessment which will provide input for the creation of worksite wellness implementation plans
- Supported agencies' development of action plans by providing an action planning template and training on action planning
- Launched the health and wellness OPM/GSA/DOI campus initiative

Telework:

- Completed telework blog and associated report used as the foundation for the Federal Telework Leadership Forum
- Federal Telework Leadership Forum; associated report of summary findings outlining actionable plans to overcome key telework barriers and increase participation (in approval process)
- Held sessions with agencies to provide feedback based on OPM's reviews of agency telework policies
- With OPM's support, the Telework Improvement Act was passed in December 2010. Enactment this legislation will give OPM the authority to require agencies to evaluate their programs, establish TMO positions and include telework in all emergency planning. This act also requires OPM to develop new regulations, prepare reports to Congress, and increase its oversight and support of the Telework program

Employee Engagement:

- Provided agencies the results of their Employee Viewpoint Surveys along with interpretations and recommendations
- Helped agencies identify Employee Engagement areas most needing improvement and develop plans for FY 2012 to improve performance in those areas
- Provided action planning training as well as one-on-one consultations with agencies

Anticipated FY 2011 Accomplishments:

Health and Wellness: OPM will provide agencies feedback on their draft plans and will support agencies as they develop criteria for assessing the adequacy of their plans.

Telework: OPM will develop Telework policy guidelines for the web based on telework policy evaluation results. OPM will help agencies update their policies and implement their telework programs. Manager training will be updated based on identified barriers and challenges.

Employee Engagement: OPM will conduct the governmentwide work/life survey.

Anticipated FY 2012 Accomplishments:

Health and Wellness: OPM will provide agencies feedback on agency draft plans and will support agencies as they develop criteria for assessing the adequacy of their plans. OPM also has commissioned an management evaluation of WellnessWorks, using data generated by the on-site program matched with data from the health claims data warehouse, workmen's compensation claims, disability claims and EHRI.

OPM continues to examine policy options, legislative changes and governmentwide data trends and employee survey findings that affect OPM's management of HR policy, specifically including insurance and employee health and wellness benefits for Federal employees. To assure benefits provide maximum value and are secure, OPM will conduct actuarial analyses, statistical tests using large data bases and analysis of results from surveys of Federal employees. The OPM will seek to effectively use and integrate the available major data sources.

OPM will continue to track agency participation in telework through the annual data call and Employee Viewpoint Survey. In addition work/life and wellness staff will collaborate with agencies to measure program success. Agencies will also be encouraged to integrate telework with agency emergency planning. Via training and web-delivered guidance, OPM will continue to support agencies' efforts to increase telework. Program evaluation, TMO positions and emergency planning are key elements of the Telework Enhancement Act of 2010 (P.L. 111-292). The law gives OPM the authority to require agencies to evaluate their programs, establish TMO positions and include telework in all emergency planning. Implementation of the law requires additional work from OPM to develop new regulations, prepare reports to Congress, and increase its oversight and support of the Telework program.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Chief Human Capital Officer (CHCO) Agencies have developed final wellness plans	N/A*	N/A*	75%	100%	100%
Weighted average number of wellness program opportunities per work location; weighted by the employee population of the work location	N/A*	N/A*	55	60	70
Percentage of agencies with a telework component in their Continuity of Operations Plan (COOP)	56	72	TBD**	80	95
Number of telework eligible employees	1,187,240	N/A***	N/A**	1,700,000	1,700,000
Number of telework eligible employees who regularly telework	102,900	113,946	TBD**	140,000	155,000
Number of employees equipped and trained to telework during and emergency	N/A****	N/A****	N/A****	N/A****	N/A****
Improvement of satisfaction with work/life programs as measured by Employee Viewpoint Survey	N/A*	N/A*	NA**	5% Increase over FY 2010	5% Increase over FY 2010

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Salaries & Expenses	$1,152,000	7.0
PPA – Trust Funds	$2,700,000	0.0
Total Program Resources (dollars)	**$3,852,000**	**7.0**

* New measure--no historical data available for this period

** Data not yet available--telework measures were collected during OPM Telework Data Call covered calendar year January 2009 through December 2009; and values represent FY 2009 data in the table above; FY 2010 telework data will be available after the calendar year 2011 data call.

***The question for this measure was changed for the most recent telework data call; the definition for an eligible employee versus a participating employee is in flux; this question was not included in the latest data call; OPM will need to standardize the definition or change the question in the future because the intent of the Telework Improvement Act of 2010 is to define all employees as eligible except for a minor set of employees who by definition would not be eligible; OPM, in partnership with agency telework officers will need to determine what data to collect in the future.

**** New measure intended to begin collection in FY 2011--no historical data available for this period. This measure is a new measure and OPM is leading a measurement working group of agency telework managers to fully define the collection methods and will gather data and report **www.performance.gov**

Note: telework measures were collected during OPM Telework Data Call covered calendar year January 2009 through December 2009; and values represent FY 2009 data in the table above

Strategy 2.4 - Improve Federal labor-management relations across the government

OPM's Partnership and Labor Relations (PLR) office facilitates strategic HR policy and programs. OPM engages national unions on issues affecting their members and serves as OPM's liaison to the unions through information-sharing, meetings, and informal discussions with key union staff. OPM provides policy guidance to Federal agencies on labor and employee relations matters. OPM also develops and promotes systems, strategies, and policies that ensure employee accountability in areas such as standards of performance, conduct, and ethical behavior. Lastly, OPM has the authority to review third-party decisions for consistency with civil service laws, rules and regulations by exercising formal intervention, reconsideration or judicial review of decisions.

FY 2010 Accomplishments:

OPM facilitated and coordinated meetings and engagements of the National Council on Labor Management Relations (LMR), established by Executive Order 13522. The Council consists of high level agency leadership and national union leaders, and is co-chaired by the Director of OPM. OPM provides administrative support to the National Council, including the establishment and maintenance of the LMR Council website. OPM participates in and supports the work groups established by the National Council. For example, the executive order requires each agency to prepare and submit for approval by the Council, a written implementation plan addressing the areas of LMR specified in the Order. PLR reviewed these implementation plans, and posted them for public comment on the LMR Council website. All agencies submitted written implementation plans and with the exception of one agency, all agency implementation plans have been approved.

OPM regularly consulted, at the national level, with labor organizations on OPM regulations affecting conditions of employment across the federal government. In accordance with 5 U.S.C. 7113, OPM conducted 26 consultations and five informational briefings to the 12 national unions accorded National Consultation Rights. These unions were provided with information and/or a face-to-face consultation, as appropriate, on agency regulations before they were promulgated.

OPM reviewed over 6,000 Merit System Protection Board and Federal Circuit cases to identify and share with agencies those containing critical factors with significant impact to civil service law and regulation, and identified those areas warranting intervention or reconsideration. This is an ongoing responsibility on behalf of the OPM Director, who has statutory responsibility to intervene or seek reconsideration of erroneous third party decisions.

In FY 2010, OPM helped improve the competencies and capabilities of HR practitioners governmentwide through collaboration with the Employee and Labor Relations (ELR) Network. OPM sponsored educational opportunities at no cost to agencies. Comparable training offered by private sector vendors average approximately $1,000.00 per student per course. Through the Professional Development Series (PDS), OPM provided employee and labor relations training on policies, principles, and case law at the Basic and Advanced levels. Attendance at the four PDS courses averaged 27 students per course. These courses lasted four and a half days offering more content than other courses on the same subject matters but at no tuition cost to agencies. Through educational forums and conferences PLR addressed a host of HR areas, such as Merit System Protection Board (MSPB) case law and practice, Federal Labor Relations Act (FLRA) Report on Training, Case Processing and Legal Development, and the Uniformed Services Employment and Reemployment Rights Act (USERRA) which concerns job protections for persons who serve or have served in the Armed Forces or other uniformed services.

Additionally, forums were webcast for remote access with audiences in United States and overseas.

Anticipated FY 2011 Accomplishments:

OPM will continue to facilitate and coordinate meetings and engagements of the National Council on Labor Management Relations. OPM will participate in and support of the work groups established by the National Council: Workgroups regarding establishment of metrics to measure the impact of E.O. 13522; collective bargaining pilots on certain matters; and other governmentwide initiatives. OPM will facilitate establishment of and meetings of these workgroups to ensure the work of the National Council is accomplished on behalf of the President.

OPM will regularly consult with labor organizations on OPM regulations, as necessary, affecting conditions of employment across the federal government and provide informational briefing sessions to the 12 national unions accorded National Consultation Rights. These briefing sessions led by OPM staff offer the national unions additional opportunities to ask questions and offer recommendations on proposed governmentwide policies. These efforts will ensure the requirements of E.O. 13522 regarding pre-decisional involvement by labor organizations on these regulations are satisfied, to the extent practicable. This level of effort provides labor organizations additional opportunities to influence governmentwide policies that impact conditions of employment.

During FY 2011 OPM will review a similar quantity of MSPB cases (approximately 6,000 cases) and share those containing critical factors with significant impact to civil service law and regulation, and identify those areas warranting intervention or reconsideration. This is an ongoing responsibility on behalf of the OPM Director, who has statutory responsibility to intervene or seek reconsideration of erroneous third party decisions.

OPM will continue to maintain a secure social network website for Federal HR practitioners to share ideas, best practices, and collaborate with subject matter experts. This social network website will be regularly updated to provide contemporary ideas and practices to ensure practitioners have the right tools and information available to them. OPM will complete the redesign of the Labor-Management Relations website on opm.gov. This site addresses labor-management relations from a governmentwide perspective. OPM will work with IT professionals to design an improved functionality and navigability of the site using innovative technological tools, including wikis and a blog format. OPM will continue to administer the FLIS - Federal Labor Information System and on-going comprehensive redesign, including upgraded software, improved search functionality, and greater data integrity through FY 2011, culminating in a re-launch of the Labor Agreement Information Retrieval System (LAIRS) website in its new form.

In FY 2011, OPM will provide an Employee and Labor Relations (ELR) Network and sponsored educational opportunities at no tuition cost to agencies. Through the Professional Development Series, OPM will provide employee and labor relations training through face to face conferences and seminars, and through distributed learning forums such as web cast. These educational opportunities will be routinely updated and refreshed depending on the needs of the agency practitioners and changes to laws, rules and regulations as appropriate. Forums will be added as necessary to address current events.

Anticipated FY 2012 Accomplishments:

During FY 2012, OPM will continue efforts begun in FY 2010 and expanded in FY 2011 to continue to maintain liaison between Federal employees, agencies, and unions and foster an on-going dialogue for labor and management relations. These efforts are through support of the National Council and through OPM's governmentwide responsibilities on strategic HR policy matters.

OPM will continue to facilitate and coordinate meetings and engagements of the National Council on Labor Management Relations. The National Council is expected to address various governmentwide initiatives by making recommendations on these initiatives with the ultimate goal of improving the federal government workplace.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Improved labor management relations	N/A	N/A	N/A	N/A	N/A
Improved quality of employee work/life / satisfaction / engagement	N/A	N/A	N/A	N/A	N/A
Improvements in ability to accomplish mission and deliver high quality products and services	N/A	N/A	N/A	N/A	N/A

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Salaries & Expenses	$2,775,000	18.1
Total Program Resources (dollars)	**$2,775,000**	**18.1**

Note: these are general metric categories the National Council on Labor Management Relations metrics workgroup is considering. No specific measures have yet been developed; therefore, there are no results or targets. OPM will assist the Council to establish performance measures and will track them at a later date.

Strategic Goal 3: Expect the Best

Strategic Goal: 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

OPM ensures that agencies across the Federal government hold leaders accountable for results. For agencies to succeed and meet the challenges of the 21st century, OPM must transform the civil service system to be flexible, agile, and capable of responding to any circumstance. OPM provides human resources management solutions, establishes the standards for continuous improvement, and leads by example to achieve agency results.

FY 2012 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 3: Expect the Best										
	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Common Services	
Strategy	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
3.1 Help agencies become high-performing organizations	$5,536,000	7.2	$0	0.0	$0	0.0	$850,381,000	705.0	$	0.0
3.2 Recognize, select, and sustain individuals who provide strong leadership and direction for agencies	$1,823,000	10.1	$0	0.0	$0	0.0	$0	0.0	$0	0.0
3.3 Provide leadership and direction to governmentwide HR programs	$2,790,000	16.0	$0	0.0	$0	0.0	$0	0.0	$0	0.0
3.4 Hold agencies to account for improvements in strategic human resources management	$18,927,000	119.3	$0	0.0	$0	0.0	$0	0.0	$0	0.0
3.5 OPM will lead by example to implement human resources reforms and achieve results	$0	0.0	$0	0.0	$0	0.0	$2,900,000	19.0	$6,238,000	38.5
3.6 Ensure the safety of the Federal workforce through emergency preparedness	$699,000	4.6	$0	0.0	$0	0.0	$0	0.0	$0	0.0
Total (dollars)	**$29,775,000**	**157.2**	**$0**	**0.0**	**$0**	**0.0**	**$853,281,000**	**724.0**	**$6,238,000**	**38.5**

*Salary & Expenses (inclusive of Multi-year and No-year)
**Trust Annual Limitation (inclusive of Multi-year and No-year)

Strategy 3.1 - Help agencies become high-performing organizations

Helping agencies become high-performing organizations includes designing, developing, and promulgating 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. Doing so ensures the Federal government's learning and development programs which support strategic human capital investments and ensure the Federal government has an effective civilian workforce.

FY 2010 Accomplishments:

During FY 2010, OPM evaluated agency performance management systems using OPM's Performance Appraisal Assessment Tool (PAAT) and provided feedback to agencies, with guidance for how to improve their systems. OPM reviewed agency Human Capital Management Reports (HCMRs) to ensure agencies were making appropriate plans for improving their systems. In addition, OPM provided performance management workshops, forums, and in-depth technical assistance on system design and implementation. OPM also updated our Performance Management Clearinghouse to include descriptions of effective and successful performance management programs and practices.

In addition, OPM provided hiring reform training to agencies; was selected to develop new systems and technology including USAJOBS 3.0, USAJOBS Assess and USAJOBS Recruit.gov; and refreshed the Administrative Law Judge (ALJ) register. Ninety-five percent of customers agree that HR Solutions services contributed to increasing their organizational effectiveness. American Customer Satisfaction Index (ACSI) equivalent rating of 81 surpasses the industry standard of 76.

OPM hosts multiple interagency forums where best practices and information are shared. In addition, OPM participates in multiple working groups on various HR topics (e.g., SES selection, executive development, performance management, CHCO Council working group on HR Virtual University). These efforts all work towards building strong partnerships with key stakeholders and the Federal agencies.

In addition, OPM plans to address and improve operating margins across all offerings in FY 2011. The agency will price services and systems to cover increased overhead, pay/inflation related expenses, and infrastructure cost. There will be increased impact by continued investments in broad-reaching Human Resource research and development, expenses related to IT upgrades, and renovations to remaining offices.

Anticipated FY 2011 Accomplishments:

In FY 2011, OPM will continue to collaborate with agencies on advancing effective performance management systems that 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 systems. We will maintain dialogue with agencies through workshops, forums, and guidance. Finally, agencies rely on the Performance Management Clearinghouse for performance management information so we expect to keep the content current and easily accessible.

In addition, OPM will continue to host multiple interagency forums where best practices and information are shared, as well as participates in multiple working groups on various HR topics.

Anticipated FY 2012 Accomplishments:

During FY 2012, OPM will continue its statutory obligation to approve agency appraisal systems and provide technical assistance. Assistance will be provided via bi-monthly forums, evaluation of agency-submitted PAATs and providing extensive feedback, and review of agency HCMRs.

To create fair and credible standards for individual performance appraisal and accountability OPM has designed the PAAT to establish a standard for agency appraisal programs. OPM has set a threshold of 80 points as indicating an agency has an appraisal system that supports a high performing organization. OPM will continue to evaluate agency-submitted PAATs and provide extensive feedback. OPM will conduct quarterly workshops on PAAT completion and review agency HCMR's for accuracy in reporting performance management metrics, accomplishments, and plans for improvement.

In addition, OPM will continue to strengthen partnerships with public and private organizations allowing for knowledge transfer and the sharing of promising practices through host multiple interagency forums where best practices and information are shared, as well as participates in multiple working groups on

various HR topics. OPM will seek to identify key issues that will benefit from interagency discussion and partnership.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of CHCO agencies that score at least 8 points on sections 6 and 7, and at least 4 points on section 8 of the PAAT	N/A*	N/A*	62%	62%	62%
Percent of favorable responses to Employee Viewpoint Survey, "I know how my work relates to the agency's goals and priorities	N/A*	N/A*	84.4%	84.4%	84.4%
Percentages of customers satisfied with Human Resources Management and services (ACSI Equivalent Index)	84%	80%	80%	86%	86%
Percent of customers agreeing that HRMS products and services contribute to Government effectiveness	94%	90%	95%	>=96%	95%

Fund	Budgetary Resources FY 2012 Request				
	$	FTE			
ES-- Salaries & Expenses	$1,145,000	7.2			
PPA-- Salaries & Expenses	$4,390,000	0.0			
HRS--Revolving Fund	$850,381,000	705.0			
Total Program Resources (dollars)	**$855,917,000**	**712.2**			

* * New measure--no historical data available for this period

Strategy 3.2 - Recognize, select, and sustain individuals who provide strong leadership and direction for agencies

FY 2010 Accomplishments:

During FY 2010, OPM evaluated and certified agency Senior Employee pay and performance systems, and established a new process for investigations/background checks for potential Presidential Rank Award recipients that comply with newly issued guidance. OPM also published the Report on Senior Executive Pay and Performance Appraisal Systems for Fiscal Year 2009.

Quarterly Executive Resources forums were hosted at OPM, and workshops were provided to HR specialists on Senior Executive Service and Senior Level (SL)/Scientific and Professional (ST) system certification in February 2010. We also posted all certification templates and guidance on OPM's Website. We worked with President's Management Council (PMC) workgroups to improve SES performance management, career development, and staffing and diversity. Finally, we drafted and placed into clearance certification regulations (5 CFR 430 subpart D and 1330 subpart D) and SL/ST pay regulations (5 CFR 534 subpart D).

In the area of closing leadership competency gaps, OPM provided briefings to various interagency forums on the recently revised "Guide to Strategic Leadership Succession Management Model" as well as consulted with individual agencies to improve understanding and use of job aids from the Guide. OPM also develops various tools and resource materials topics (e.g., mentoring, coaching).

Anticipated FY 2011 Accomplishments:

In FY 2011, the majority of the activities initiated in FY 2010 will continue. OPM anticipates 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 to certify SES and SL/ST appraisal systems and provide extensive feedback to agencies on the quality and results of their systems. OPM will publish the Report on Senior Executive Pay and Performance Appraisal Systems for Fiscal Year 2010 and provide agency specific reports on their ratings and pay. OPM will continue providing technical assistance, workshops, forums, and feedback via summary reports. OPM will issue updated certification guidance as needed and complete any action plans resulting from the agency survey on certification process. In addition, OPM will continue to develop tools and resource guides in the areas of succession management and leadership development.

OPM will continue its statutory obligation of reviewing and certifying SES/SL/ST appraisal systems and will verify that senior employees are being held accountable for achieving measurable results that are directly linked to organizational goals. OPM will publish its annual Report on Senior Executive Pay and Performance Appraisal Systems and provide agency-specific results on SES rating and pay decisions. In completing our ongoing statutory responsibilities, OPM will continue to evaluate and certify SES/SL/ST appraisal systems and provide extensive feedback to agencies on the quality and results of their systems. We plan to offer guidance, workshops, and forums. We also plan to elicit feedback from agencies on how to improve the process.

Anticipated FY 2012 Accomplishments:

During FY 2012, OPM will develop various guidance and resource guides on succession management programs including SES Candidate Development Program, emerging leadership development programs, supervisor training programs, and executive development. OPM plans to continue its statutory obligation of reviewing and certifying SES/SL/ST appraisal systems and will verify that senior employees are being held accountable for achieving measurable results that are directly linked to organizational goals. OPM will publish its annual Report on Senior Executive Pay and Performance Appraisal Systems and provide agency-specific results on SES rating and pay decisions. In completing our ongoing statutory responsibilities, OPM will continue to evaluate and certify SES/SL/ST appraisal systems and provide

extensive feedback to agencies on the quality and results of their systems. We plan to offer guidance, workshops, and forums. We also plan to elicit feedback from agencies on how to improve the process.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
The percentage of agencies that score a full 10 points on the SES-PAAT for the section on Alignment, and also score a full 15 points on the SES-PAAT section evaluating Measurable Results	N/A*	N/A*	54%	54%	54%
The percentage of agencies that score a full 10 points on the SL/ST-PAAT for the section on Alignment, and also score a full 15 points on the SL/ST-PAAT section evaluating Measurable Results	N/A*	N/A*	18%	18%	18%

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Salaries & Expenses	$1,823,000	10.1
Total Program Resources (dollars)	**$1,823,000**	**10.1**

* New measure--no historical data available for this period

Strategy 3.3 - Provide leadership and direction to governmentwide HR programs

Employee Services' Agency and Veterans Support group accomplishes this goal through strategic and tactical support to agencies. The Human Resources Services team responds to human resources management requests of agencies and other key stakeholders with timely and accurate decisions and information. The Program Assessment and Special Programs (PASP) team assesses the human resources management (HRM) performance of Federal agencies based on OPM priorities and key human resources/human capital (HC) metrics and measures. It oversees the Human Capital Assessment and Accountability Framework, Alternative Personnel Systems, and the 28 Federal Executive Boards (FEB). PASP is comprised of three sub-groups – Agency Program Review (APR), Federal Executive Boards (covered in strategy 3.6), and Alternative Personnel Systems (APS).

The APR group designs, develops and implements new and/or improves existing tools to evaluate HR programs such as the Chief Human Capital Officer (CHCO) Applicant and Manager Satisfaction Surveys, Federal Competency Assessment Tools for Human Resources (FCAT/HR-M) assessment, Systems/Standards/Metrics (SSM) and End-to-End hiring process protocols; designs and manages the HR Dashboard; and provides technical assistance through coordination and collaboration to meet workforce planning challenges such as the multi-sector workforce and governmentwide mission critical or vulnerable positions such as veterinarians or nurses.

The APS Group provides day-today support for personnel demonstration projects that fall under OPM's oversight authority. Demonstration projects are authorized under chapter 47 of title 5, United States Code. Under this authority, OPM establishes and evaluates demonstration projects designed to test whether certain changes in personnel management practices, such as a change to performance-based pay from a longevity-based system, would improve Federal personnel management.

FY 2010 Accomplishments:

- 70 percent of agency requests are processed within established AVS timeframes
- 18 of 24 CHCO agencies indicate that OPM's technical assistance was helpful in meeting strategic objectives
- 18 of 24 CHCO agencies demonstrate implementation of OPM initiatives and use of strategic HR programs and tools based on information contained in 2009 HCMR
- Agencies improved their Systems, Standards and Metrics results by 10 percent
- Governmentwide HR Dashboard released by September 30, 2010

Anticipated FY 2011 Accomplishments:

- 75 percent of agency requests are processed within established AVS timeframes
- 20 of 24 CHCO agencies indicate that OPM's technical assistance was helpful in meeting strategic objectives
- 20 of 24 CHCO agencies demonstrate implementation of OPM initiatives and use of strategic HR programs and tools based on information contained in 2010 HCMR
- Agencies will improve their Systems, Standards and Metrics results by 15 percent

Anticipated FY 2012 Accomplishments:

- HRS will continue to respond to agency requests, and will maintain current processing time; however, if the number of requests increases processing time would decrease.

- APR will continue to design, develop and implement new and/or improve existing tools to the extent that resources allow

- APS will continue to provide basic support and oversight under its chapter 47 authority.

- Maintain HRS processing times will be maintained.

- APR will contract with outside vendors to conduct independent validation studies

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
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*	27%	28%	33%	33%
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more.	N/A*	N/A*	52%	38%	38%
Agencies will improve their Systems, Standards and Metrics results	N/A*	N/A*	10%**	15%	20%
Agencies demonstrate implementation of OPM initiatives and use of strategic HR programs and tools based on information contained in HCMR from previous year	N/A*	N/A*	18**	20	22

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Salaries & Expenses	$2,790,000	16.0
Total Program Resources (dollars)	**$2,790,000**	**16.0**

*New measure--no historical data available for this period
** Estimate based on available data to-date

Strategy 3.4 - Hold agencies to account for improvements in strategic human resources management

OPM provides guidance and direction to agencies to improve human capital management in the Federal government. Human Capital Officers provide ongoing direction and consultative support, implement the President's initiatives, advise on appropriate use of flexibilities/authorities, and encourage top agency leaders to see human resource offices as strategic business partners.

FY 2010 Accomplishments:

With OPM's guidance, over 70 agencies submitted comprehensive Human Capital Management Reports (HCMRs) for FY 2009 to provide the status of their efforts to promote efficient and effective use of human resources. This represents a 180 percent increase in the number of HCMR reports since 2008. The results indicate agencies are improving management of human capital in most areas of the Human Capital Assessment and Accountability Framework including Leadership and Talent Management, Strategic Alignment, Workforce Planning, Performance Culture and Accountability.

Anticipated FY 2011 Accomplishments:

By providing guidance, training, consultation and oversight to agencies, OPM advanced human resource initiatives such as improving the hiring process, increasing the number of veterans hired and enhancing health and wellness of the workforce through:

- OPM reviewed Human Capital Management Reports submitted by agencies; the report indicated that agencies support, implement and make improved use of HR and HC strategies to achieve their missions

- Federal agency improved HR systems and practices as demonstrated by performance metrics reported in agencies' annual Human Capital Management Reports

- Federal agencies met certification requirements for their leadership performance management systems

- Federal agencies managed employee performance fairly and effectively, as demonstrated by increased employee and manager satisfaction as reported in annual surveys

- Increased percentage of Federal employees who value and trust their leadership, as demonstrated in employee survey results

- Hiring reforms improved the hiring process for agencies and for applicants

- Hiring of veterans increased and

- Increased use of work/life flexibilities across the government

Anticipated FY 2012 Accomplishments:

OPM will continue to provide guidance and direction to agencies to improve human capital management in the Federal government. OPM will continue to help Federal agencies successfully implement human resources strategies and practices by providing designated human capital officers who serve as strategic consultants on a full range of HC practices, promote new initiatives and help agencies identify problems and develop creative solutions to HC and HR issues. Merit System Audit and Compliance will continue to provide oversight to ensure Federal agencies use their human resources management authorities and flexibilities in accordance with applicable laws, rules and regulations. OPM will continue to help Federal agencies improve their human resources systems and practices by encouraging agencies to see human resources offices as strategic business partners. OPM will continue to provide guidance and training to promote effective human capital management in systems and strategies such as Leadership and Talent Management, Strategic Alignment, Workforce Planning and Performance Culture.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of delegated examining units found to have severe problems demonstrate satisfactory level of competence within 1 year following completion of an audit	90%	83%	80%	85%	85%
Average number of business days to issue final HR management evaluation reports identifying required corrective actions to ensure agency compliance with applicable laws, rules an regulations.*	N/A*	N/A*	90.4 days	110 days	110 days
Percentage of participants assess the quality of MSAC delegated examining and evaluator training at no less than 4 out of 5 points on a scale of 1 to 5. *	N/A*	N/A*	94%	70%	70%
Number of CHCOs who indicate Human Capital/Human Resource is a valued strategic partner in achieving agency missions**	N/A*	N/A*	18%**	18%	18%
Percent of agencies with violations of veterans' preference laws, rules, and regulations	33%	30%	33%	25%	25%

Fund	Budgetary Resources FY 2012 Request				
	$	FTE			
ES--Salaries & Expenses	$6,758,000	40.3			
MSAC-- Salaries & Expenses	$12,169,000	79.0			
Total Program Resources (dollars)	**$18,927,000**	**119.3**			

* New measure--no historical data available for this period
** Estimate based on available data to-date

Strategy 3.5 - OPM will lead by example to implement human resources reforms and achieve results

The role of OPM's internal HR office is to lead by example and provide a wide variety of strategic and operational Human Resources services to the OPM workforce. 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 and ensures that staffing and recruitment processes are carried out in accordance with legal and regulatory requirements and in concert with governmentwide hiring reform initiatives.

OPM HR also administers a variety of wellness and work/life programs that help OPM employees balance work and family. In addition, the office manages retirement program administration, Employee Assistance Program services, and employee recognition and support programs and policies. These programs and policies create an environment within the Agency that fosters employees' commitment to the organization. The office assists managers in maximizing employee productivity by providing them technical assistance on how to deal with employee performance and conduct issues. The organization also administers training and development programs to help equip OPM employees and supervisors with the skills and competencies they need to successfully meet the Agency's mission.

FY 2010 Accomplishments:

OPM's HR office led by example in the area of HR; they implemented the following HR initiatives:

- Implemented all Hiring Reform requirements per Presidential Memorandum: Improving the Federal Recruitment and Hiring Process, dated May 11, 2010

- Human Resources action items were fully executed to support Agency restructuring (including support of pre-reorganization activities, transactional processing, and follow-through of negotiated actions)

- Provided supervisory training to help support supervisors and managers in developing the skills necessary to effectively lead and manage the OPM workforce. All regulatory requirements for supervisory training and development were met by September 30, 2010

- Assured human capital accountability by completion of an annual mandatory Agency-wide program assessment/review, and Delegated Examining review

- Established a new Labor-Management Transformation Forum to enhance labor-management relations within OPM

- Implemented Work/life events and activities to improve employee satisfaction and support successful roll-out of OPM/GSA/Interior "Wellness Campus"

- Implemented The OPM Learning Connection, providing employees and supervisors access to thousands of online courses and learning and development tools to help enhance their skills and job performance

Anticipated FY 2011 Accomplishments:

Although existing agency organizational elements will remain stable in terms of budgetary resources, OPM leadership wants to maintain efforts to improve the HR climate; OPM considers people as an investment rather than a cost to be reduced—this is the time to continue to take care of our people. OPM HR office will continue to lead by example in the area of HR; they well implement the following HR initiatives:

- Continue to implement hiring reform initiatives to increase timeliness and hiring manager involvement.

- Continue to support successful implementation of OPM-GSA-DOI wellness campus to improve health and wellness of OPM employees.

- Continue to provide a wide variety of operational human resources services.

- Coordinate the development of action plans to address the results of the FY 2010 Employee Viewpoint Survey.

Anticipated FY 2012 Accomplishments:

With potentially expanding Healthcare and Insurance operations generating a correspondingly increased HR staffing workload, OPM leadership wants to continue to take care of its people. OPM's HR office will continue to maintain largely fixed and non-discretionary budget items (e.g., human resources data system; e-OPF access; childcare subsidy program; Employee Assistance Program). OPM HR office will have to reduce our operating expenses by approximately $511,000 to comply with the proposed FY 2012 allocation. OPM HR operations will maintain existing service levels (e.g., staffing/classification services/time to hire, benefits services, employee relations/labor relations and performance management, work/life/wellness).

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Common Services	$6,238,000	38.5
ES--Revolving Fund (Investigative)	$2,900,000	19.0
Total Program Resources (dollars)	$9,138,000	57.5

Strategy 3.6 - Ensure the safety of the Federal workforce through emergency preparedness

Ensuring the safety of the Federal workforce through Emergency Preparedness by developing and implementing policies and procedures to help departments and agencies prepare and respond to emergency situations. This is also critical to the Federal Executive Boards (FEB) who is responsible for coordinating responses to emergencies. FEBs serve as a communication and coordination points in their areas for local agency emergency preparedness.

OPM helps ensure the safety of the Federal workforce through Emergency Preparedness through Federal Executive Boards (FEB). OPM through the FEB, develops and implements policies and procedures to help departments and agencies prepare and respond to emergency situations. OPM supports the Federal Executive Boards (FEB) to ensure coordinated responses to all hazardous events. FEBs serve 28 geographic areas of the United States by bringing together senior officials of Federal agencies represented in that area to address all matters of interagency communication, coordination and collaboration. A major area of emphasis for the FEBs is to improve local agencies' preparedness for emergency events. The Federal Executive Board Authorization Act of 2009 (S.806,) focused on emergency preparedness activities of FEBs. Since S.806 was not voted into law during the 111th Session of Congress, OPM plans to propose similar legislation in 2011 to address basic funding and staffing resources for the FEBs to conduct these activities.

FY 2010 Accomplishments:

During FY 2010, OPM accomplished the following:

- Disseminated human resources policy guidance available for emergencies to FEB departments and agencies
- Responded to FEB inquiries for human resources technical assistance for emergency preparedness; and
- Disseminated human resources policy guidance in a timely manner to FEB

Anticipated FY 2011 Accomplishments:

- At the end of FY 2011, OPM anticipates the following accomplishments: Dissemination of human resources policy guidance available for emergencies to FEB departments and agencies
- Response to Federal Executive Branch department and agency inquiries for human resources technical assistance for emergency preparedness
- Response to FEB inquiries for human resources technical assistance for emergency preparedness
- Dissemination of human resources policy guidance in a timely manner to FEBs

Anticipated FY 2012 Accomplishments:

Strategy 3.6 addresses emergency preparedness which is a line of business for the FEBs. OPM plans to propose legislation in 2011 to address basic funding and staffing resources for the FEBs to conduct these activities. If this legislation should pass, implementation would take place in FY 2012 requiring headquarters agencies, whose employees participate in the FEB program, to contribute to a fund to cover basic costs of operating all 28 FEBs. The legislation will require development and implementation of the funding process, new regulations, annual report to Congress, and increased oversight and support of the FEB program by OPM staff. Thus, passage of this legislation will require additional staffing and training resources for the OPM FEB Program and for the 28 FEBs.

- During FY 2012, OPM will continue to disseminate human resources policy guidance for emergencies to Federal Executive Branch departments and agencies
- Response to Federal Executive Branch department and agency inquiries for human resources technical assistance for emergency preparedness
- Response to Federal Executive Board inquiries for human resources technical assistance for emergency preparedness
- Disseminate of human resources policy guidance in a timely manner to Federal Executive Boards

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
N/A	N/A	N/A	N/A	N/A	N/A

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Salaries & Expenses	$699,000	4.6
Total Program Resources (dollars)	**$699,000**	**4.6**

Note: No performance measures yet finalized for this strategy

Strategic Goal 4: Honor Service

Strategic Goal Statement: Ensure recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees

Many of the employees working for the Federal government share a philosophy to give something to the wider public or community through their work. This work often requires high levels of training and education, and employees are often prepared to work harder for less pay. Therefore, it is incumbent on the Federal government to establish a performance system that will treat employees fairly, be easy for managers to use, reward those with exemplary service, and be understandable to the public.

The Federal government's commitment to its employees does not end when someone retires from service. OPM administers retirement and insurance benefits for over 2 million retirees. We must ensure quality delivery of those benefits and respond to retirees' questions and concerns in a caring and timely manner.

FY 2012 Request – Total Resources by Strategy and Funding Source (dollars)

Strategic Goal 4: Honor Service										
	S&E*		Trust Annual Limitation**		Trust Fund Mandatory		Revolving Fund		Common Services	
Strategy	$	FTE	$	FTE	$	FTE	$	FTE	$	FTE
4.1 Improve Federal pay and reward systems	$5,518,000	35.1	$0	0.0	$0	0.0	$0	0.0	$0	0.0
4.2 Develop a 21st century customer-focused retirement processing system that adjudicates claims in a timely and accurate manner	$0	0.0	$57,584,000	463.0	$35,761,000	284.0	$0	0.0	$0	0.0
4.3 Improve OPM service to Federal agency benefits officers	$0	0.0	$471,000	3.0	$1,044,000	6.0	$0	0.0	$0	0.0
Total (dollars)	**$5,518,000**	**35.1**	**$58,055,000**	**466.0**	**$36,805,000**	**290.0**	**$0**	**0.0**	**$0**	**0.0**

*Salary & Expenses (inclusive of Multi-year and No-year)
**Trust Annual Limitation (inclusive of Multi-year and No-year)

Strategy 4.1 - Improve Federal pay and reward systems

OPM leads the Federal government's effort to develop, implement, manage, and further improve the administration of pay and reward programs and policies. Federal agencies rely on those programs and policies to attract applicants and retain and motivate current employees from diverse backgrounds. OPM advises and assists agencies in the design of alternative pay systems to help ensure the Federal government has an effective civilian workforce. Clear, detailed, and timely pay and reward policies are necessary for the implementation and administration of Federal pay and leave benefits by agency human resources offices and payroll offices.

FY 2010 Accomplishments:

Because of the considerable interest in agencies' use of recruitment, relocation and retention incentives (3Rs), OPM issued a plan in February 2010, for improving the administration and oversight of these pay flexibilities. This plan, which was developed in coordination with an interagency committee of the top users of the 3Rs, OMB, and the White House, includes regulatory, guidance, and data reporting changes.

In December 2010, OPM issued uniform policies which requires agencies to make reservist differential payments to eligible Federal civilian employees who are members of the Reserve or National Guard called or ordered to active duty under certain specified provisions of law. To help agencies implement this new pay authority, we hosted an agency forum and provided an overview of the reservist differential policy guidance, including administering and calculating payments, and established a new webpage and special email box where agencies can obtain answers to their policy questions.

OPM worked with the Departments of Defense, State, and Labor to develop a comprehensive legislative proposal to provide uniformity and transparency to the pay and benefits for civilian employees working in a zone of armed conflict. The legislative proposal, which was sent to Congress in June 2010, addresses issues regarding the disparate treatment of deployed civilians. Further, the proposal requires agencies to establish pre- and post-health assessment programs, require the payment of locality pay, provide a traumatic injury gratuity and increased death gratuity for employees injured or killed in zones of armed conflict, and provides standardized travel and leave benefits for deployed civilians.

OPM provided technical assistance and expert advice on pay, leave, and work scheduling flexibilities to support the development of OPM's Results Only Work Environment (ROWE) pilot program. This workplace initiative will provide employees maximum flexibility to schedule their work day so, they can continue making productive contributions to their organizations while also attending to family, pursuing higher education, and taking care of other responsibilities. This pilot work program will serve as a model for expansion to other agencies.

Additionally, OPM provided technical assistance and expert guidance as an active participant in the Use of Time Subcommittee for the Wellness pilot program during FY 2010. The OPM, General Service Administration and Department of Interior Campus is entering into a pilot program to support and encourage health promotion, disease prevention, and physical fitness programs for Federal employees in their respective agencies. This pilot program will serve as a model to other agencies.

The Agency provided expert advice and technical assistance to OPM's Office of General Counsel and the Department of Justice regarding various pay and leave issues. As a result of the Fathauer v. United States court decision, OPM issued guidance on Sunday premium pay. We also supported OPM's Office of General Counsel and the Department of Justice for the settlement of agency lawsuits.

OPM developed and calculated cost estimates for alternatives to modernize the Federal pay system to be more supportive of current recruitment and retention trends and strategies. This is an ongoing effort prompted by the shortcomings of the Federal pay system and a General Schedule that is relatively performance insensitive. Additionally, OPM provides technical advice and support to the Department of Defense as it transitions more than 220,000 white collar employees out of NSPS to other pay systems,

primarily the General Schedule. In addition, the Agency worked with DOD to consider establishing a new enterprise wide performance management and incentive awards program for its civilian workforce.

During FY 2010, OPM provided technical assistance and implemented legislation to transition employees who received non-foreign area cost of living allowance (COLA) payments to locality payments. COLA payments were a major component of total pay for Federal employees outside the contiguous states but were not creditable for retirement. This is part of a three-year transition to move white-collar civilian Federal employees in non-foreign areas (Alaska, Hawaii, Guam, the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands) who received COLA payments to locality payments.

Anticipated FY 2011 Accomplishments:

OPM will continue to refine the policy on the 3Rs human resources management tools. OPM will develop guidance to help agencies manage, track, and evaluate the use of the 3Rs, develop regulations to improve 3Rs administration and oversight; and review the 3Rs data in OPM data systems and work with agencies to improve data quality so that data can be used to track and analyze 3Rs trends by agency and governmentwide.

Additionally, OPM will continue to refine reservist differential policies and guidance and develop proposed regulations that would standardize the administration of this authority that provides an important compensation benefit to eligible employees called to active duty in the reserves.

OPM will continue to work with the Departments of Defense, State, Labor, and other affected agencies to provide uniformity and transparency to the pay and benefits for civilian employees working in a zone of armed conflict. This includes pursuing needed legislative, regulatory, or policy changes to address disparate treatment of deployed civilians. We will work with agencies to quickly implement any new legislation, make information on pay and benefits available to agencies and employees, and improve the tracking and monitoring of deployed civilians.

Further, OPM will continue to study the feasibility of promoting alternatives to modernize the Federal pay system to be more supportive of current recruitment and retention trends and strategies.

Lastly, OPM will continue to provide technical advice and support to the Department of Defense as it transitions more than 220,000 white collar employees out of NSPS to other pay systems, primarily the General Schedule. In addition, we will continue to work with DOD to consider establishing a new enterprise wide performance management and incentive awards program for its civilian workforce.

Anticipated FY 2012 Accomplishments:

OPM will work with key stakeholders to modernize the Federal pay system to be more supportive of current recruitment and retention trends and strategies. This includes continuing our work on the major activities outlined in FYs 2010 and 2011. OPM will continue to:

- Work with agencies and payroll providers to review and improve the quality of pay and leave data reported to OPM data systems so, OPM and agencies can better monitor and analyze key pay and leave trends of the Federal workforce
- Work collaboratively with agencies to implement legislative, regulatory, and policy changes to improve and standardize the pay and benefits for civilian employees deployed to zones of armed conflict
- Monitor the statutorily-mandated transition of employees working in non-foreign areas from COLA rates to locality rates
- Modernize Federal employee leave benefits through policy, regulatory, and statutory changes
- Develop expert policy guidance on work scheduling, leave, pay, and other flexibilities to help agencies implement wellness, work/life balance, and emergency response policies and programs

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of agencies that respond to OPM's survey to assess whether the 3Rs are supportive of current agency recruitment and retention trends and strategies and the effectiveness of OPM's 3Rs regulations and guidance (percentage based on the number of agencies that make 95 percent of the 3Rs payments that respond to the survey).	N/A*	N/A*	TBD**	90%	90%

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
ES--Salaries & Expenses	$5,518,000	35.1
Total Program Resources (dollars)	**$5,518,000**	**35.1**

* New measure--no historical data available for this period

** Data not yet available

Strategy 4.2 - Develop a 21st century customer-focused retirement processing system that adjudicates claims in a timely and accurate manner

Processing the retirements of Federal employees is a mission critical OPM function. OPM continues to strengthen the retirement program's quality assurance processes, policies and procedures. To ensure quality customer service, OPM using performance measures to evaluate overall customer satisfaction.

FY 2010 Accomplishments:

During FY 2010, OPM continued providing quality customer service to annuitants and survivors who receive retirement benefits and improved the retirement readiness profile for employees by expanding available information and training resources. Additionally, the web-based information and tools, which supports the employee and annuitants benefits decisions, were enhanced.

Anticipated FY 2011 Accomplishments:

In FY 2011, Retirement Services will provide timely adjustments for retirees and survivor annuitants as needed after initial processing of their 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.

During FY 2011, OPM will be focused on improving the accuracy of the retirement system, which includes the following activities: 1) modernizing critical calculator and retirement systems; 2) automating manual paper-based retirement system through electronic data collection and applications; 3) implementing automated tools to improve retirement case processing; and 4) imaging incoming paper records.

Anticipated FY 2012 Accomplishments:

During 2012, OPM will continue to provide retirement services to the 2.5 million Federal retirees and survivors who receive annuity payments. It will continue to make benefit determinations based on applicable laws and regulations. The scope of program activities includes making initial eligibility determinations, adjudication, post retirement changes, and survivor processing.

Among the retirement program's many challenges are paper-based processes that require manual intervention both at OPM and at agencies where significant data collection at the time of retirement is required prior to computing an employee's annuity. This budget seeks resources of $3,640,000 for to institutionalize the conversion of paper records to automated documents.

In FY 2012, OPM will initiate the system development lifecycle for a modernized retirement calculator, develop the requirements for migrating OPM's retirement processing systems and analyze the priority in which system enhancements are addressed based on risk and implement a robust change management program to support the new systems and processes. Additionally, OPM will develop tools and processes for ongoing data integration and validation of retirement data in the Retirement Data Repository and maintain OPM and agency access to currently imaged retirement records.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Average unit cost for processing retirement claims	$74.28	$81.97	$105.94	$101.23	$101.23
Percent of retirement claims processed accurately	95%	91%	93%	95%	95%
Retirement claims processing timeliness (days)	42	41	108	125	105
Relative ratio of complete retirement submissions versus incomplete cases	N/A	N/A	77%	72%	75%
Percent of customers satisfied with overall retirement services	83%	85%	81%	88%	88%
Rate of improper payments in the retirement program	0.39%	0.32%	0.35%	0.34%	0.33%
Average unit cost for Processing customer service requests	$4.42	$4.01	$3.88	$4.32	$4.32
Percent of retirement program customer calls handled	84%	80%	83%	85%	85%

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
RS TF Limit - Annual	$57,584,000	463.0
RS Dental Vision – Mandatory Authority	$800,000	0.0
RS FERCCA – Mandatory Authority	$1,065,000	6.0
RS 5 USC 8348 (a)(1)(B) – Mandatory Authority	$33,896,000	278.0
Total Program Resources (dollars)	**$93,345,000**	**747.0**

Strategy 4.3 - Improve OPM service to Federal agency benefits officers

OPM will improve service to Federal agency benefit officers by developing an agency benefits officers' service delivery model emphasizing shared responsibility for benefits/retirement among employees, OPM and agencies. Additionally, OPM will define standards for agency benefit officers, measure results and recognize benefit officers for exceptional service.

FY 2010 Accomplishments:

During FY 2010, OPM developed a service delivery model to reflect the shared responsibility of the service delivery model between OPM and benefit officers. The service delivery model was used to identify major activities performed by Benefits Officers. Specifically, it was used to identify quantifiable scorecard indicators of performance in the following major components: 1) benefits administration, 2) communications, 3) retirement application processing, 4) benefits officers' development, and 5) retirement readiness.

Anticipated FY 2011 Accomplishments:

In FY 2011, Retirement Services will provide technical assistance to agency benefit officers on complex and unique benefits administration issues, begin conducting annual training for agency benefit officers, begin the implementation of an agency scorecard and develop a recognition system to award benefit officers' performance.

Anticipated FY 2012 Accomplishments:

During FY12 OPM will continue conducting both its annual benefit conference and Fall Festival of Training for benefit officers, developing a recognition system to award benefit officers' performance, as well as conducting its workshops on the expanded service delivery model.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Percent of benefits officers trained per year	52%	54%	61%	63%	65%
Percent of customers who rate satisfaction with guidance material as very good or better	85%	84%	87.5%	90%	90%
Percent of customers who rate benefits conference as very good or excellent	N/A*	N/A*	100%	96%	96%

	Budgetary Resources FY 2012 Request		
Fund	$	FTE	
RS--TF Limit – Annual	$471,000	3.0	
RS--FERCCA – Mandatory Authority	$1,044,000	6.0	
Total Program Resources (dollars)	**$1,515,000**	**9.0**	

Other Activities (Activities Not Directly Mapped to the Strategic Plan)

Activities Not Directly Mapped to Strategic Plan (dollars)

Fund	Budgetary Resources	
	FY 2012 Request	
	$	**FTE**
Salaries & Expenses	$29,413,000	50.5
Common Services	$90,539,000	384.0
TF Limit (Annual)	$46,109,000	85.0
Trust Fund (Multi Year)	$0	0.0
Trust Fund Mandatory	$2,003,000	2.0
Revolving Fund	$89,878,000	90.2
Revolving Fund - EHRI	$0	0.0
Revolving Fund - Investigative	$0	0.0
No-Year Fund	$0	0.0
Salary & Expenses (No Year)	$7,420,000	4.0
Total Program Resources (dollars)	**$265,362,000**	**615.0**

Healthcare and Insurance

Under the ACA, OPM has been designated as the agency responsible for implementing and overseeing Multi-State Plan Options. At least two Multi-State Plans will be offered through each state-based Health Insurance Exchange. Multi-State Plans will be one of several health insurance options that small employers and individuals will be able to choose from. In total, Health Insurance Exchanges are expected to provide health insurance coverage to millions of Americans.

OPM requested and has received $5 million via allocation and transfer in FY 2011 from the Department of Health and Human Services DHHS appropriation to commence its initial planning for developing and implementing the Multi-State Option Plan. OPM requests a direct appropriation of $12.3 million in FY 2012 to fund management, development and design, and analysis activities for the Multi-State Option Plan.

The FY 2012 request will fund OPM employees providing direct and indirect support of the Multi-State activity and related expenses, contracts providing technical expertise or capabilities not otherwise available, and partial funding of the HCDW project. Subsequently (after enrollment commences in FY 2014), OPM expects a significant portion of administrative funding to be provided by premium collections. Until such time as enrollment and premium collection levels are sufficient to provide sufficient administrative funding, OPM must rely on either DHHS funds or direct appropriations to fund all necessary activities through 2014.

Specifically, the FY 2012 request of $12.3 million includes:

- $6.2 million for OPM staff (including contract specialists, analysts, actuaries and state liaison staff). In order to have contracts in place by July 2013, contract negotiations will have to be completed with carrier exchanges for all 50 states and the District of Columbia during FY 2012

- $2 million for partial support of the design and development of the HCDW project (including funding for costs associated with the system integrator and project management office support contracts)

- $4.1 million for contracts providing specialized technical support (e.g., actuarial, demographic, economic, or statistical analysis), as well as institutional support (facilities, travel, training, equipment, etc.)

OPM will allocate these funds internally between PPA and HI to provide for policy guidance, which may include contracting for expert consultant advice (for PPA) and primarily for staffing and operational structure (for HI).

HI also helps to administer the Federally-run Pre-Existing Condition Insurance Plan (PCIP) program in states that do not establish PCIP programs themselves. HI does this on behalf of DHHS, which is fully reimbursing OPM for our costs for the duration of the PCIP program. The PCIP program is an entirely new program created under the ACA. The program makes health insurance available at standard rates to individuals who have been denied coverage by a private insurance company because of a pre-existing condition, have been uninsured for at least six months, and are U.S. citizens or are residing here legally.

The PCIP program covers a full range of health benefits, including primary, specialty, and hospital care as well as prescription drugs. States have the option of administering their own program or letting the program be administered under the direction of DHHS. Through HI, OPM administer the Federal-run PCIP program for DHHS in 23 states and in Washington, D.C. The Federal-run PCIP-program covers more than 45 percent of the U.S. population. As specified by the ACA, the PCIP program will operate until January 1, 2014.

The ACA also incorporated the Indian Health Care Improvement Reauthorization and Extension Act (IHCIREA) of 2009. This Act allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase FEHBP and FEGLI for their employees. OPM will develop a comprehensive approach to ensure all Tribes and Tribal organizations are given the opportunity to engage in consultation with OPM officials as implementation of the ACA moves forward. OPM will work with tribes to develop specifications for the creation of a mechanism to collect, check and transmit enrollments and payments to the appropriate insurers.

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
HI-Salaries & Expenses	$7,500,000	15.0
HI-Trust Fund Annual	$16,000,000	4.0
HI-Dental Vision – Mandatory Authority	$0	0.0
HI- FERCCA – Mandatory Authority	$0	0.0
HI-5 USC 8348 (a)(1)(B) – Mandatory Authority	$0	0.0
Total Program Resources (dollars)	**$23,500,000**	**19.0**

Planning & Policy Analysis

OPM's Office of Planning and Policy Analysis (PPA) examines policy options, legislative changes and governmentwide data trends and employee survey findings that affect OPM's management of HR policy, specifically including insurance and employee health and wellness benefits for Federal employees. To assure benefits provide maximum value and are secure, PPA 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.

Under the ACA, OPM has been designated as the agency responsible for implementing and overseeing Multi-State Plan Options. Under the ACA, at least two Multi-State Plans will be offered on each state health insurance exchange beginning in 2014. PPA will continue to provide policy guidance on this initiative.

The ACA also incorporated the Indian Health Care Improvement Reauthorization and Extension Act (IHCIREA) of 2009. This Act allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase FEHBP and FEGLI for their employees. OPM will develop a comprehensive approach to ensure all Tribes and Tribal organizations are given the opportunity to engage in consultation with OPM officials as implementation of the ACA moves forward. OPM will work with tribes to develop specifications for the creation of a mechanism to collect, check and transmit enrollments and payments to the appropriate insurers.

PPA will continue to provide policy guidance on this initiative and will administer the functions required for the formal consultative process with tribes and tribal organizations. HI will manage the contracting and administrative functions associated with the enrollment processes and premium collections.

Another major initiative that PPA plans to implement is the Health Claims Data Warehouse (HCDW) project, which is an initiative to collect, maintain and analyze data on an ongoing basis. The data will derive from health claims under FEHBP (including drug utilization from PBMs), PCIP, and Multi-State Plan options. The HCDW will allow OPM to understand the drivers of cost increases and model the potential effects of health system reform or environmental changes on Federal employees. This warehouse will also strengthen OPM's ability to shape future benefits design by positioning the agency to negotiate effectively with FEHBP carriers to keep premium increases below industry-wide levels. In addition enrollment data derived from the PCIP and Multi-State Plan options will enable us to understand the demographics and utilization patterns for pricing and market analysis for this population.

	Budgetary Resources FY 2012 Request	
Fund	**$**	**FTE**
PPA-Salaries & Expenses	$4,800,000	11.0
PPA -Trust Fund Annual	$2,000,000	3.0
PPA -Dental Vision – Mandatory Authority	$0	0.0
PPA - FERCCA – Mandatory Authority	$0	0.0
PPA -5 USC 8348 (a)(1)(B) – Mandatory Authority	$0	0.0
Total Program Resources (dollars)	**$6,800,000**	**14.0**

Merit Systems Audit & Compliance

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. 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 Merit Systems and Compliance Office of CFC Operations.

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 donate to charities. CFC is the largest and most successful annual workplace charity campaign, with more than 300 CFC campaigns throughout the country and internationally to help 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.

CFC's total staff level is 6.0 FTE. The staff reviews all applications of new applicants wishing to participate as a national or international charity or as part of a federation and reviews a sample of the more than 2,800 national or international charities who reapply each year. As the number of charities applying for and participating in the CFC has grown, the staffing level of the CFC has remained unchanged. The small staff can only review a smaller and smaller sample each year, thus increasing the risk that a charity that does not meet OPM and CFC eligibility and public accountability standards is admitted.

The CFC has a number of automation goals to streamline the paper-based process. At the current FY 2011 funding level, the migration of records which will allow Federal employees to use Employee Express will not be completed; and with the FY 2012 base level, all other phases related to Universal Giving will not occur.

Another CFC mission is to review all reports completed by independent audit firms reporting, capturing all issues and recommendations identified in the audits and tracking corrective actions to completion. When the OPM IG audits and investigates Local Federal Coordinating Committee (LFCC) and Principal Combined Fund Organizations (PCFO) CFC activity, CFC staff also develops a risk analysis to determine if additional reviews should be conducted.

Voting Rights Program: The Voting Rights Program (part of the Voting Rights Act), was originally authorized by the Voting Rights Act of 1965. The Act is 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 to cover political subdivisions, to monitor and report on the elections designated.

OPM assists in ensuring all Americans—regardless of race or membership in a language minority—are treated equally when exercising their right to vote. We will continue to manage and oversee the Voting Rights observers, ensuring appropriate coverage at polling sites as requested by the U.S. Department of Justice (DOJ). The Voting Rights Program, as authorized by the Voting Rights Act of 1965, requires OPM to provide trained Federal 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. Currently, DOJ reimburses OPM for direct costs associated with the deployment of observers (ranging from $1M to $4M annually). OPM funds essential program management functions carried out by 5 full-time staff members and indirect costs associated with observer deployment program through direct S&E appropriations.

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
MSAC CFC-Salaries & Expenses	$858,000	6.0
MSAC VR-Salaries & Expenses	$512,000	5.0
Total Program Resources (dollars)	$1,370,000	11.0

Facilities, Security, and Contracting

Facilities, Security, and Contracting (FSC) is responsible for a wide variety of programmatic services such as acquiring goods and services for the Office Personnel Management's (OPM) 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's mission and fostering a high quality workforce environment.

The **Facilities Division** operates and maintains the OPM headquarters building - Theodore Roosevelt Federal Building (TRB), under authority delegated by the General Services Administration (GSA), and provides policy and administrative guidance for OPM's other Federally owned and leased facilities nation-wide. They also provide in-house printing, document reproduction, and graphic design services for the central office; support the mail processing services, and manage the agency's inventory of personal property and capital assets.

The **Security Division** is responsible for OPM's Continuity of Operations (COOP) activity, Continuity of Government (COG) activity, and Occupant Emergency Programs (OEP). They manage the Security Guard Force, maintain a 24 hour Operations Center to provide situational awareness to the Director regarding issues affecting the status of the Federal workforce, and administer the nationwide HSPD-12 mandated PIV program and investigative processes. They perform approximately 20 facility risk assessments annually throughout TRB and OPM's other Federally owned and leased facilities nation-wide to ensure appropriate protection of OPM employees and visitors.

The FY 2012 Request recommends a reduction in Security Guard Services due to the current economic climate of the Federal Government and the Agency's funding constraints. The impact of this reduction will result in the elimination of "Rover Guards" – they provide assistance with security issues throughout the Building, and a reduction in the number of guards at various posts which will create longer wait times for employees to enter/exit the Building. Fortunately, with the advent of the Telework Initiative, the number of employees entering/exiting the building will be reduced. FSC will continue to manage the

Security Guard Force, administer the information and communications security programs, provide personnel security and suitability determinations, and the functions mentioned above.

The **Contracting Division** performs all pre-aware and post-aware procurement actions in support of the agency's mission and goals. It also performs all actions in support of the procurement function including reporting, policy, purchase card program administration and special projects. To strengthen the acquisition process governmentwide, the Administration proposed an Acquisition Improvement Initiative in FY 2010 to assist agencies in managing the procurement of goods and services. The President's FY 2011 Budget requested resources in the amount of $670,210 for contractual execution and monitoring capacity governmentwide. For FY 2012, FSC is requesting $642,000 to continue to finance the additional contracting staff these funds will provide.

Contracting Resource Summary - Includes all Resources (dollars)

	Budgetary Resources FY 2012 Request		
Position	$	FTE	
Contracting Officers (6)	$607,000	5.5	
Training/Information Technology Support	$35,000	0.0	
Total (dollars)	$642,000	5.5	

Acquisition Improvement Initiative Resources: The Contracting Group is dedicated to completing 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 governmentwide support functions.

In addition, OPM's contracting responsibilities continue to expand. In FY 2009, 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 plus 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 resources 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.

FSC's FY 2012 Request recommends providing funding for One Environmental Manager, in the amount of $100,000 to be responsible for ensuring that OPM is in compliance with all major environmental laws and regulations, and for coordinating/overseeing the annual submission and implementation of the Strategic Sustainability Performance Plan. It is the vision of OPM that all business and operations will be conducted with the least environmental impact possible and that energy and resource efficiency will be agency priorities. Achieving our greening initiatives will not only ensure that OPM remains in compliance with the major requirements laid out in Federal environmental provisions such as Executive Order (EO) 13514 and 13423, the Energy Independence and Security Act (EISA) of 2007, and the Energy Policy Act (EPAct) of 2005, but also that OPM is a highly desired place of employment and a stewardship leader.

	Budgetary Resources FY 2012 Request	
Fund	$	FTE
FSC-Salaries & Expenses	$642,000	5.5
FSC-Common Services	$13,159,000	76.0
FSC –Revolving Funds	$3,602,000	36.0
Total (dollars)	$17,403,000	117.5

Chief Information Officer (CIO)

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's 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/IT Strategic Plan and defines the IT vision and strategy to include the IT policy and security for OPM. The OCIO shapes the application of technology in support of OPM'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 OPM's IT architecture to guarantee architecture integration, design consistency, and compliance with Federal standards.

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 OMB Enterprise Infrastructure Exhibit 300 Capital Asset Plan (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 and Human Resources Solutions, is embarking on a technology transformation of OPM's 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 will continue to maintain a consolidated agency database for cost efficiency. Reviews are underway to identify additional opportunities to make data more readily available and transparent to the public through data.gov, open.gov, and opm.gov. The OCIO is also charged with providing Government-wide leadership through the OCIO Information Management which includes the following: Enterprise Quality Assurance, 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.

Records Management

The OCIO has responsibility for OPM-wide records management and Government-wide personnel records. This includes OPM's agreement with the NARA for Government-wide services and storage related to OPM administrative records and Federal personnel record-keeping. During FY2011, our focus will be to improve the agency Freedom of Information Act (FOIA) program, agency Records Management program, and review and strengthen OPM's Memorandum of Understanding with NARA to ensure cost control are in line with our agency budget requirements and work with agencies to assume cost responsibility for records requested from and sent to NARA. Review of and improvements to these important areas will continue to be critical in FY2011 and FY2012.

Open Government

The CIO provides leadership for the President's Open Government initiative that calls for agencies to enhance transparency, participation, and collaboration with the American public. OPM established a collaborative, diverse work group including representation from programs across the agency as well as external stakeholders including academia, other agencies, unions, and non-profit good government groups to join on the journey. The team developed the Open Government Plan through an inductive process that allowed them to problem solve, learn and generate solutions for some long standing problems. The Plan was highly recognized by external evaluators and the Flagship initiative earned a Leading Practice award from the White House. Our desire is to create and sustain a culture of internal openness so that we will be more transparent in the services we provide to all stakeholders. OPM has been proactive in ensuring the efforts of this collaborative team increase accessibility to and clarity of information available to the public; we also seek opportunities for participation and collaboration with stakeholders in efforts to improve the effectiveness and efficiency of OPM.

Governmentwide programs

Human Resources IT Transformation – The Human Resources Line of Business (HR LOB) will continue to lead the governmentwide transformation of HR Information Technology by focusing on modernization, integration, and performance assessment. The HR LOB is one of the most successful government wide initiatives and is a model for its cross-agency collaboration which achieves HR service delivery improvements and cost savings results.

The HR LOB has established public and private Shared Service Centers (SSCs) to provide technology solutions to support multiple agencies with HR information technology, HR management, and back office activities. Six Federal and four private sector SSCs have been selected and established to leverage economies of scale, reduce costs, and increase the quality and consistency of services provided. The HR LOB supports agencies in their selection of and migration to SSCs consistent with the business model determined by the agency. This service delivery model frees up agency HR resources to provide valuable strategic and consultative support to agency missions. The HR LOB initiative generates benefits through HR IT consolidation, standardization, and modernization. The initiative's recently updated cost benefit analysis shows that the HR LOB is on track to save the government $1.3 billion through FY 2015 and $200 million annually after that.

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.

Human Resources Line of Business (HRLOB)

In FY 2012 the HR LOB is requesting **$1,416,000 in No Year appropriations** and is collecting **$3,000,000 in agency partner contributions**.   The following activities for 2011 and 2012 will advance the achievement of the program's goals:

- **Planning and 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

- **HR IT Transformation:**   Provide and manage a government-wide Human Resources Information Technology (HR IT) strategy that integrates 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. Monitor the evolution of the Federal Enterprise Architecture (FEA) and ensure HR IT innovation through updating the HR LOB FEA models and target requirements

- **Provider Assessment:** Continue the Provider Assessment program designed to assess SSCs ability to deliver services to their customer agencies with a focus on compliance, modernization, and transparency. Complete assessment of remaining providers. Review and evaluate provider assessment process; develop lessons learned and adapt revise process based on findings. Begin second cycle of provider assessments

- **SSC Support and Management:** Support and monitor agencies and shared service centers in the process of migrating HR services to the SSC environment

- **Performance Management Framework**: Work with agencies and SSCs to identify and pursue opportunities to become more efficient, customer service-oriented, cost effective, and more strategically focused. Collect and analyze performance measures from SSCs. Conduct HR and payroll benchmarking studies to promote best practices

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 agencies throughout FY 2011. The program expects to achieve an additional 180,000 folders on the eOPF system by year-end FY 2011. 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 2011 activities also include operating and maintaining the data warehouse at baseline performance and data quality levels, and meeting all Federal security and privacy requirements.

In FY 2012, EHRI will continue with eOPF assessments, deployments, and back file conversions for new agencies, with a majority of the work being done for the Department of Defense (pending available funding). 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

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
% of time computer network available during agreed-upon service hours	99%	99%	99%	99%	99%
eOPF Customer Satisfaction	83%	87%	90%	90%	93%
No. of Folders on eOPF	999,710	1,285,137	1,440,000	1,620,000	1,620,000
No. of Scorecard Agencies on eOPF	18	21	26	26	25
Number of assessments of HR Line of Business Providers completed	N/A	N/A	2	2	2

Fund	Budgetary Resources FY 2012 Request $	FTE
Salaries & Expenses	$1,000,000	2.0
Salaries & Expenses – No-Year	$7,420,000	4.0
Common Services	$37,196,000	123.0
Trust Fund Annual	$6,694,000	30.0
Revolving Fund	$81,781,000	41.2
5 USC 8348 (a)(1)(B) – Mandatory Authority	$2,003,000	2.0
Total Program Resources (dollars)	**$136,094,000**	**202.2**

Chief Financial Officer (CFO)

In FY 2012, the Chief Financial Officer (CFO) will continue to provide 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.

In FY 2010, CFO received an unqualified audit opinion from independent auditors. CFO transitioned to a new agency financial system Consolidated Business Information System (CBIS) in FY 2010. With this transition OPM experienced issues with processing transactions, data conversion, and user adaptation to new business processes as detailed in the CBIS Project Issues and Challenges section highlighted below. These challenges contributed to falling below Prompt Payment targets for FY 2010. OPM is currently working to improve its business processes and procedures and expects to make considerable improvements in key performance areas in FY 2011. During FY 2011, CFO will continue to ensure that organizations provide an integrated approach to managing OPM's financial activities, systems and compliance with federally mandated laws, regulations and requirements.

CFO Programs and Responsibilities CFO has oversight of accounting, billing, vendor payments, budget, strategic planning, performance, program evaluation, financial systems, internal control and financial policy functions, which enable the OPM to achieve its mission. 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. CFO is comprised of the following subcomponents, Financial Services, Budget and Performance, Financial Systems, and Policy & Internal Control.

Financial Services (FS) manages accounting and related financial operations and reporting functions for all OPM programs, including retirement and insurance fund programs. The organization consists of five units that have day- to-day responsibility for processing financial transactions and providing the CFO with financial analysis. Shared Services manages accounts payable and disbursement activities for OPM organizations. Additionally, the Shared Services manages disbursements and other related administrative accounting processing activities for OPM. Reimbursable Business Operations performs accounting activities for OPM's programs that supply human resource products and services to Federal agencies.

Trust Funds administers the 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. Cost Accounting and Analysis assists agency managers with obtaining timely relevant labor and costing information for decision-making and day-to-day management of their operations. Financial Reporting and Analysis prepares and coordinates the various monthly, quarterly, annual and special financial reports required by Federal statutes and regulations.

Budget and Performance (BP) oversees OPM wide budgetary functions, performance measurement and reporting, and the development of the agency's strategic plan. This organization has responsibility for budget formulation and execution activities and ensures the integration of performance matrices and requirements.

Financial Systems Management (FSM) implements and maintains OPM's financial systems and associated applications. The organization provides customer support and systems management including the analysis, development, financial systems testing, system administration, database administration, production control, and various other operations support activities. FSM also performs functional support and management of applications that interface to the core financial and procurement systems, including eTravel, Charge Card, and IRS Form 1099 file submissions to recipients and the Internal Revenue Service, and Personnel Investigation Processing System (PIPS).

Policy and Internal Control (PIC) ensures compliance with A-123 requirements, which define OPM's management responsibilities for internal controls over financial reporting. This organization also has responsibility for documenting and enforcing OPM financial policy and operations.

During FY 2012, OPM will execute research and evaluation efforts commensurate with available funding. OPM priorities for program evaluation are now aligned with our recently published Strategic Plan (2010-2015) and High Priority Goals. OPM maintains significant history of performance data related to our priority goals for retirement and investigations and that data is used to make resource decisions. However, OPM's priority goals for Wellness, Hiring Reform, and telework do not similarly have available direct program data for budget decision-making data; rather these programs rely on more contextual and ad-hoc data sources. Because OPM has begun collecting systematic government-wide telework data, OPM is in a position to propose developing more rigorous research approaches, beginning with telework. OPM recently submitted a proposal to OMB for funding an evaluation of the telework program and OMB has tentatively approved additional funds for telework evaluation from available OMB Program Evaluation funds for FY 2012. OPM and OMB are working together to develop evaluation study plans commensurate with funding levels.

Consolidated Business Information System (CBIS)

The CBIS 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' 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, Phase 1 of CBIS was implemented in October 2009. OCFO has experienced some transition issues. In FY 11 additional functionality will be implemented to continue stabilization efforts. In FY 2012, CBIS Phase 2 intended to migrate the Trust Funds to the core financial system that was implemented during Phase I. In consideration of the present economic environment, Phase 2 been cancelled, resulting in savings of approximately $41 million over the lifetime of the project.

The CBIS Project is guided by OPM senior executives and principal stakeholders who are responsible for the feasibility, business cases 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.

Issues and Challenges

CFO continues to address challenges incurred with the CBIS Project Phase 1 implementation. The challenges are centered on people, business processes, and data.

People- Cultural issues prevailed because of transitioning to the new financial system. End user adoption and acceptance of newly implemented FSIO required financial management business processes and increased internal controls within CBIS have contributed significantly to our challenges. The people challenges are the result of new standard operating processes embedded within the day-to-day operational activities. Further complicating adoption is implementation and execution of a new security model that enforced segregation of duties around end-user roles and a new operations and maintenance support model than was previously in place under the legacy system. Under the new support model, our Help Desk support and application hosting is performed offsite. We transitioned rather quickly to our new model even though we extended our post deployment support beyond the anticipated timeframe. With this, the CBIS Helpdesk is focused on providing system issue analysis and resolution as opposed to guiding users how to perform and when to perform transactional-based activities. The new controls embedded within CBIS have challenged the agency and users alike. We implemented several controls to prevent fraud and abuse, improper payments, and to address other regulatory mandates and policies. As a result, the system produces "valid" system controls, messages, errors, and warnings. However, our end-users have incorrectly associated valid system controls, errors, and warnings with the software inability to perform correctly because they were never visible to them in the legacy system. The project has taken the mitigating action to continue to educate end-users on these messages and errors through change management vehicles and techniques.

New/Modernized Business Processes- Implementing the new system also required changes to our business processes and operations. These business process changes occurred across all facets of OPM business operations (financial, procurement, budget, and reporting). Upon deployment, CBIS project team discovered "unknown" business practices employed throughout OPM (by individual program offices) in executing day-to-operations that hindered end-user acceptance and buy-in. With the implementation of automated workflows for requisitioning and invoicing, automated offsets for IPAC activity, and automated notifications (among other numerous improvements), our users were required to adapt to a new way of executing OPM business operations in a completely new application environment. These business process changes affected every financial activity performed across the agency. We began to question our change management effort with respect to training because of the enormous need for onsite support and the end user inability to process transactions without assistance. Training initiatives were not robust enough to adequately prepare users for the new process and system requiring additional "over the shoulder" training. Although CBIS users were provided system level training, initial workforce performance suggests that desk procedures and job-specific training may be required. The project has since performed a training needs assessment and gap analysis to determine long-term needs and identify the strategies to address the training needs as future components are implemented.

Data- While a comprehensive data conversion and data cleanup strategy was planned, CBIS project faced significant challenges in maintaining clean data leading up to the initial deployment. Because all of the data was not 100% clean prior to the cutover, users had to address converted documents differently from documents created directly within our modernized financial management system (i.e. CBIS). This required an additional manual effort as it was exacerbated by old business practices, which did not align with what was then standard legacy processes. These issues have a negative impact on our ability to make timely payment to vendors, as those invoices were not properly submitted to Prompt Pay. These issues

contributed to our inability to provide timely and accurate financial reporting to internal customers and stakeholder organizations.

In FY 2011, the CBIS Project team is developing and executing remediation activities to ensure a successful completion to Phase 1 and planning activities to improve training to close business process gaps. As a part of this specific activity, the CBIS Project is validating roles and responsibilities across the various business processes, relaunching a comprehensive Change Management and Communications strategy, and establishing performance measures to track progress. In addition to training, the CBIS Project is in the process of refining testing and defect management strategies. The CBIS Project team is incorporating stakeholder identified pain points and using this information to prioritize issue resolution. Our stakeholders will be involved early in all testing efforts to include performing usability and acceptance testing to ensure that business processes operate and function according to our requirements. Lastly, we are formalizing our release management planning and execution.

The performance measures shown below are intended to highlight areas that are critical to the success of the CFO and to meet the guidelines required by the CFO Act, OMB Circulars A-123, Appendix A, A-136 and other authorities.

Performance Measures	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
Independent auditors' opinion on annual financial statements	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

Fund	Budgetary Resources FY 2012 Request	
	$	FTE
Common Services	$22,188,000	77.0
Trust Fund Annual	$8,827,000	48.0
Revolving Fund	$3,924,000	9.0
Total Program Resources (dollars)	**$34,939,000**	**134.0**

Executive Services Programs

Executive Services include executive direction and leadership, legal advice and representation, public affairs, legislative liaison, equal employment opportunity management, 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.

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, Work/Life and Wellness, 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.

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 OPM's 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.

Chief Human Capital Officers Council

The 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. The CHCO Council is financed from contributions from all CHCO Act agencies.

Communications and Public Liaison

The Communications and Public Liaison office 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, CPL provides the American public, Federal agencies and its stakeholders with accurate information to aid in planning and decision-making. Lastly, CPL 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.

 In FY 2012, Communication & Public Liaison will continue to support all Presidential Executive Orders, such as Veteran's Hiring, Civil Service Hiring Reform, Student Recruitment, Federal Employment of Individuals with Disabilities, and Open Government. Also, CPL will continue its support of all OPM led activities, such as OPM's responsibilities related to the Affordable Care Act, completion of the Employee Viewpoint Survey, and leadership of the Labor/Management Partnership Council. CPL also plans to continue its support of Director's initiative, such as Wellness and Work Life by producing and sponsoring events and activities for various programs such as Feds Feed Families, Feds Get Fit, and WellnessWorks (the wellness pilot project with DOI and GSA).

Congressional and Legislative Affairs

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

CLA staff accomplishes its mission by keeping informed of issues related to Federal personnel policy. CLA staffs attend meetings, briefings, mark ups and hearings in order to interact, educate and advice agency and congressional officials. Sensitive and confidential matters are handled accordingly. CLA has three subcomponents work collaboratively to carry out its mission. They are Congressional Liaison (CL), Legislative Analysis (LA), and Constituent Services (CS).

CL serves as OPM's principal interface with Congressional committees and members of Congress. CL is also OPM's congressional and legislative liaison with the White House and the Office of Management and Budget. LA reviews and prepares legislative documents and congressional testimony. LA is also responsible for the clearance of testimony, congressional reports, questions for the record and other materials. CS provides services to member of Congress, their staffs, and active and retired Federal employees by responding to questions and providing opportunities to learn about OPM's retirement, health, and other benefit programs.

In addition, CLA publishes the CLA Quarterly, the Constituent Services Bulletin, and other documents to educate various audiences on what services CLA provides, and legislative and Congressional activities.

Office of the General Counsel

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. OGC works closely with senior officials and program offices to initiate and implement policy, to ensure that programs are administered lawfully, and to represent the programs in all types of advocacy settings. OGC provides assistance to its clients in the resolution of human resource issues and problems that, in turn, affect the manner in which the government provides services to its citizens. OGC provides high quality legal advice and representation in support of both OPM policy initiatives and litigation in which OPM is involved.

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.

FY 2012 we will strive for continuous improvement, pursuing our goal of being the model in the Federal government for effectively managing the resolution of audit recommendations and strengthening operational performance. At the beginning of the year, we expect to have in place a mature, well structured and tested program review capability; a significantly reduced backlog of open audit recommendations; and a strong relationship with our OPM executives, as well as our OIG and GAO partners. We will establish a program review agenda for FY 2012 that has been coordinated with OIG and OPM executives.

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 2012, 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.

Federal Prevailing Rate Advisory Committee

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

President's Commission on White House Fellows

The White House Fellow program was established under Executive Order 11183. The President's Commission on White House Fellowships (WHF) program is responsible for providing 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 Executive Order requires OPM to provide administrative assistance to the Commission.

The program attracts a broad range of qualified applicants and participants receive valuable leadership development and public service opportunities.

Fund	Budgetary Resources FY 2012 Request $	FTE
Executive Services-Salaries & Expenses	$14,101,000	6.0
Executive Services –Common Services	$17,996,000	108.0
Executive Services -Trust Fund Annual	$12,588,000	0.0
Executive Services – Advancement & Reimbursement	$821,000	1.5
Executive Services –Revolving Fund	$571,000	4.0
Total Program Resources (dollars)	**$46,077,000**	**119.5**

OPM Participation in E-Gov Activities

Budget

Budget Source	FY 2011 Annualized CR		FY 2012 Request		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
Salaries and Expenses	$255,902	0.0	$244,476	0.0	($11,426)	0.0
OPM total	**$255,902**	**0.0**	**$255,476**	**0.0**	**($11,426)**	**0.0**

OPM Participation by E-Gov Project

Initiative	FY10 Agency Contributions (Includes In-Kind)	FY10 Agency Service Fees*	FY11 Agency Contributions (Includes In-Kind)	FY11 Agency Service Fees*	FY12 Agency Contributions (Includes In-Kind)	FY12 Agency Service Fees*
Budget Formulation and Execution LOB	$95,000	$0	$105,000	$0	$105,000	$0
E-Rulemaking	$0	$19,262	$0	$101,000	$0	$78,789
E-Travel	$0	$315,010	$0	$260,884	$0	$260,884
E-Training	$0	$290,025	$0	$290,025	$0	$290,025
Recruitment One-Stop (USAJOBS)	$0	$30,499	$0	$36,132	$0	$30,499
EHRI	$0	$256,585	$0	$197,776	$0	$202,464
E-Payroll	$0	$948,758	$0	$984,758	$0	$984,758
Financial Management LOB	$44,444	$0	$44,444	$0	$44,444	$0
Human Resources Management LOB	$65,217	$0	$65,217	$0	$65,217	$0
Integrated Acquisition Environment	$0	$31,432	$0	$123,453	$0	$36,132
Disaster Assistance Improvement Program	$48,976	$0	$41,241	$0	$29,815	$0
OPM Total	**$253,637**	**$1,891,571**	**$255,902**	**$1,994,028**	**$244,476**	**$1,883,551**

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

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 2011, the BFE LOB will provide all agencies with more information about collaboration tools and technologies that can ease communications in the Federal budget environment.

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. 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 $260,884 in FY 2011. This service is financed out of the Office of the Chief Financial Officer.

E-Training (Managing Partner: Office of Personnel Management) E-Training provides a premier electronic training environment to support the development of the Federal workforce. The initiative advances the accomplishment of agency missions through simplified and one-stop access to E-Training products and services. E-Training is working to enhance the ability of the Federal Government to attract, retain, manage, and educate the highly skilled professionals needed for a flexible and high-performing government workforce.

Recruitment One-Stop (Managing Partner: Office of Personnel Management) Since the inception of the Recruitment One Stop initiative, federal Agencies have enjoyed the uninterrupted use of USAJOBS® System. USAJOBS® is the United States Government's official system and program for Federal jobs and employment information. The USAJOBS® system delivers the service by which Federal agencies meet their legal obligation (5 USC 3327 and 5 USC 3330) to provide public notice of Federal employment opportunities to Federal employees and American citizens.

E-Payroll (Managing Partner Office of Personnel Management) The E-Payroll Initiative standardizes and consolidates government-wide Federal civilian payroll services and processes by simplifying and standardizing human resources (HR)/payroll policies and procedures and improving integration of payroll, HR, and finance functions. The initiative benefits agencies by permitting them to focus on mission related activities rather than on administrative payroll functions. Payroll processing costs are reduced through economies of scale and avoiding the cost of duplicative capital system modernization activities.

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.

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) will 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

Part 3 – Organization Summaries

This budget is presented incorporating OPM's new (January 2010) organizational structure as described on the following pages. Once OPM adopted its 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 2011 and FY 2012 resources with the new strategic and organizational structure. As shown in Figure 2, OPM will be composed of the following components after the re-organization:
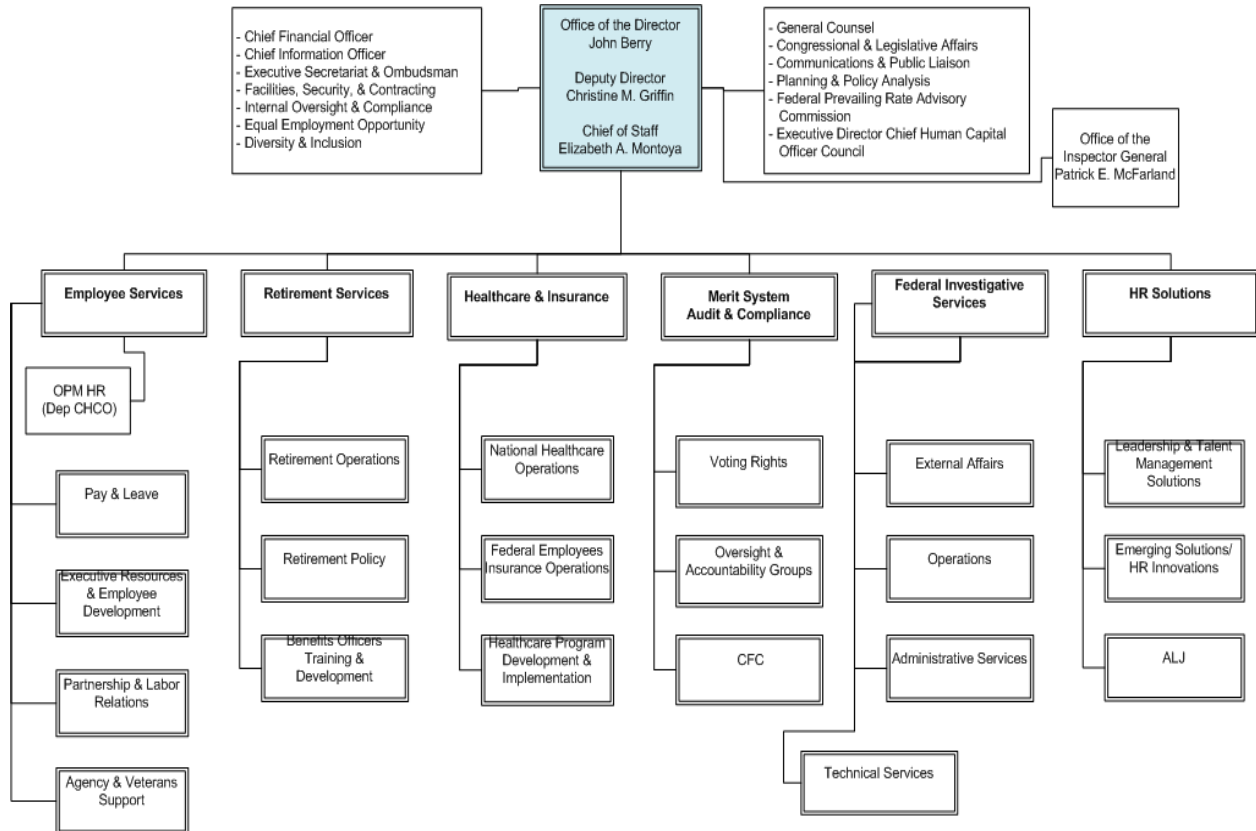

Figure 1 OPM Organizational Structure

Employee Services

Employee Services Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted $	FY 2010 Enacted FTE	FY 2011 Annualized CR $	FY 2011 Annualized CR FTE	FY 2012 Request $	FY 2012 Request FTE	FY 2011–12 Variance $	FY 2011–12 Variance FTE
Salaries & Expenses	$39,340,000	188.0	$36,217,000	188.0	$33,897,000	182.9	($2,320,000)	(5.1)
Common Services	$6,087,000	45.0	$6,673,000	45.0	$6,238,000	38.5	($435,000)	(6.5)
Total Discretionary	**$45,427,000**	**233.0**	**$42,890,000**	**233.0**	**$40,135,000**	**221.4**	**($2,755,000)**	**(11.6)**
USAJOBS - Revolving Fund	$14,114,000	7.0	$20,550,000	7.0	$12,789,000	7.0	($7,761,000)	0.0
Investigative - Revolving Fund	$2,223,000	14.0	$2,312,000	14.0	$2,900,000	19.0	$588,000	5.0
PMF - Revolving Fund	$459,000	4.0	$470,000	4.0	$3,610,000	6.5	$3,140,000	2.5
Total Non-Discretionary	**$16,796,000**	**25.0**	**$23,332,000**	**25.0**	**$19,299,000**	**32.5**	**($4,033,000)**	**7.5**
Total (dollars)	**$62,223,000**	**258.0**	**$66,222,000**	**258.0**	**$59,434,000**	**253.9**	**($6,788,000)**	**(4.1)**

OPM requests **$40,135,000** for Employee Services.   The request consists of **$33,897,000** from General Funds and **$6,238,000** for Common Services.

Employee Services (ES) develops human resource (HR) policies for the Executive Branch agencies. Specifically, ES issues governmentwide guidance on staffing, classification, pay, leave, performance management, training, executive resources, employee and labor relations, and work/life programs. ES also administers civil service pay structures and annually publishes 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 governmentwide 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. Lastly, ES manages the operation of OPM's internal human resources program. Employee Services is comprised of the following subcomponents:

Recruitment and Hiring (R&H): Designs, develops, and promulgates merit-based employment systems, policies, regulations, and programs that Federal agencies use to recruit, examine, hire, classify and assess high quality employees from diverse backgrounds; student recruitment, hiring and training and development programs, policies, and regulations; diversity and inclusion policies, regulations and programs for governmentwide implementation. R&H also designs, develops and manages OPM's USAJOBS *(funded via Revolving Funds)* - the Federal government's official source for Federal jobs and employment information.   R&H's subcomponent organizations are: Hiring Policy, Classification/Assessment Policy, Recruitment Policy, Recruitment Policy and Outreach and USAJOBS and Student Programs.

Pay and Leave (P&L)**:** Leads the Federal government's efforts to implement, manage, and improve governmentwide pay and leave administration policies and programs, and to develop and implement new pay and leave administration policies and programs that will assist Federal agencies in meeting their strategic goals to attract, motivate, and retain high quality employees from diverse backgrounds.   P&L develops and promulgates merit-based pay systems, policies and programs to help ensure the Federal government has an effective civilian workforce.   Pay and Leave's subcomponent organizations are: Pay Administration, Leave and Special Payments, Pay Systems

Executive Resources and Employee Development (ERED)**:** Designs, develops, and promulgates 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, and to ensure the government's learning and development programs support strategic human capital investments. ERED manages the SES Qualifications Review Board 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. ERED's subcomponent organizations are: Executive Resources Policy, Training and Executive Development, Performance Management, Excellence in Performance Management Implementation, Executive Resources Services

Partnership and Labor Relations: Facilitates alignment between OPM's strategic HR policy and program objectives and the interests of Federal employee unions; works with Federal agencies to implement Labor-Management Forums throughout the Executive Branch; engages in outreach with the involvement of the national unions on issues affecting their members by serving as OPM's liaison to the unions through information-sharing, meetings, and informal discussions with key union staff. Partnership & Labor Relations' subcomponent organizations are: Employee Accountability, Labor Relations, and Partnership Manager

Agency and Veterans Support: provides technical assistance to Federal agencies to ensure their human resources programs are effective and efficient and support mission objectives.; provides governmentwide leadership in the recruitment and employment of veterans in the Executive Branch; provides programmatic direction and oversight of the 28 Federal Executive Boards; designs, develops, and issues work/life policies and strategic guidance to help Federal agencies create a supportive work environment that allows employees to be focused and productive at work; assesses Federal agency performance in human resources management using the Human Capital Assessment and Accountability Framework, which defines the systems, standards and metrics required under the Chief Human Capital Officer (CHCO) Act of 2002. Agency & Veterans' Support subcomponent organizations are: Human Resources Services, Veterans Services, Agency Support and Technical Assistance, Program Assessment and Special Programs, Work/Life/Wellness

OPM Human Resources *(Common Services funded)***:** Provides human resource management services to the OPM community and its clients from the first point of contact to the last point of contact using state of the art methods which are supported by efficient, effective, timely service, and a nurturing cooperative attitude.   Human Resources subcomponent organizations are: Recruitment & Staffing, Management & Employee Services, and Boyers HR Services.

In FY 2012, Employee Services will continue to collaborate with Federal agencies and the unions to design and implement comprehensive, governmentwide 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 is currently updating its database of agencies' placement program coordinators to assure disabled applicants seeking Federal employment have current contact information. Employee services also plans 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 Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$23,157,000	$24,423,000	$1,266,000
Personnel benefits	$5,425,000	$6,329,000	$905,000
Travel and transportation of persons	$292,000	$249,000	($43,000)
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$200,000	$190,000	($10,000)
Printing and reproduction	$267,000	$227,000,	($40,000)
Other services	$6,641,000	$2,212,000	($4,429,000)
Supplies and materials	$191,000	$188,000	($3,000)
Equipment	$44,000	$79,000	$35,000
Land and structures	$0	$0	$0
Total	**$36,217,000**	**$33,897,000**	**($2,320,000)**
FTE	**188.0**	**182.9**	**(5.1)**

Employee Services Common Services – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$3,859,000	$3,603,000	($256,000)
Personnel benefits	$914,000	$955,000	$41,000
Travel and transportation of persons	$25,000	$25,000	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$25,000	$15,000	($10,000)
Printing and reproduction	$20,000	$15,000	($5,000)
Other services	$1,740,000	$1,561,000	($179,000)
Supplies and materials	$70,000	$44,000	($26,000)
Equipment	$20,000	$20,000	$0
Land and structures	$0	$0	$0
Total	**$6,673,000**	**$6,238,000**	**($435,000)**
FTE	**45.0**	**38.5**	**(6.5)**

Retirement Services

Retirement Services Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted $	FTE	FY 2011 Annualized CR $	FTE	FY 2012 Request $	FTE	FY 2011CR–12 Variance $	FTE
*Salaries & Expenses	$252,000	2.0	$0	0.0	$0	0.0	$0	0.0
*Trust Fund Annual	$57,136,000	488.0	$54,955,000	466.0	$58,055,000	466.0	$3,100,000	0.0
Total Discretionary	**$57,388,000**	**490.0**	$54,955,000	466.0	$58,055,000	466.0	$3,100,000	0.0
FERCCA – Mandatory Authority	$1,981,000	12.0	$2,052,000	12.0	$2,109,000	12.0	$57,000	0.0
*Long Term Care – Mandatory Authority	$1,500,000	3.0	$0	0.0	$0	0.0	$0	0.0
*Dental & Vision – Mandatory Authority	$4,591,000	4.0	$800,000	0.0	$800,000	0.0	$0	0.0
5 USC 8348 (a)(1)(B) – Mandatory Authority	$31,330,000	278.0	$33,198,000	278.0	$33,896,000	278.0	$698,000	0.0
Total Non-Discretionary	**$39,402,000**	**297.0**	**$36,050,000**	**290.0**	**$36,805,000**	**290.0**	**$755,000**	**0.0**
Total (dollars)	**$96,790,000**	**787.0**	**$91,005,000**	**756.0**	**$94,860,000**	**756.0**	**$3,855,000**	**0.0**

* For Fiscal Years 2011 and 2012, funds and respective FTEs were transferred to the new Healthcare and Insurance Program.

Retirement Services is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments. Our program activities will continue to focus on making initial eligibility determinations, adjudications, post retirement changes, and survivor processing based on applicable laws and regulations.

For FY 2011 and FY 2012, Retirement's operating level has been adjusted to reflect the transfer of funds and the transfer of the Insurance Operations (Benefits function) to the newly created organization Healthcare and Insurance (HI). The Healthcare and Insurance organization will consolidate OPM's traditional Federal Employees Health Benefits Program (FEHBP) and other earned benefit insurance operation functions with OPM's new responsibilities under the recent Affordable Care Act of 2010. Detailed information concerning this new organization is provided in the Healthcare and Insurance Organization Summary. Retirement will continue to retain a small portion of the Dental/Vision funding and partial responsibility for the "FEHBP Open Season" function. In addition to this change, Retirement has acquired the Retirement Policy Staff (along with an equitable shift of funding) from the Office of Planning and Policy Analysis. Retirement's FY 2012 request is now **$58,055,000** from the earned benefit Trust Funds. Retirement will utilize these funds to continue to maintain the services it delivers to Federal employees, annuitants, and their families through the retirement program. This includes $3,100,000 to image incoming records of active federal employees, refunds, deposits, re-deposits. It will also include correspondence and existing FERS files. An ongoing, consistent imaging program will improve customer service, contribute to a reduction in overall processing times and support modernization efforts.

In addition to the amounts requested above, Retirement has access to administrative resources from the earned benefit trust funds under its 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 – (during Open Season and is 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 are shown in the resource summary table.

Retirement's FY 2012 funds will be used to meet 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; using performance measures to ensure quality customer service; strengthening quality assurance processes, policies and procedures; and delivering optimal customer service experiences by improving processes.

During FY 2012, Retirement will continue to maintain the existing legacy systems in order to process claims. Under Strategic Goal 4, 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; and defining standards for agency benefit officers, measure their results, and recognize them for exceptional service.

We will also meet OPM's Priority Goal for improving retirement claims processing. This goal represents a high priority for the administration and the agency 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 percent by the end of FY 2010, 35 percent by the end of FY 2011 and 30 percent 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.

Retirement Services Trust Fund Annual – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011CR–12 Variance
Personnel compensation	$32,849,000	$32,849,000	$0
Personnel benefits	$10,014,000	$10,014,000	$0
Travel and transportation of persons	$53,000	$53,000	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$2,319,000	$2,319,000	$0
Printing and reproduction	$643,000	$643,000	$0
Other services	$8,895,000	$11,995,000	$3,100,000
Supplies and materials	$85,000	$85,000	$0
Equipment	$97,000	$97,000	$0
Land and structures	$0	$0	$0
Total (dollars)	**$54,955,000**	**$58,055,000**	**$3,100,000**
FTE	**466.0**	**466.0**	**0**

Merit System Audit & Compliance

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

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011CR–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Salaries & Expenses (Annual)	$15,944,000	107.0	$14,339,00	99.2	$13,539,000	90.0	($800,000)	(9.2)
Total Discretionary	$15,944,000	107.0	$14,339,000	99.2	$13,539,000	90.0	($800,000)	(9.2)
Total (dollars)	$15,944,000	107.0	$14,339,000	99.2	$13,539,000	90.0	($800,000)	(9.2)

OPM requests **$13,539,000** for Merit System Audit & Compliance (MSAC). This level will provide funding for OPM to oversee Federal agency HR programs to ensure they are operating effectively and meeting merit system principles, veterans' preference, and other critical civil service requirements.

Section 1104 of the Civil Service Reform Act of 1978 requires OPM to establish and maintain an oversight program to ensure that delegated human resources activities comply with merit system principles and OPM standards. In addition, Executive Order 13197 (Governmentwide Accountability for Merit System Principles; Workforce Information) gives OPM the responsibility and authority to hold Executive departments and agencies accountable for effective human resources management. MSAC ensures, through careful audit and evaluation, that Federal agency human resources programs are effective and meet merit system principles and other civil service standards. MSAC is also responsible for the Combined Federal Campaign (CFC) and Voting Rights programs, along with the governmentwide classification and job grading appeals program and the adjudication of Federal employee claims under the Fair Labor Standards Act.

Combined Federal Campaign (CFC): The CFC is the world's largest and most successful annual workplace charitable drive, with over 200 campaigns and 20,000-plus charities. Over $280 million was raised for charitable organizations in 2009 alone. Pledges from 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 across the nation and throughout the world. The Director of OPM has delegated to MSAC the responsibility for the day-to-day management of the CFC program.

Voting Rights Program: OPM manages the Voting Rights program in collaboration with the Department of Justice (DOJ) under the authority of the Voting Rights Act of 1965. At DOJ's request, OPM sends observers to polling places during local, state, and national elections to monitor and report on those elections as designated by the Attorney General. This work is aimed at identifying practices that deny or abridge a citizen's right to vote because of race, color, or language.

In FY 2010, we deployed 370 observers as requested by DOJ, provided leadership training, developed online tools for federal observers, recruited new observers, conducted background screening, and sent customer satisfaction surveys to lead attorneys after all elections. For the past two years, the Department of Justice has reimbursed OPM for direct costs associated with the deployment of observers. Prior to that, the entire cost of the program was financed at OPM from annual appropriations. In FY 2011 and FY

2012, OPM will continue deploying sufficient numbers of Federal Voting Rights observers to monitor polling sites at the request of DOJ throughout the year.

Merit System Audit & Compliance Salaries and Expenses Annual– Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011CR–12 Variance
Personnel compensation	$10,956,000	$9,700,750	($1,255,250)
Personnel benefits	$2,847,000	$3,093,884	$246,884
Travel and transportation of persons	$367,000	$515,910	$148,910
Transportation of things	$3,000	$0	($3,000)
Communications, utilities, and rent	$20,000	$31,560	$11,560
Printing and reproduction	$24,000	$2,257	($21,743)
Other services	$79,000	$158,887	$79,887
Supplies and materials	$38,000	$25,129	($12,871)
Equipment	$5,000	$10,623	$5,623
Land and structures	$0	$0	$0
Total (dollars)	**$14,339,000**	**$13,539,000**	**($800,000)**
FTE	**99.2**	**90.0**	**(9.2)**

Federal Investigative Services

Federal Investigative Services Resource Summary - includes all resources) (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Revolving Fund	$935,630,000	2,579.9	$970,127,000	2,740.5	$999,231,000	2,730.3	$29,104,000	(10.2)
Total Non-Discretionary	**$935,630,000**	**2,579.9**	**$970,127,000**	**2,740.5**	**$999,231,000**	**2,730.3**	**$29,104,000**	**(10.2)**
Total (dollars)	**$935,630,000**	**2,579.9**	**$970,127,000**	**2,740.5**	**$999,231,000**	**2,730.3**	**$29,104,000**	**(10.2)**

The Federal Investigative Services (FIS) provides personnel background investigative services to determine individuals' suitability for Federal civilian, military, and contract employment and eligibility for access to classified national security information. Background investigations are performed for Federal agencies on a fee-for-service basis. OPM conducts more than 90 percent of all background investigations for the Federal government and expects to complete over 2 million investigations in FY 2012.

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 addition to meeting IRTPA timelines, FIS remains committed to supporting Joint Reform initiatives to improve efficiency and government-wide reciprocity of background investigations. The Joint Reform team, comprised of the Office of the Director of National Intelligence, Department of Defense, and OPM, have a continued partnership to improve the background investigations program, not only at OPM but also with the agencies seeking clearance and suitability information and decisions.

Key OPM contributions to a comprehensive Federal government end-to-end process are:

- Make accessible the Clearance Verification System (CVS)
- Revised Position Designation Tool
- Implement revised SF-85P and SF-85P-S
- Continue to 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 Toolbox to support suitability adjudications
- Provide standardized training of Investigators and Adjudicators, including FIS employees, contractors, and external customers with delegated authority

During FY 2012, FIS will continue to fund major initiatives that support the quality and timeliness of the investigative process. These initiatives include the continued transformation of key IT systems, the continued development of a world-class investigative and suitability training program, and revised investigative standards and Federal Regulations pertaining to security clearance and suitability determinations. FIS will strategically fund targeted major investments in FY 2012. Detailed investment plans will be developed to ensure key investments are identified with estimates and timetables for expensing the items. By using this strategic investment methodology, FIS will be able to control fiscal year operating expenses to not exceed fiscal year revenues. During FY 2012, if there is a change in a

business process or anticipated workload projections that impacts revenues and/or expenses, FIS will re-evaluate its pricing structure and determine if any pricing changes are necessary.

In FY 2012 FIS has major migration efforts planned for the IT infrastructure through the Transformation project along with stabilization prior to transferring functions into the steady state operations environment. The Transformation investment is scheduled to conclude in budget year 2014. In the production environment, the new SF85P and SF85P-S forms will be released with increased efficiencies and other improvements.

For FY 2012, FIS will begin redesign of investigative processes and procedures, laying the groundwork for implementation of the revised Federal Investigative Standards at the end of CY 2013. The revised standards are designed to improve cost, quality, and timeliness of investigations by aligning suitability and security investigations, facilitating reciprocity, using automation to the greatest extent practicable, and employing the most productive investigative elements as determined by research. We will utilize the enhanced subject interview, informed by automated records checks, and establish periodic reinvestigation standards for individuals in positions of trust. We will revise our position designation tool based on the Federal Investigative Standards and will implement an automated toolbox to support suitability adjudications.

Federal Investigative Services – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$201,835,000	$207,890,000	$6,055,000
Personnel benefits	$53,263,000	$54,861,000	$1,598,000
Travel and transportation of persons	$15,595,000	$16,063,000	$468,000
Transportation of things	$148,000	$152,000	$4,000
Communications, utilities, and rent	$21,489,000	$22,134,000	$645,000
Printing and reproduction	$1,573,000	$1,620,000	$47,000
Other services	$659,504,000	$679,289,000	$19,785,000
Supplies and materials	$4,720,000	$4,862,000	$142,000
Equipment	$12,000,000	$12,360,000	$360,000
Land and structures	$0	$0	$0
Total (dollars)	**$970,127,000**	**$999,231,000**	**$29,104,000**
FTE	**2,740.5**	**2,730.3**	**(10.2)**

Human Resources Solutions (HR Solutions)

Human Resource Solutions Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
HR Solutions- Revolving Fund	$719,360,000	675.0	$819,409,000	705.0	$850,381,000	705.0	$30,972,000	0.0
Total Non-Discretionary (dollars)	**$719,360,000**	**675.0**	**$819,409,000**	**705.0**	**$850,381,000**	**705.0**	**$30,972,000**	**0.0**
Total (dollars)	**$719,360,000**	**675.0**	**$819,409,000**	**705.0**	**$850,381,000**	**705.0**	**$30,972,000**	**0.0**

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, Human Resource 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 affirm that HRS programs improved agency and individual employee performance.

HR Solutions will support the OPM vision to build the Federal government as America's model employer for the 21st century by leveraging its cadre of nationwide human resources management consultants, information technology experts, industrial/organizational psychologists, and training professionals.

In response to the dynamic customer demand for products and services, HR Solutions has experienced financial growth of over 250 percent over the past five years. In FY 2011 and FY 2012 HR Solutions' comprehensive plan includes continued delivery of the full array of HR services including: staffing products and services (examining, testing, recruitment and branding, and automated staffing technology), human resources consulting, and leadership training. Initiatives 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 product and service offerings to more effectively meet customer demand.

HR Solutions continues to demonstrate its strong commitment to OPM's mission to "Recruit, Retain and Honor a World-Class Workforce to Serve the American People" under the OPM Strategic Goal of "Expect the Best." In FY 2010, HR Solutions signed 8,760 new individual reimbursable agreements and delivered approximately $629,000,000 in HR management services and systems. This is an 11 percent increase over FY 2009. HR Solutions anticipates a 20 percent increase in delivery for FY 2011 and FY 2012. HR Solutions has made strategic investments in wide-reaching HR research and development which allows it to provide leading-edge products and services to meet the dynamic needs of the Federal community. To sustain its continued expansion, HR Solutions has also invested in critical employee training and internal space and equipment upgrades. These investments will reap long-term benefits through consistent increases in customer and employee satisfaction, revenue growth, and achievements in program quality and effectiveness in each of its business lines.

HR Solutions Program Descriptions and Plans

HR Solutions is comprised of 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 managers and staff are leaders in researching and employing best practices in Federal human resources management.

Emerging Solutions

Emerging Solutions furnishes HR Solutions with a focused research and development (R&D) capability. Emerging Solutions identifies and develops new projects and validates proof of concepts for new HR initiatives in support of HRS, 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. Emerging Solutions oversees both the HR Knowledge Management Portal and the HR Solutions R&D Program Management Office.

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.

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, inter-agency details and assignments to non-ALJ duties, increases in pay based on superior qualifications. The office administers the ALJ priority referral program and addresses classification issues. 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.

Human Resource Solutions Revolving Fund – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$51,473,000	$55,495,000	$4,022,000
Personnel benefits	$14,593,000	$16,322,000	$1,729,000
Travel and transportation of persons	$5,871,000	$6,047,000	$176,000
Transportation of things	$109,000	$115,000	$6,000
Communications, utilities, and rent	$15,798,000	$14,383,000	($1,415,000)
Printing and reproduction	$695,000	$730,000	$35,000
Other services	$723,310,000	$749,350,000	$26,040,000
Supplies and materials	$2,730,000	$2,867,000	$137,000
Equipment	$4,830,000	$5,072,000	$242,000
Land and structures	$0	$0	$0
Total (dollars)	**$819,409,000**	**$850,381,000**	**$30,972,000**
FTE	**705.0**	**705.0**	**0.0**

Planning and Policy Analysis (PPA)

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

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$4,644,000	20.0	$5,310,000	20.0	$13,430,000	14.0	$8,500,000	(6.0)
Trust Fund Annual	$5,468,000	22.1	$9,386,000	10.1	$10,886,000	17.0	$1,500,000	6.9
Total Discretionary	**$10,112,000**	**42.1**	**$14,696,000**	**30.1**	**$24,316,000**	**31.0**	**$9,620,000**	**0.9**
Long Term Care – Mandatory Authority	$350,000	3.0	$400,000	3.0	$271,000	2.3	($129,000)	(0.7)
Dental & Vision – Mandatory Authority	$350,000	2.5	$500,000	2.5	$271,000	2.3	($229,000)	(0.2)
5 USC 8348 (a)(1)(B) – Mandatory Authority	$900,000	6.0	$179,000	6.0	$523,000	5.0	$344,000	(1.0)
Total Non-Discretionary	**$1,600,000**	**11.5**	**$1,079,000**	**11.5**	**$1,065,000**	**9.6**	**($14,000)**	**(1.9)**
Total (dollars)	**$11,712,000**	**53.6**	**$15,245,000**	**41.6**	**$25,381,000**	**40.6**	**$9,606,000**	**(1.0)**

The OPM 2012 budget requests **$24,316,000** which consists of **$13,430,000** in General Funds and **$10,886,000** 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. The following laws codify OPM's authority for particular programs: 5 USC §8958(f)(2)(A) and 5 USC §8988(f)(2)(A) provide authority to OPM to manage all administrative expenses related to FEDVIP (fully reimbursed by contracted providers); and 5 USC §9004(f)(2) provides authority to OPM to manage all administrative expenses associated with FLTCIP (fully reimbursed by contracted providers). The amounts of resources used from each of the above authorities by PPA are shown in the resource summary for this section.

PPA 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 and employee health and wellness benefits for Federal employees. To assure benefits provide maximum value and are secure, PPA 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.

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

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$2,509,000	$4,893,000	$2,384,000
Personnel benefits	$ 637,000	$1,220,000	$583,000
Travel and transportation of persons	$10,000	$15,000	$5,000
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$1,000	$3,000	$2,000
Printing and reproduction	$50,000	$86,000	$36,000
Other services	$2,099,000	$6,731,000	$4,632,000
Supplies and materials	$4,000	$454,000	$450,000
Equipment	$0	$28,000	$28,000
Land and structures	$0	$0	$0
Total (dollars)	**$5,310,000**	**$13,430,000**	**$8,120,000**
FTE	**20.0**	**14.0**	**(6.0)**

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

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$2,259,000	$3,563,000	$1,304,000
Personnel benefits	$519,000	$1,120,000	$601,000
Travel and transportation of persons	$10,000	$70,000	$60,000
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$10,000	$25,000	$15,000
Printing and reproduction	$35,000	$25,000	($10,000)
Other services	$6,263,000	$4,786,000	($1,477,000)
Supplies and materials	$20,000	$1,190,000	$1,170,000
Equipment	$270,000	$107,000	($163,000)
Land and structures	$0	$0	$0
Total (dollars)	**$9,386,000**	**$10,886,000**	**$1,500,000**
FTE	**10.1**	**17.0**	**6.9**

Office of the Actuary

The Office of the Actuary is responsible for assuring that OPM makes decisions regarding various benefits, but in particular health 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, and vision benefits. It also reviews premium rates for 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.

Policy Analysis

This office provides policy guidance to OPM on a range of issues affecting benefits policy, including health and life insurance. In doing so, the office will seek to effectively use and integrate the major data sources available to OPM.

The Policy Analysis Office is also responsible for developing a database to collect and analyze comprehensive FEHBP claims and encounter data; analyzing the Federal Employee Viewpoint Survey results annually; and collecting, managing and analyzing health services data on an ongoing basis.

While the FEHBP directly bears the cost of health services, it is currently difficult to analyze those costs and actively manage the FEHBP 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 2011, we will conduct the employee satisfaction survey on Federal employees' perceptions of their health status and the importance and value of their employee benefits. We also will initiate an evaluation of the impact of the comprehensive tobacco cessation benefit changes in FEHBP that were effective January 1, 2011.

During FY 2012, we will develop action plans based on the review and report of survey findings.

Data Analysis

The Data Analysis office fulfills OPM's mandate in reporting on the Federal civilian workforce. The office responds to requests for information from many sources, including the White House, Congress, the media, the Congressional Budget Office, the Government Accountability Office, the Merit Systems Protection Board, the general public, and others. The Office also collaborates with the Chief Information Officer to assure information requirements are met in the EHRI project from which the Office derives its own database, the Statistical Data Mart (EHRI-SDM).

During FY 2011, the Data Analysis Office will provide analytics from the EHRI-SDM to human resources program offices, and HCDW analytics in collaboration with the Policy Analysis Office. The Office will also conduct an accuracy assessment of the EHRI-SDM as it becomes the successor system to the Central Personnel Data File (CDPF).

During FY 2012, the Office will continue to enhance the EHRI-SDM and its capabilities, and also increase its proficiency with the HCDW.

Survey Analysis

This office is responsible for overseeing the conduct and analysis of governmentwide Federal employee surveys, notably the Employee Viewpoint Survey. The Survey aids OPM and other agencies in the evaluation of program effectiveness. In addition, the Survey helps to shape human resource policies, which lead to better performance throughout the Federal sector.

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.

The Employee Viewpoint Survey provides critical input to OPM in determining the overall direction and needed changes for future HR policy. Additionally, agencies using the survey findings to improve recruitment and retention and to develop/implement action plans to improve workplace measures in the specific areas identified in the survey results.

In FY 2011, OPM has begun administering the Survey annually, relieving Executive agencies of the requirement to implement the Survey themselves. At OMB's request, OPM agreed to a full census of Executive agencies to be done every other year, with the alternative years on a sampling plan for larger agencies.

OPM plans to conduct a Government-wide Census Survey covering approximately 1.8 million full-time permanent Federal employees. This survey is planned for administration in the late Spring of 2012, and will be administered primarily electronically. This will be the seventh administration of the survey, which began in 2002.

Healthcare and Insurance

Healthcare and Insurance Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted $	FTE	FY 2011 Annualized CR $	FTE	FY 2012 Request $	FTE	FY 2011–12 Variance $	FTE
Salaries & Expenses	$0	0.0	$262,000	2.0	$7,762,000	17.0	$7,500,000	15.0
Trust Fund Annual	$0	0.0	$8,696,000	84.0	$26,196,000	80.0	$17,500,000	(4.0)
Total Discretionary	**$0**	**0.0**	**$8,958,000**	**86.0**	**$33,958,000**	**97.0**	**$25,000,000**	**11.0**
Long Term Care – Mandatory Authority	$0	0.0	$1,507,000	3.0	$1,777,000	3.0	$270,000	0.0
Dental & Vision – Mandatory Authority	$0	0.0	$3,871,000	4.0	$4,228,000	4.0	$357,000	0.0
Total Non-Discretionary	**$0**	**0.0**	**$5,378,000**	**7.0**	**$6,005,000**	**7.0**	**$627,000**	**0.0**
Total (dollars)	**$0**	**0.0**	**$14,336,000**	**93.0**	**$39,963,000**	**104.0**	**$25,627,000**	**11.0**

The HI organization consolidates all of OPM's healthcare and insurance responsibilities into a single organization. This includes new functions such as the ACA's Multi-State Plan Option, the work performed by OPM in support of the PCIP program, plus existing responsibilities for FEHBP, FEGLI, FSA, FLTCIP, and FEDVIP. HI will be comprised of 3 components: Healthcare Program Development and Implementation, National Healthcare Operations, and Federal Employee Insurance Operations.

Healthcare Program Development and Implementation (HPDI)

This unit is responsible for reviewing proposed and developing new program-related legislation, writing program regulations, and developing policy guidance for Federal agencies, insurance carriers and program beneficiaries. The unit will also provide program evaluation support of all programs and activities under HI. Based on comprehensive evaluations, HPDI will recommend specific program objectives, procedures and processes, and implementation measures for all new programs and activities consistent with cost effective management principles. HPDI will also assess existing OPM insurance programs and activities and recommend programmatic improvements.

National Healthcare Operations

Under the ACA, OPM has been designated as the agency responsible for implementing and overseeing Multi-State Plan Options. Under the ACA, at least two Multi-State Plans will be offered on each state health insurance exchange beginning in 2014. Multi-State Plans will be one of several health insurance options that small employers and uninsured individuals will be able to choose from. In total, state exchanges are expected to provide health insurance coverage for 31 million Americans.

HI also helps to administer the Federally-run PCIP program in states that do not establish PCIP programs themselves. HI does this on behalf of DHHS, which is fully reimbursing OPM for our costs for the duration of the PCIP program. The PCIP program is an entirely new program created under the ACA. This program makes health insurance available at market rates to individuals who have been denied coverage by a private insurance company because of a pre-existing condition, have been uninsured for at least six months, and are U.S. citizens or are residing here legally.

The PCIP program covers a full range of health benefits, including primary, specialty, and hospital care as well as prescription drugs. States have the option of administering their own program and/or letting the program be administered under DHHS. Through HI, OPM administers the Federal-run PCIP program for

DHHS in 23 states and in Washington, D.C. The Federal-run PCIP-program covers more than 45 percent of the U.S. population. As specified by the ACA, the PCIP program will operate until January 1, 2014.

The ACA also incorporated the Indian Health Care Improvement Reauthorization and Extension Act (IHCIREA) of 2009. This Act allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase FEHBP and FEGLI for their employees. OPM will develop a comprehensive approach to ensure all Tribes and Tribal organizations are given the opportunity to engage in consultation with OPM officials as implementation of the ACA moves forward. OPM will work with tribes to develop specifications for the creation of a mechanism to collect, check and transmit enrollments and payments to the appropriate insurers.

PPA will continue to provide policy guidance on this initiative and will administer the functions required for the formal consultative process with tribes and tribal organizations. HI will manage the contracting and administrative functions associated with the enrollment processes and premium collections.

Federal Employee Insurance Operations

Federal Employee Insurance Operations (FEIO)'s functions were previously housed within the Retirement and Benefits directorate. FEIO is responsible for negotiating and administering health benefits contracts for the Federal government, administering the FEGLI program covering employees, retirees and their families. FEIO 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.

OPM will continue to engage in tough negotiations with health carriers that offer a broad range of health insurance benefits 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.

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.

Healthcare and Insurance Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$205,000	$2,929,000	$2,724,000
Personnel benefits	$57,000	$733,000	$676,000
Travel and transportation of persons	$0	$100,000	$100,000
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$0	$0	$0
Printing and reproduction	$0	$0	$0
Other services	$0	$4,000,000	$4,000,000
Supplies and materials	$0	$0	$0
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total (dollars)	**$262,000**	**$7,762,000**	**$7,500,000**
FTE	**2.0**	**17.0**	**15.0**

Healthcare and Insurance Trust Fund – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$5,022,000	$6,914,000	$1,892,000
Personnel benefits	$1,257,000	$1,657,000	$400,000
Travel and transportation of persons	$48,000	$98,000	$50,000
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$14,000	$24,000	$10,000
Printing and reproduction	$48,000	$58,000	$10,000
Other services	$2,274,000	$17,392,000	$15,118,000
Supplies and materials	$13,000	$33,000	$20,000
Equipment	$20,000	$20,000	$0
Land and structures	$0	$0	$0
Total (dollars)	**$8,696,000**	**$26,196,000**	**$17,500,000**
FTE	**84.0**	**80.0**	**(4.0)**

Office of Diversity and Inclusion (ODI)

Office of Diversity and Inclusion Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$0	0.0	$750,000	6.5	$1,100,000	6.5	$350,000	0.0
Total Non-Discretionary	**$0**	**0.0**	**$750,000**	**6.5**	**$1,100,000**	**6.5**	**$350,000**	**0.0**
Total (dollars)	**$0**	**0.0**	**$750,000**	**6.5**	**$1,100,000**	**6.5**	**$350,000**	**0.0**

The Office of Diversity and Inclusion is a new organization within OPM as of October 2010.

The OPM 2012 budget requests **$1,100,000** which consists of the full amount of **$1,100,000** from the General Funds. OPM will use appropriated funds to provide planning, guidance and analysis support our effort to assist agencies as they recruit, hire, retain and develop a talented and diverse Federal workforce.

OPM's Office of Diversity and Inclusion (ODI) examines policy options, governmentwide data trends, and employee survey findings that affect OPM's management of HR policy, specifically including diversity and inclusion throughout the Federal government. To ensure that Federal departments and agencies recruit and retain talented individuals from all communities, ODI will develop comprehensive strategies, like those found in the private sector and successful agencies, to drive and integrate diversity and inclusion practices throughout the Federal government and to help build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws. ODI will assist departments and agencies to accomplish their varied missions as they develop a strategic focus on diversity and inclusion, allowing them to prepare for shifting workplace demographics, improved services to all populations and innovation for the future.

Office of Diversity and Inclusion Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$275,000	$511,000	$236,000
Personnel benefits	$ 68,000	$128,000	$60,000
Travel and transportation of persons	$20,000	$30,000	$10,000
Transportation of things	$1,000	$0	($1,000)
Communications, utilities, and rent	$22,000	$45,000	$23,000
Printing and reproduction	$1,000	$5,000	$4,000
Other services	$340,000	$372,000	$32,000
Supplies and materials	$3,000	$7,000	$4,000
Equipment	$20,000	$2,000	($18,000)
Land and structures	$0	$0	$0
Total (dollars)	**$750,000**	**$1,100,000**	**$350,000**
FTE	**6.5**	**6.5**	**0.0**

Facilities, Security, and Contracting

Facilities, Security, and Contracting Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011CR–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Common Services	$13,813,000	75.0	$15,147,000	75.0	$13,159,000	76.0	($1,988,000)	1.0
Total Discretionary	**$13,813,000**	**75.0**	**$15,147,000**	**75.0**	**$13,159,000**	**76.0**	**($1,988,000)**	**1.0**
Salaries & Expenses*	$0	0.0	$500,000	0.0	$642,000	5.5	$142,000	5.5
Total Budget Authority	**$13,813,000**	**75.0**	**$15,647,000**	**75.0**	**$13,801,000**	**81.5**	**($1,846,000)**	**6.5**
Revolving Fund	$3,186,000	36.0	$3,263,000	36.0	$3,602,000	36.0	$339,000	0.0
Total Non-Discretionary	**$3,186,000**	**36.0**	**$3,263,000**	**36.0**	**$3,602,000**	**36.0**	**$339,000**	**0.0**
Total (dollars)	**$16,999,000**	**111.0**	**$18,910,000**	**111.0**	**$17,403,000**	**117.5**	**($1,507,000)**	**6.5**

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

Facilities, Security, and Contracting (FSC) is responsible for a wide variety of programmatic services such as acquiring goods and services for the Office Personnel Management's (OPM) central office, facilities management, leasing and new construction oversight, providing contracting policy oversight and guidance to OPM'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's mission and fostering a high quality workforce environment. For FY 2012, OPM request is **$13,159,000** in Common Services Funds and **$642,000** in General Funds.

The **Facilities Division** operates and maintains the OPM headquarters building - Theodore Roosevelt Federal Building (TRB), under authority delegated by the General Services Administration (GSA), and provides policy and administrative guidance for OPM's other Federally owned and leased facilities nation-wide. They also provide in-house printing, document reproduction, and graphic design services for the central office; support the mail processing services, and manage the agency's inventory of personal property and capital assets.

The **Security Division** is responsible for OPM's Continuity of Operations (COOP) activity, Continuity of Government (COG) activity, and Occupant Emergency Programs (OEP). They manage the Security Guard Force, maintain a 24 hour Operations Center to provide situational awareness to the Director regarding issues affecting the status of the Federal workforce, and administer the nationwide HSPD-12 mandated PIV program and investigative processes. They perform approximately 20 facility risk assessments annually throughout TRB and OPM's other Federally owned and leased facilities nation-wide to ensure appropriate protection of OPM employees and visitors.

The FY 2012 Request recommends a reduction in Security Guard Services due to the current economic climate of the Federal Government and OPM's funding constraints. The impact of this reduction will result in the elimination of "Rover Guards" – they provide assistance with security issues throughout the Building, and a reduction in the number of guards at various posts which will create longer wait times for employees to enter/exit the Building. Fortunately, with the advent of the Telework Initiative, the number of employees entering/exiting the building will be reduced. FSC will continue to manage the Security

Guard Force, administer the information and communications security programs, provide personnel security and suitability determinations, and the functions mentioned above.

The **Contracting Division** performs all pre-aware and post-aware procurement actions in support of OPM''s mission and goals. It also performs all actions in support of the procurement function including reporting, policy, purchase card program administration and special projects. To strengthen the acquisition process governmentwide, the Administration proposed an Acquisition Improvement Initiative in FY 2010 to assist agencies in managing the procurement of goods and services. The President's FY 2011 Budget requested resources in the amount of $670,210 for contractual execution and monitoring capacity governmentwide. For FY 2012, FSC is requesting $642,000 to continue to finance the additional contracting staff these funds will provide.

FSC's FY 2012 Request recommends providing funding for One Environmental Manager, in the amount of $100,000 to be responsible for ensuring that OPM is in compliance with all major environmental laws and regulations, and for coordinating/overseeing the annual submission and implementation of the Strategic Sustainability Performance Plan. It is the vision of OPM that all business and operations will be conducted with the least environmental impact possible and that energy and resource efficiency will be agency priorities. Achieving our greening initiatives will not only ensure that OPM remains in compliance with the major requirements laid out in Federal environmental provisions such as Executive Order (EO) 13514 and 13423, the Energy Independence and Security Act (EISA) of 2007, and the Energy Policy Act (EPAct) of 2005, but also that OPM is a highly desired place of employment and a stewardship leader.

Facilities, Security, and Contracting Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011CR–12 Variance
Personnel compensation	$0	$456,000	$456,000
Personnel benefits	$0	$152,000	$152,000
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	$34,000	$34,000
Supplies and materials	$0	$0	$0
Equipment	$500,000	$0	($500,000)
Land and structures	$0	$0	$0
Total (dollars)	**$500,000**	**$642,000**	**$142,000**
FTE	**0.0**	**5.5**	**5.5**

Facilities, Security, and Contracting Common Services – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011CR–12 Variance
Personnel compensation	$6,545,000	$6,624,000	$79,000
Personnel benefits	$1,703,000	$1,859,000	$156,000
Travel and transportation of persons	$120,000	$69,000	($51,000)
Transportation of things	$7,000	$0	($7,000)
Communications, utilities, and rent	$430,000	$191,000	($239,000)
Printing and reproduction	$221,000	$221,000	$0
Other services	$5,546,000	$3,890,000	($1,656,000)
Supplies and materials	$94,000	$89,000	($5,000)
Equipment	$481,000	$216,000	($265,000)
Land and structures	$0	$0	$0
Total (dollars)	**$15,147,000**	**$13,159,000**	**($1,988,000)**
FTE	**75.0**	**76.0**	**1.0**

Chief Information Officer

Chief Information Officer Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted $	FTE	FY 2011 Annualized CR $	FTE	FY 2012 Request $	FTE	FY 2011–12 Variance $	FTE
Salaries & Expenses	$1,000,000	12.0	$2,000,000	12.0	$1,000,000	2.0	($1,000,000)	(10.0)
Salaries & Expenses - Multi-year	$7,272,000	0.0	$0	0.0	$0	0.0	$0	0.0
Salaries & Expenses - No-year	$0	0.0	$7,272,000	6.0	$7,420,000	4.0	$148,000	(2.0)
Common Services	$34,113,000	116.3	$42,465,000	116.3	$37,196,000	123.0	($5,269,000)	6.7
Trust Fund Annual	$6,491,000	28.8	$6,694,000	28.8	$ 6,694,000	30.0	$0	1.2
Trust Fund - Multi-year	$4,000,000	2.7	$0	0.0	$0	0.0	$0	0.0
Total Discretionary	**$52,876,000**	**159.8**	**$58,431,000**	**163.1**	**$52,310,000**	**159.0**	**($6,121,000)**	**(4.1)**
5 USC 8348 (a)(1)(B) - Mandatory Authority	$1,003,000	2.9	$2,003,000	2.9	$2,003,000	2.0	$0	(0.9)
Revolving Fund - HRLOB	$3,000,000	0.0	$3,000,000	0.0	$3,000,000	0.0	$0	0.0
Revolving Fund - EHRI	$74,870,000	12.6	$98,868,000	12.6	$75,525,000	12.6	($23,343,000)	0.0
Revolving Fund - Investigative	$401,000	2.9	$3,256,000	23.0	$3,256,000	28.6	$0	5.6
Total Non-Discretionary	**$79,274,000**	**18.4**	**$107,127,000**	**38.5**	**$83,784,000**	**43.2**	**($23,343,000)**	**4.5**
Total (dollars)	**$132,150,000**	**178.2**	**$165,558,000**	**201.6**	**$136,094,000**	**202.2**	**($29,464,000)**	**0.6**

For FY 2010, EHRI revolving fund resources increased significantly because implementation of electronic eOPFs for DOD and IRS.

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

The Office of the Chief Information Officer (OCIO) develops the Information Resource Management/IT Strategic 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 **$52,310,000** composed of **$1,000,000** in General Funds, **$7,420,000** in Salaries & Expenses No-Year Funds, **$6,694,000** in Trust Funds, and **$37,196,000** 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/IT Strategic 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.

Chief Information Officer Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 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	$0,000	$0
Communications, utilities, and rent	$0	$0	$0
Printing and reproduction	$1,000	$1,000	$0
Other services	$1,034,000	$34,000	($1,000,000)
Supplies and materials	$2,000	$2,000	$0
Equipment	$1,000	$1,000	$0
Land and structures	$0	$0,000	$0
Total (dollars)	**$2,000,000**	**$1,000,000**	**($1,000,000)**
FTE	**12.0**	**2.0**	**(10.0)**

Chief Information Officer No-Year Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$1,203,000	$810,000	($393,000)
Personnel benefits	$299,000	$190,000	($109,000)
Travel and transportation of persons	$32,000	$31,000	($1,000)
Transportation of things	$1,000	$1,000	$0
Communications, utilities, and rent	$410,000	$280,000	($130,000)
Printing and reproduction	$0	$0	$0
Other services	$5,277,000	$6,062,000	$785,000
Supplies and materials	$45,000	$46,000	$1,000
Equipment	$5,000	$0	($5,000)
Land and structures	$1,203,000	$0,000	$0
Total (dollars)	**$7,272,000**	**$7,420,000**	**($393,000)**
FTE	**6.0**	**4.0**	**(2)**

Note: FY 2012 No-Year Salaries and Expenses includes FY 2011 Multi-Year funds

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

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$11,761,000	$14,553,000	$2,792,000
Personnel benefits	$2,883,000	$3,567,000	$684,000
Travel and transportation of persons	$174,000	$174,000	$0
Transportation of things	$24,000	$24,000	$0
Communications, utilities, and rent	$5,724,000	$5,725,000	$1,000
Printing and reproduction	$16,000	$16,000	$0
Other services	$18,822,000	$9,988,000	($8,834,000)
Supplies and materials	$179,000	$178,000	($1,000)
Equipment	$2,882,000	$2,971,000	$89,000
Land and structures	$0,000	$0	$0
Total (dollars)	**$42,465,000**	**$37,196,000**	**($5,269,000)**
FTE	**116.3**	**123.0**	**6.7**

Chief Information Officer Trust Fund Annual – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$3,858,000	$3,857,000	($1,000)
Personnel benefits	$945,000	$945,000	$0
Travel and transportation of persons	$4,000	$4,000	$0
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$52,000	$52,000	$0
Printing and reproduction	$0	$0	$0
Other services	$1,815,000	$1,816,000	$1,000
Supplies and materials	$20,000	$20,000	$0
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total (dollars)	**$6,694,000**	**$6,694,000**	**$0**
FTE	**28.8**	**30**	**1.2**

Chief Financial Officer

Chief Financial Officer Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Common Services	$22,722,000	77.0	$26,196,000	77.0	$22,188,000	77.0	($4,008,000)	0.0
Trust Fund - Annual	$10,140,000	49.0	$10,925,000	49.0	$8,827,000	48.0	($2,098,000)	(1.0)
Trust Fund – Multi-year	$9,300,000	0.0	$0	0.0	$0	0.0	$0	0.0
Total Discretionary	**$42,162,000**	**126.0**	**$37,121,000**	**126.0**	**$31,015,000**	**125.0**	**($6,106,000)**	**(1.0)**
Revolving Fund	$1,773,000	10.0	$3,924,000	12.0	$3,924,000	9.0	$0	(3.0)
Total Non-Discretionary	**$1,773,000**	**10.0**	**$3,924, 000**	**12.0**	**$3,924,000**	**9.0**	**$0**	**(3.0)**
Total (dollars)	**$43,935,000**	**136.0**	**$41,045,000**	**138.0**	**$34,939,000**	**134.0**	**($6,106,000)**	**(4.0)**

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 **$34,107,000** for CFO, composed of **$22,188,000** in Common Services, **$8,827,000** in Trust Fund Annual resources.

CFO provides financial management services and systems, which support all OPM programs and offices. Our FY 2012 budget request includes funding needed to cover personnel related costs, other objects (supplies, travel, equipment, etc), and contracts needed to perform routine financial management services, achieve Agency strategic goals as well as perform new initiatives. Our FY 2012 budget request is comprised of Common Services, Trust Fund Annual, and Revolving Fund resources.

Chief Financial Officer Common Services – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$9,305,000	$10,702,000	$1,397,000
Personnel benefits	$2,137,000	$2,722,000	$585,000
Travel and transportation of persons	$36,000	$41,000	$5,000
Transportation of things	$3,000	$4,000	$1,000
Communications, utilities, and rent	$40,000	$44,000	$4,000
Printing and reproduction	$117,000	$126,000	$9,000
Other services	$14,480,000	$8,372,000	($6,106,000)
Supplies and materials	$59,000	$104,000	$45,000
Equipment	$19,000	$73,000	$54,000
Land and structures	$0	$0	$0
Total	**$26,196,000**	**$22,188,000**	**($4,008,000)**
FTE	**77.0**	**77.0**	**0.0**

Chief Financial Officer Trust Fund Annual – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$3,990,000	$4,377,000	$387,000
Personnel benefits	$1,072,000	$1,209,000	$137,000
Travel and transportation of persons	$5,000	$8,000	$3,000
Transportation of things	$11,000	$1,000	($10,000)
Communications, utilities, and rent	$6,000	$3,000	($3,000)
Printing and reproduction	$13,000	$1,000	($12,000)
Other services	$5,743,000	$3,162,000	($2,581,000)
Supplies and materials	$44,000	$37,000	($7,000)
Equipment	$41,000	$29,000	($12,000)
Land and structures	$0	$0	$0
Total (dollars)	**$10,925,000**	**$8,827,000**	**($2,098,000)**
FTE	**49.0**	**48.0**	**(1.0)**

Executive Services

Executive services provides 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.

Executive Services Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$13,680,000	0.0	$16,401,000	6.0	$14,101,000	6.0	($2,300,000)	0.0
Common Services	$15,601,000	112.8	$18,634,000	114.0	$17,996,000	108.0	($638,000)	(6.0)
Trust Fund Annual	$12,104,000	0.0	$15,889,000	0.0	$12,588,000	0.0	($3,301,000)	0.0
Total Discretionary	**$42,206,000**	**112.8**	**$50,924,000**	**120.0**	**$44,685,000**	**114.0**	**($6,239,000)**	**(6.0)**
Advance & Reimbursement	$821,000	1.5	$821,000	1.5	$821,000	1.5	$0	0
Revolving Fund	$439,000	2.9	$525,000	2.9	$571,000	4.0	$46,000	1.1
Total Non-Discretionary	**$1,260,000**	**4.4**	**$1,346,000**	**4.4**	**$1,392,000**	**5.5**	**$46,000**	**1.1**
Total (dollars)	**$43,466,000**	**117.2**	**$52,270,000**	**124.4**	**$46,077,000**	**119.5**	**($6,439,000)**	**(4.9)**

Executive Services Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$688,000	$668,000	($20,000)
Personnel benefits	$0	$155,000	$155,000
Travel and transportation of persons	$159,000	$46,000	($113,000)
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$41,000	$12,735,000	$12,694,000
Printing and reproduction	$0	$4,000	$4,000
Other services	$0	$479,000	$479,000
Supplies and materials	$0	$7,000	$7,000
Equipment	$15,513,000	$7,000	($15,506,000)
Land and structures	$0	$0	$0
Total (dollars)	**$16,401,000**	**$14,101,000**	**($2,300,000)**
FTE	**6.0**	**6.0**	**0.0**

Executive Services Common Services – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$12,884,000	$13,096,000	$212,000
Personnel benefits	$3,355,000	$3,449,000	$94,000
Travel and transportation of persons	$124,000	$185,000	$61,000
Transportation of things	$4,000	$2,000	($2,000)
Communications, utilities, and rent	$298,000	$426,000	$128,000
Printing and reproduction	$117,000	$64,000	($53,000)
Other services	$1,345,000	$440,000	($905,000)
Supplies and materials	$179,000	$194,000	$15,000
Equipment	$328,000	$140,000	($188,000)
Land and structures	$0	$0	$0
Total (dollars)	**$18,634,000**	**$17,996,000**	**($638,000)**
FTE	**114.0**	**108.0**	**(6.0)**

Executive Services Trust Funds – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 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	$15,889,000	$12,588,000	($3,301,000)
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 (dollars)	**$15,889,000**	**$12,588,000**	**($3,301,000)**
FTE	**0.0**	**0.0**	**0.0**

Office of the Director (OD)

Office of the Director Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Common Services	$2,267,000	16.1	$3,295,000	16.1	$3,295,000	16.0	$0	(0.1)
Salaries and Expenses	$0	0.0	$0	0.0	$250,000	0.0	$250,000	0.0
Total (dollars)	**$2,267,000**	**16.1**	**$3,295,000**	**16.1**	**$3,545,000**	**16.0**	**$250,000**	**(0.1)**

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, Work/Life and Wellness, 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.

Executive Secretariat & Ombudsman

Executive Secretariat & Ombudsman Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
ESO Common Services	$1,502,000	14.0	$1,700,000	14.0	$1,550,000	12.0	($150,000)	(2.0)
Total (dollars)	**$1,502,000**	**14.0**	**$1,700,000**	**14.0**	**$1,550,000**	**12.0**	**($150,000)**	**(2.0)**

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 OPM 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.

Chief Human Capital Officers Council

Chief Human Capital Officers Council Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
CHCO Advance & Reimbursement	$821,000	2.5	$821,000	2.5	$821,000	2.5	$0	0.0
Total (dollars)	**$821,000**	**2.5**	**$821,000**	**2.5**	**$821,000**	**2.5**	**$0**	**0.0**

The 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. The CHCO Council is financed from contributions from all CHCO Act agencies.

Communications and Public Liaison

Communications and Public Liaison Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
CPL Common Services	$2,284,000	17.6	$2,370,000	17.6	$2,220,000	16.0	($150,000)	(1.6)
Total (dollars)	**$2,284,000**	**17.6**	**$2,370,000**	**17.6**	**$2,220,000**	**16.0**	**($150,000)**	**(1.6)**

The Communications and Public Liaison office 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, CPL provides the American public, Federal agencies and its stakeholders with accurate information to aid in planning and decision-making. Lastly, CPL 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.

In FY 2012, Communication & Public Liaison will continue to support all Presidential Executive Orders, such as Veteran's Hiring, Civil Service Hiring Reform, Student Recruitment, Federal Employment of Individuals with Disabilities, and Open Government. Also, CPL will continue its support of all OPM led activities, such as OPM's responsibilities related to the Affordable Care Act, completion of the Employee Viewpoint Survey, and leadership of the Labor/Management Partnership Council. CPL also plans to continue its support of Director's initiative, such as Wellness and Work Life by producing and sponsoring events and activities for various programs such as Feds Feed Families, Feds Get Fit, and WellnessWorks (the wellness pilot project with DOI and GSA).

Congressional and Legislative Affairs

Congressional and Legislative Affairs Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
CLA Common Services	$2,001,000	14.0	$2,860,000	14.0	$2,710,000	14.0	($150,000)	0.0
Total (dollars)	**$2,001,000**	**14.0**	**$2,860,000**	**14.0**	**$2,710,000**	**14.0**	**($150,000)**	**0.0**

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

CLA staff accomplishes its mission by keeping informed of issues related to Federal personnel policy. CLA staffs attend meetings, briefings, mark ups and hearings in order to interact, educate and advice agency and congressional officials. Sensitive and confidential matters are handled accordingly. CLA has three subcomponents that work collaboratively to carry out its mission. They are Congressional Liaison (CL), Legislative Analysis (LA), and Constituent Services (CS).

CL serves as OPM's principal interface with Congressional committees and members of Congress. CL is also OPM's congressional and legislative liaison with the White House and the Office of Management and Budget. LA reviews and prepares legislative documents and congressional testimony. LA is also responsible for the clearance of testimony, congressional reports, questions for the record and other materials. CS provides services to members of Congress, their staffs, and active and retired Federal employees by responding to questions and providing opportunities to learn about OPM's retirement, health, and other benefit programs.

In addition, CLA publishes the CLA Quarterly, the Constituent Services Bulletin, and other documents to educate various audiences on what services CLA provides, and legislative and Congressional activities.

Office of General Counsel

Office of the General Counsel Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
OGC Common Services	$5,159,000	31.0	$5,897,000	34.0	$5,747,000	33.0	($150,000)	(1.0)
Revolving Fund	$300,000	2.0	$383,000	2.0	$348,000	2.0	($35,000)	0.0
Total (dollars)	**$5,459,000**	**33.0**	**$6,280,000**	**36.0**	**$6,095,000**	**35.0**	**($185,000)**	**(1.0)**

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. OGC works closely with senior officials and program offices to initiate and implement policy, to ensure that programs are administered lawfully, and to represent the programs in all types of advocacy settings. OGC provides assistance to its clients in the resolution of human resource issues and problems that, in turn, affect the manner in which the government provides services to its citizens. OGC provides high quality legal advice and representation in support of both OPM policy initiatives and litigation in which OPM is involved.

Internal Oversight and Compliance

Internal Oversight and Compliance Resource Summary - includes all resources (dollars)

	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
Budgetary Resources	$	FTE	$	FTE	$	FTE	$	FTE
IOC Common Services	$1,496,000	10.0	$1,532,000	10.0	$1,532,000	9.0	$0	(1.0)
Total (dollars)	$1,496,000	10.0	$1,532,000	10.0	$1,532,000	9.0	$0	(1.0)

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.

FY 2012 we will strive for continuous improvement, pursuing our goal of being the model in the Federal government for effectively managing the resolution of audit recommendations and strengthening operational performance. At the beginning of the year, we expect to have in place a mature, well structured and tested program review capability; a significantly reduced backlog of open audit recommendations; and a strong relationship with our OPM executives, as well as our OIG and GAO partners. We will establish a program review agenda for FY 2012 that has been coordinated with OIG and OPM executives.

Equal Employment Opportunity

Equal Employment Opportunity Resource Summary - includes all resources (dollars)

	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
Budgetary Resources	$	FTE	$	FTE	$	FTE	$	FTE
EEO Common Services	$892,000	8.1	$980,000	8.1	$942,000	8.0	($38,000)	(0.1)
Revolving Fund	$139,000	0.9	$142,000	0.9	$223,000	2.0	$81,000	1.1
Total (dollars)	$1,031,000	9.0	$1,122,000	9.0	$1,165,000	10.0	$43,000	1.0

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 2012, 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.

Federal Prevailing Rate Advisory Committee

Federal Prevailing Rate Advisory Committee Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
FPRAC Salaries & Expenses	$239,000	1.0	$247,000	1.0	$247,000	1.0	$0	0.0
Total (dollars)	$239,000	1.0	$247,000	1.0	$247,000	1.0	$0	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.

President's Commission on White House Fellows

President's Commission on White House Fellows Resource Summary - includes all resources (dollars)

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
WHF Salaries & Expenses	$845,000	5.0	$873,000	5.0	$873,000	5.0	$0	0.0
Total (dollars)	$845,000	5.0	$873,000	5.0	$873,000	5.0	$0	0.0

The White House Fellow program was established under Executive Order 11183. The President's Commission on White House Fellowships (WHF) program is responsible for providing 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 Executive Order requires OPM to provide administrative assistance to the Commission.

The program attracts a broad range of qualified applicants and participants receive valuable leadership development and public service opportunities.

Part 4 – Office of the Inspector General

The OPM's Office of the Inspector General (OIG) is **requesting $25,363,000** for its fiscal year (FY) 2012 budget. Our request is composed of **$3,804,000** from the General Fund and **$21,559,000** from the OPM Trust Fund. This request mirrors the resource level submitted to the Office of Personnel Management in OIG's initial budget request. The requested amount will permit the OIG to continue audit and investigative oversight of the Federal Employees Health Benefits Program (FEHBP), including FEHBP plans and pharmacy benefit managers; Civil Service Retirement/Federal Employees Retirement System programs and operations; and carrier information systems. Our request includes minimal funding for the oversight of other significant OPM programs, including the Revolving Fund background investigations program. The mandate of this office and our FY 2012 budget request fits within the priorities of the President.   The OIG oversees and achieves positive impact within the FEHBP by reducing potential health and safety risks for Federal employees, annuitants, and their families and annually recovers tens of millions of dollars to the FEHBP, OPM trust funds, as well as to the Treasury general fund. The OPM trust funds have assets of over $890 billion and disburse over $110 billion annually. The OIG continues to play a significant role in improving the efficiency and integrity of the FEHBP through our audit and investigative activities and by identifying proposals for legislative and contractual changes to be implemented in future years. During the past two years, the OIG has worked actively and cooperatively with both the Congress and OPM's Office of Policy to promote the transparency of parties doing business with the FEHBP, such as pharmacy benefit managers (PBMs). The OPM's adoption of transparency principles for PBM contracts has the potential to reduce prescription drug costs for all FEHBP enrollees.

The OIG audit and investigative efforts have led to improved efficiency and effectiveness throughout the varied OPM programs and operations. The OIG's efforts in reducing improper payments in the Federal retirement programs and other targeted areas of operation are direct deterrents to fraud, waste, and abuse and are absolutely dependent upon this funding request. Our more recent efforts within the Federal Investigative Services background investigations program have targeted fraud and abuse that have a direct impact on National Security.

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

Budgetary Resources	FY 2010 Enacted		FY 2011 Annualized CR		FY 2012 Request		FY 2011–12 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$3,148,000	19.0	$3,148,000	19.0	$3,804,000	22.0	$656,000	3.0
Trust Fund Annual	$21,215,000	128.0	$21,215,000	128.0	$21,559,000	125.0	$344,000	(3.0)
Total Discretionary (dollars)	**$24,363,000**	**147.0**	**$24,363,000**	**147.0**	**$25,363,000**	**147.0**	**$1,000,000**	**0.0**

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 the FEHBP 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 95 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 140 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 29 percent of all FEHBP costs, or over $13 billion in 2012, 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).

FEHBP Data Warehouse. The OIG will continue to operate its FEHBP claims data warehouse in 2012. The data warehouse streamlines and enhances the various administrative and analytical procedures involved in the oversight of the FEHBP. This project captures data from experience-rated insurance carriers in a data warehouse of health care information. The system's software tools support a variety of analytical procedures, including data mining, using the data in the warehouse. The project has facilitated more efficient and effective oversight of the FEHBP by enhancing the ability of auditors and investigators to identify improper payments. The OIG is also assisting OPM with plans for an FEHBP data warehouse and is currently discussing the possibility of a shared approach.

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. Our efforts target cases of maximum exposure within the FEHBP as a means of protecting enrollees and their families as well as recovering millions of dollars to the trust fund.

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. The OIG also works cases of potential fraud referred to our office through our hotlines or from the OPM program and quality assurance offices.

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 over $1.8 billion in FY 2012. 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 Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$2,000,000	$2,578,000	$578,000
Personnel benefits	$500,000	$650,000	$150,000
Travel and transportation of persons	$150,000	$100,000	($50,000)
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$228,000	$250,000	$22,000
Printing and reproduction	$0	$0	$0
Other services	$200,000	$156,000	($44,000)
Supplies and materials	$60,000	$30,000	($30,000)
Equipment	$10,000	$40,000	$30,000
Land and structures	$0	$0	$0
Total (dollars)	**$3,148,000**	**$3,804,000**	**$656,000**
FTE	**19.0**	**22.0**	**3.0**

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

Object Class	FY 2011 Annualized CR	FY 2012 Request	FY 2011–12 Variance
Personnel compensation	$14,495,000	$14,120,000	($375,000)
Personnel benefits	$3,000,000	$3,524,000	$524,000
Travel and transportation of persons	$800,000	$840,000	$40,000
Transportation of things	$20,000	$25,000	$5,000
Communications, utilities, and rent	$1,600,000	$1,650,000	$50,000
Printing and reproduction	$20,000	$20,000	$0
Other services	$1,000,000	$1,100,000	$100,000
Supplies and materials	$180,000	$180,000	$0
Equipment	$100,000	$100,000	$0
Land and structures	$0	$0	$0
Total (dollars)	**$21,215,000**	**$21,559,000**	**$344,000**
FTE	**128.0**	**125.0**	**(3.0)**

Office of the Inspector General Objectives

Office of the Inspector General, Oversight

Program Outcome	Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
OPM is a model of performance for other Federal agencies	Return on investment	$9.2	$3*	$6	$6
	Carrier audit cycle (years)	4.6	3.2**	4.0	4.0
	FEHBP audit recovery rate	73%	71%***	75%	80%
	Positive financial impact	$131.0M	$120.7M****	$123.0M*	$123.0M*

	Budgetary Resources					
	FY 2011 Annualized CR		FY 2012 Request		FY 2011-12 Variance	
Fund	$	FTE	$	FTE	$	FTE
OIG Salaries & Expenses	$2,929,550	18.0	$2,700,000	15.0	($229,550)	(3.0)
OIG Trust Funds Annual	$14,611,810	87.0	$14,691,000	86.0	$79,190	(1.0)
Total (dollars)	**$17,541,360**	**105.0**	**$17,391,000**	**101.0**	**($150,360)**	**(4.0)**

*The OIG's investigative activity also results in a positive financial return to the General Treasury. These amounts are now reflected in our Semi-Annual Report to Congress as Fines, Penalties, Assessments, and Forfeitures. In our most recent SAR, the amount recorded was **$639,220,835** for that 6-month period. This figure includes asset forfeitures and court assessments and/or fees resulting from criminal investigations conducted by our office. Many of these criminal investigations were conducted jointly with other Federal agencies, who share the credit for the fines, penalties, assessments, and forfeitures. At this time this amount is not factored into our Return on Investment measure, since this measure reflects only those dollars to be returned to the OPM Trust Funds.*

** This measure includes the Wellpoint audit where 14 audit sites were completed as one consolidated audit. If these were counted as one instead of 14, the audit cycle would be 3.6.*

*** The FEHBP Audit Recovery Rate is a five year rolling average of the amount recovered plus the remaining receivable balance. As such, the reported result for a year may change slightly in following years if, for example, some of the receivable is written-off as unrecoverable.*

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

Office of the Inspector General, Enforcement

Program Outcome	Performance Measures	FY 2009 Result	FY 2010 Result	FY 2011 Target	FY 2012 Target
OPM is a model of performance for other Federal agencies	Number of arrests	104	75	60	60
	Number of indictments	119	80	60	60
	Number of convictions	76	107	60	60
	Number of debarments and suspensions	818	682	800	800
	Number of debarment and suspension inquiries	1,800	2,480	1,800	1,800

	Budgetary Resources					
	FY 2011 Annualized CR		FY 2012 Request		FY 2011-12 Variance	
Fund	$	FTE	$	FTE	$	FTE
OIG Salaries & Expenses	$218,450	2.0	$1,104,000	7.0	$885,550	5.0
OIG Trust Funds Annual	$6.603,190	40.0	$6,868,000	39.0	$264,810	(1.0)
Total (dollars)	**$6,821,640**	**42.0**	**$7,972,000**	**46.0**	**$1,150,360**	**4.0**

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 Inspector General on Integrity and Efficiency Resource Summary - includes all resources (dollars)

Budget Source	FY 2011 Annualized CR		FY 2012 Request		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
OIG Salaries and Expenses	$5,263	0.0	$6,594	0.0	$1,331	0.0
OIG Trust Funds	$53,208	0.0	$59,349	0.0	$6,141	0.0
OIG Total (dollars)	$58,471	0.0	$65,943*	0.0	$7,472	0.0

Office of the Inspector General Training Resources Resource Summary - includes all resources (dollars)

Budget Source	FY 2011 Annualized CR		FY 2012 Request		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
OIG Salaries and Expenses	$18,000	0.0	$37,000	0.0	$19,000	0.0
OIG Trust Funds	$220,000	0.0	$220,000	0.0	$0	0.0
OIG Total (dollars)	$238,000	0.0	$257,000	0.0	$19,000	0.0

* The OPM OIG is not obligated to contribute to the funding of CIGIE operations in FY 2012. This number merely represents the financial obligation to be contributed by the cabinet agency OIG's on behalf of the OPM OIG.

Part 5 –Earned Benefit Trust Funds

Payment Accounts[1]

Government Payment for Annuitants, Employees Health Benefits

Government Payment for Annuitants, Employees Life Insurance

Payment to the Civil Service Retirement and Disability Fund

Government Payment for Annuitants, Employees Health Benefits

Government Payment for Annuitants, Employees Health Benefits (millions)

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR–12 Variance
Budget Authority	$9,642	$10,185	$10,817	$632
Obligations	$9,642	$10,185	$10,817	$632
Outlays	$9,515	$10,128	$10,763	$717

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. This appropriation covers (1) the Government's share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of title 5, United States Code (2) the Government's share of the cost of health insurance for annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960, and (3) the Government's contribution for payment of administrative expenses incurred by OPM in administration of the Retired Federal Employees Health Benefits Act.

The budget authority for this account 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.

Legislative Proposal, Subject to PAYGO: This Budget proposes that the Office of Personnel Management be given authority to streamline pharmacy benefit contracting within the Federal Employees Health Benefit program and leverage enrollees' purchasing power to reduce costs and obtain greater value for enrollees.

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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.

Government Payment for Annuitants, Employees Life Insurance

Government Payment for Annuitants, Employees Life Insurance (millions)

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR–12 Variance
Budget Authority	$44	$47	$47	$0
Obligations	$44	$47	$47	$0
Outlays	$43	$47	$47	$0

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 for annuitants. 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

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

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR–12 Variance
Budget Authority	$33,176	$33,778	$33,478	($300)
Obligations	$33,176	$33,778	$33,478	($300)
Outlays	$33,176	$33,778	$33,478	($300)

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.

The unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C.8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: Provided, That annuities authorized by the Act of May 29, 1944, and the Act of August 19, 1950 (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

Detail of Payment Account (millions)

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR–12 Variance
Current Appropriation	$11,217	$10,998	$10,898	($100)
Permanent Indefinite Authorization	$21,879	$22,700	$22,500	($200)
Payment for Spouse Equity	$80	$80	$80	$0
Total (millions)	**$33,176**	**$33,778**	**$33,478**	**($300)**

Current Appropriation: Payment of Government Share of Retirement Costs

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

Permanent Indefinite Authorization:

Transfers for Interest on Static Unfunded Liability and Payment of Military

Service Annuities

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement System's current 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).

Payment for Spouse Equity

The permanent, indefinite authorization 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.

Earned Benefit Trust Funds

Employees Health Benefits Fund & Retired Employees Health Benefits Fund

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

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR–12 Variance
Start of Year Balance	$13,163	$14,187	$14,335	$148
Receipts from the Public	$11,795	$12,671	$13,357	$686
Receipts from Discretionary Federal Sources	$16,177	$17,580	$18,284	$704
Receipts from Mandatory Federal Sources	$11,776	$12,559	$13,471	$912
Interest Earnings	$362	$411	$505	$94
Program Obligations (Mandatory)	$39,054	$43,041	$45,752	$2,711
Administrative Obligations (Discretionary)	$31	$31	$56	$25
Administrative Obligations (Mandatory)	$0	$0	$0	$0
End of Year Balance	$14,187	$14,335	$14,145	($190)

Note: this display combines the FEHB and REHB Funds

Federal Employees Health Benefits Fund

The Federal Employees Health Benefits (FEHB) Fund is a Trust Revolving Fund created by Federal Employees Health Benefits Act of 1959. The FEHB fund provides for the cost of health benefits for: 1) active employees; 2) employees who retired after June 1960, or their survivors; 3) those annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law 93-246; and 4) the related expenses of OPM in administering the program.

Retired Employees Health Benefits Fund

The REHB fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for: 1) the cost of health benefits for retired employees and survivors who enroll in a Government-sponsored uniform health benefits plan; 2) the contribution to retired employees and survivors who retain or purchase private health insurance; and 3) expenses of OPM in administering the program. The REHB program is closed to new enrollees, and the population is gradually dwindling. Projected population for FY 2011 is about 500 and FY 2012 is about 400.

The FEHB and REHB funds are financed by: 1) withholdings from active employees and annuitants; 2) agency contributions for active employees; 3) Government contributions for annuitants appropriated to OPM; and 4) contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508. Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods. OPM maintains a contingency reserve, funded by employee and Government contributions that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates. In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

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 ability 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. Developing such a database with these analytical capabilities will better position OPM to negotiate more effectively with FEHB carriers and to keep Federal premium increases below industry-wide levels. This database will build OPM's knowledge base and expertise, and strengthen its ability to strategically shape future benefits design. Over time, this database will result in contained premium growth. The magnitude of the savings is not concrete at this time; however, just a 0.1 percent reduction in annual premium growth for three consecutive year yields savings of approximately $1.25 billion to the FEHB program over ten years, and more specifically, $400 million in payments from the Government's general fund for annuitant premiums over the same period.

The Affordable Care Act (ACA) included provisions that impacted the FEHB Program, such as: coverage of dependent children to age 26 and preventive care coverage (these were included in the 2011 Mid-session Review, as well as smoking cessation coverage). The ACA also incorporated the Indian Health Care Improvement Reauthorization and Extension Act (IHCIREA) of 2009. This Act allows certain Indian tribes, tribal organizations, and urban Indian organizations to purchase Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FEGLI). This coverage will be provided to all who are deemed "eligible employees" and who might otherwise have difficulty accessing affordable insurance coverage in the private market. OPM will develop a comprehensive approach to ensure all Tribes and Tribal organizations are given the opportunity to engage in consultation with OPM officials as implementation of the Act moves forward.

Legislative Proposal, Subject to PAYGO

The Budget proposes that the Patent and Trademark Office (PTO) continue to fund the accruing costs associated with post-retirement health benefits for its employees. The Budget also proposes that the Office of Personnel Management be given authority to streamline pharmacy benefit contracting within the FEHB program and leverage enrollees' purchasing power to reduce costs and obtain greater value for enrollees.

Employees Life Insurance Fund

Employees Life Insurance Fund (millions)

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR–12 Variance
Start of Year Balance	$35,294	$36,748	$38,327	$1,579
Receipts from the Public	$2,629	$2,687	$2,682	($5)
Receipts from Discretionary Federal Sources	$482	$465	$548	$83
Receipts from Mandatory Federal Sources	$44	$47	$47	$0
Interest Earnings	$926	$1,065	$1,270	$205
Program Obligations (Mandatory)	$2,623	$2,681	$2,788	$107
Administrative Obligations (Discretionary)	$2	$2	$2	$0
Administrative Obligations (Mandatory)	$2	$2	$2	$0
End of Year Balance	$36,748	$38,327	$40,081	$1,754

Federal Employees' Group Life Insurance Program (FEGLI) was established by passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. The FEGLI Program is an employer-sponsored life insurance trust fund program under which benefit payments are made following the death or dismemberment of employees and retired employees. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, as well as many of their family members. The FEGLI program offers Federal employees the opportunity to purchase group term life insurance which provides financial protection to beneficiaries in the event of enrollee death or dismemberment. It also strengthens the appeal of Federal government employment for highly qualified applicants, keeping Federal employment competitive with private industry.

This fund finances payments to private insurance companies for Federal employees' group life insurance and expenses of the Office of Personnel Management in administering the program. The Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

Non-Postal Service employees and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies pay the remaining third. Optional and certain post-retirement Basic coverages are paid entirely by enrollees.

Civil Service Retirement and Disability Fund

Civil Service Retirement and Disability Fund (millions)

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR–12 Variance
Start of Year Balance	$748,196	$774,161	$796,980	$22,819
Receipts from the Public	$4,016	$4,277	$4,007	($270)
Receipts from Discretionary Federal Sources	$55,019	$56,280	$56,496	$216
Receipts from Mandatory Federal Sources	$552	$474	$391	($83)
Interest Earnings	$36,076	$34,243	$34,255	$12
Program Obligations	$69,698	$72,455	$75,016	$2,561
Administrative Obligations (Discretionary)	$102	$102	$102	$0
Administrative Obligations (Mandatory)	($102)	($102)	($102)	$0
End of Year Balance	$774,161	$796,980	$817,113	$20,133

The Civil Service Retirement and Disability Fund is the oldest and largest of the four trust funds administered by the Compensation Group. The Fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget Authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must be thus be determined at some future point in time (e.g. when actual receipts and expenses become known).

The Civil Service Retirement and Disability Fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. The Retirement Fund is a single plan even though there are two different benefit tiers and funding methods. CSRS is basically a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a thrift savings plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS.

The Patent and Trademark Office (PTO) will continue to fund the full cost for retirement benefits for PTO's employees covered under the Civil Service Retirement System.

The financing of the Retirement Fund is easily the most complex of the four trust funds. CSRS has been financed under a statutory funding method passed by Congress in 1969. This funding method is based on the "static" economic assumptions of no future inflation, no future general schedule salary increases, and a 5 percent interest rate. Under CSRS, regular employees contribute 7 percent of pay. Law Enforcement Officers, Firefighters, and Congressional employees contribute an extra 0.5 percent of pay, and Members of Congress an extra 1.0 percent of pay. Non-Postal Agencies match the employee contributions. Also under the static funding method for CSRS, the Treasury pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-Postal employees that occurred during the year, and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a "dynamic" entry age funding method as prescribed in Chapter 84 of Title 5, United States Code, and employees and agencies together contribute the full amount of the dynamic normal cost. During fiscal year 2010, the dynamic normal cost was 12.0 percent (employees share, 0.8% and employer's share, 11.2%) of pay for regular employees. Effective fiscal year 2011, the normal cost will be 12.5 percent (employees share, 0.8% and employer's share, 11.5%), and for fiscal year 2012, the normal cost is projected to be 12.7% (employees share, 0.8% and employer's share, 11.9%). An extra 0.5 percent of pay is contributed by Law Enforcement Officers, Firefighters, Air Traffic Controllers, Congressional employees, and Members of Congress. This normal cost is for the defined benefit plan only, and does not include the cost of Social Security or the Thrift Plan. FERS regular employees contribute a percentage of salary that is equal to the difference between the contribution rate for CSRS employees, as set forth above, and the tax rate under the Old Age, Survivors and Disability Insurance (OASDI) portion of Social Security, which was 6.2 percent of pay. In December, 2010, President Obama signed The Middle Class Tax Relief Act of 2010 (Public Law 111-312), which reduced FERS employees' Social Security payroll tax rate from 6.2% to 4.2% for one year.

Legislative Proposal, Subject to PAYGO

The Budget proposes to return to the Postal Service (USPS) surplus amounts it has paid into its Office of Personnel Management (OPM) account for its share of Federal Employee Retirement System costs. OPM has determined this surplus is approximately $6.9 billion, which would be paid back to USPS over 30 years, including an estimated $550 million in FY 2011. The amount of the surplus will be recalculated on an annual basis and amounts returned to USPS will be adjusted each year based on that annual recalculation.

Postal Service Retiree Health Benefits Fund

Postal Service Retiree Health Benefits Fund (millions)

	FY 2010 Actual	FY 2011 Annualized CR	FY 2012 Estimate	FY 2011CR - 12 Variance
Start of Year Balance	$35,115	$42,115	$45,202	$3,087
Receipts from the Public (Postal Svc)	$5,500	$3,935	$8,329	$4,394
Receipts from Discretionary Federal Sources	$0	$0	$0	$0
Receipts from Mandatory Federal Sources	$0	$0	$0	$0
Interest Earnings	$1,500	$1,583	$1,593	$10
Program Obligations (Mandatory)	$0	($2,431)	($2,733)	($302)
Administrative Obligations (Discretionary)	$0	$0	$0	$0
Administrative Obligations (Mandatory)	$0	$0	$0	$0
End of Year Balance	$42,115	$45,202	$52,391	$7,189

The Postal Service Retiree Health Benefits Fund is a special trust fund established by The Postal Accountability and Enhancement Act of 2006 (P.L. 109-435). It was created to help fully fund the Postal Service's retiree health benefits liabilities, and requires annual payments (defined in the statute) from the Postal Service. Starting in 2017, the "employer" share of the health insurance premiums of Postal Service retirees will be paid from this fund instead of from direct remittances from the Postal Service. The Postal Service frequently attributes some of their current financial difficulties to their required payments to this fund. In FY 2009, Congress reduced the amount of the Postal Service's payment for FY 2009 from $5.4 billion to $1.4 billion.

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

As a result of this health benefits financing system, beginning in 2017, the Postal Service will cease to pay annual premium costs for its post-1971 current annuitants directly to the Employees and Retired Employees Health Benefits Fund. Instead, these premium payments will be paid from amounts that the Postal Service remits to this fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service would continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Legislative Proposal, Subject to PAYGO

The Budget proposes to shift how the Postal Service (USPS) pre-funds its retiree health benefits unfunded liability (UFL). Under current law, from 2011 to 2016, USPS must make a stream of payments set in statute toward paying down retiree health benefit unfunded liabilities, as well as pay annual premiums for current retirees. Also under current law, starting in 2017, USPS must pay the per capita accruing costs (or normal cost) to fund future retiree health benefits of current employees and a 40-year amortization of the remaining UFL for current retirees.

Under the proposal, starting in 2011, USPS would pay the normal costs for the future retiree health benefits of current employees and also a stream of payments associated with paying down the remaining UFL for current retirees. Further, USPS would be provided temporary financial relief as the 2011 payment would be adjusted so that USPS would pay $4 billion less than what it would have paid to this Fund under current law. USPS would make up this $4 billion payment to the Fund by paying larger amounts in future years. Beginning in 2022, USPS would pay the remaining UFL, amortized over 40 year period.

This proposal provides the following benefits to USPS: 1) USPS would be provided temporary financial relief in the form of a lower payment in 2011; 2) The new calculations of normal cost and UFL are based on new actuarial assumptions that reflect that USPS has fewer employees than in 2006, when the prefunding mechanism was originally adopted - - therefore the actual annual payments for the normal costs would be reset each year based on the number of USPS employees; 3) This Fund would pay the premiums for current USPS retirees now, rather than starting in 2017 - - this accelerates what would have occurred anyway in 2017 under current law.

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