# United States Office of Personnel Management

## Annual Performance Report

### Fiscal Year 2008

*Working for America*

The United States Office
*of* Personnel Management

Fiscal Year 2008
Annual Performance Report

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# Message from OPM's Performance Improvement Officer (PIO)

## Introduction

I am pleased to present the U. S. Office of Personnel Management (OPM) Fiscal Year (FY) Annual Performance Report (APR). This year, OPM has chosen to produce this APR pursuant to Office of Management and Budget (OMB) Circular A-136. This APR is one in a series of reports to convey our budget, performance, and financial information in a way that we hope is more useful to our constituents. The APR for FY 2008 provides an overview of OPM's performance results to help the President, Congress, and the public assess our ability to implement and execute programs with the financial resources entrusted to us.

## Best Practices

OPM is implementing several performance reporting best practices in the preparation of this year's APR. One example is the number of performance measures reported has decreased by over 50 percent as compared to FY 2007. Both OMB and recognized practitioners in the performance reporting field have stressed the importance of reporting on only the most critical measures that track an organization's mission and related accomplishments.

For the first time, OPM is also presenting funding information below the strategic objective level. Although data is not available at the program activity level for all programs, we hope this additional layer of detail will provide the reader with a greater sense of the resources allocated to achieve specific activities. We look forward to implementing future improvements in our cost accounting system to provide even more budget detail in the years to come.

## FY 2008 Results

OPM met 81 percent[1] of its performance targets FY 2008, a slight decrease from the 83 percent met in FY 2007. Issues contributing to the decrease include continued difficulties in processing retirement claims within the 30-day target, a slight decrease in the number of customers satisfied with overall retirement services, and a decrease in the number of Federal agencies that met the requirements for an effective strategic alignment system.

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[1]The overall percentage of FY 2008 measures "Met" has been revised since the publication of OPM's Agency Financial Report (AFR) on November 17, 2008. The AFR reported OPM met 67 percent (18 of 27) of its FY 2008 measures. Since the publication date of the AFR, updated information has changed the outcome of four measures from "Not Met" to "Met" resulting in an overall 81 percent (22 of 27) of FY 2008 measures "Met."

## President's Management Agenda (PMA)

In FY 2008, OPM made significant strides in implementing the initiatives of the President's Management Agenda (PMA). Our current PMA scorecard ratings[2] show six initiatives with a "green" status rating and one initiative with a "yellow" status rating. This compares to three "green," two "yellow" and two "red" status ratings one year ago. OPM continues to work to achieve the "green" standard for Electronic Government.
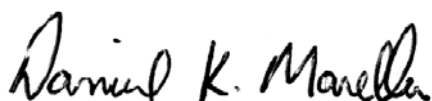
## Completeness and Reliability of Performance Data

The performance information used by OPM in this Annual Performance Report for FY 2008 is reasonably complete and reliable, as defined by the Government Performance and Results Act. Since all data are imperfect in some fashion, pursuing perfection in agency performance data may consume substantial public resources without achieving appreciable value. If there are instances where full and complete data for a measure is not available, these instances are noted and final data will be updated in the following year's APR as appropriate.

## Conclusion

Our achievements from the past year inform, but do not limit our direction. The employees at the Office of Personnel Management have the talent and creativity to produce tangible results for the American people. We will continue to implement initiatives throughout the organization to improve the performance of our programs and the accountability of our employees. Only by focusing on measured results can we further our ability to meet the human capital challenges of the Federal Government and to ensure an effective civilian workforce.

Sincerely,

Daniel K. Marella
Performance Improvement Officer

January 15, 2009

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[2]The PMA scorecard ratings have been on updated since the publication of OPM's Agency Financial Report (AFR) on November 17, 2008. The AFR reported five PMA initiatives with a "green" status rating and two initiatives with a "yellow" status rating. Since the publication date of the AFR, OPM's Improper Payments initiative has improved from "yellow" to "green" status.

# Introduction

The U.S. Office of Personnel Management (OPM) is the central human resources agency for the Federal Government. OPM's mission is to ensure the Federal Government has an effective civilian workforce. To carry out this mission, OPM provides human capital advice and leadership to Federal agencies, supports these with human resources policies, and holds agencies accountable for their human capital practices and upholding the merit system principles. In addition, OPM delivers human resources products and services to agencies on a reimbursable basis, including personnel investigations, leadership development and training, examining, staffing, recruiting, organizational assessments, and training and management assistance. OPM also delivers services directly to Federal employees; those seeking Federal employment and Federal retirees and their beneficiaries.

OPM operates from its headquarters in the Theodore Roosevelt Federal Office Building at 1900 E Street, NW, Washington, D.C., 20415. OPM delivers a variety of products and services with the help of approximately 5,000 employees in D.C., its field presence in 16 locations across the country, and operating centers in Pittsburgh and Boyers, Pennsylvania; Ft. Meade, Maryland; and, Macon, Georgia. OPM's website is www.opm.gov.

# About This Report

This year, OPM has chosen to produce this Annual Performance Report (APR) as an alternative to the consolidated Performance and Accountability Report, and elected to participate in the Office of Management and Budget's (OMB) fiscal year (FY) 2008 pilot, pursuant to OMB Circular A-136. This APR is one in a series of reports to convey OPM's budget, performance, and financial information in a way that is more useful to our constituents. The APR for FY 2008 provides an overview of OPM's program performance and results to help Congress, the President, and the public assess OPM's stewardship over the financial resources entrusted to us. Under separate cover, unlike past practice, OPM will submit a Citizens Report (CR)[3] concurrently with this APR prior to the submission of the President's FY 2010 Budget to Congress. The CR is designed to be an executive summary highlighting both financial and performance results. OPM believes this approach will improve reporting by making the information more meaningful and transparent to the public, and by providing a more succinct and easily understood reporting of OPM's accountability over its resources.

The *FY 2008 Annual Performance Report* meets a variety of reporting requirements stemming from numerous laws focusing on improved accountability among Federal agencies and guidance described in OMB Circulars A-11 and A-136.[4] This APR provides an accurate and thorough accounting of OPM's program performance accomplishments during FY 2008 in fulfilling its mission.

Suggestions for improving this document, as well as requests for hard copies can be sent to the following address:

<div align="center">

Office of Personnel Management
Center for Budget and Performance
Room 5416
1900 E Street NW
Washington, D.C. 20415

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[3]OPM's Citizens Report is available on the OPM website at www.opm.gov/gpra/opmgpra.
[4]OMB Circulars A-11 and A-136 are available at www.whitehouse.gov/omb/circulars/

# OPM's Mission and Strategic Objectives

OPM's Strategic and Operational Plan 2006–2010[5] is the starting point for performance accountability. The Strategic Plan begins with a concise mission statement and describes the seven strategic objectives (see Table 1) the Agency achieves in fulfilling this mission. Strategic objectives are supported by a series of operational goals, and in most cases, performance measures. OPM reviews its operational goals and performance measures as a part of its annual budget planning. This ensures that both internal and external stakeholders understand the level of program performance expected for the resources received.

OPM's mission is simple and direct: to ensure the Federal Government has an effective civilian workforce. This mission is accomplished by achieving seven strategic objectives. Objectives A and B focus on the outcomes OPM is achieving for the Federal workforce; Objectives C and D focus on what OPM needs to achieve through Federal agencies; and the last three objectives E, F, and G describe OPM's aspirations for its performance internally, and its reputation among its partners and stakeholders.

## Table 1—OPM Mission and Strategic Objectives

| OPM s Mission<br>*Our mission is to ensure the Federal Government has an effective civilian workforce.* | |
|---|---|
| **Strategic Objective A** | The Federal civilian workforce will be focused on achieving agency goals |
| **Strategic Objective B** | The Federal civilian workforce will have career opportunities, benefits and service delivery that compete successfully with other employers |
| **Strategic Objective C** | Federal agencies will be employers of choice |
| **Strategic Objective D** | Federal agencies will be recognized as leaders in having exemplary human resources practices |
| **Strategic Objective E** | OPM will be a model of performance for other Federal agencies |
| **Strategic Objective F** | OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government |
| **Strategic Objective G** | OPM will have constructive and productive relationships with external stakeholders |

The driving force of OPM's Strategic and Operational Plan are the operational goals extending from the strategic objectives. Operational goals are performance drivers—the specific actions OPM will undertake and the deliverables it will produce to improve program performance, achieve program outcomes, and enable OPM to meet its strategic objectives and fulfill its mission. The operational goals are straightforward, readily identifiable, and action-oriented. Each operational goal has a date by which it must be accomplished and is assigned to an executive "owner" within OPM. Each owner's operational goals are included in his or her Senior Executive performance agreement so that, under the new Senior Executive Service (SES) performance-based pay system, executive compensation is directly linked to successful execution of the operational goals. If OPM successfully completes its operational goals, program performance will improve and the evidence of this improvement will be reflected in the measures used to assess and monitor program performance.

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[5]An Addendum to the Strategic and Operational Plan 2006–2010, was published for the 2008–2010 period, and is available on the OPM Website at www.opm.gov/strategicplan.

# Organizational Structure

OPM's organizational structure reflects the primary business lines through which OPM carries out its programs and implements its strategic objectives: developing Federal human resources management policy; supporting agencies in the implementation of that policy through best practices in human capital management, while adhering to the merit system principles; and, supporting these with human resources products and services. This structure positions OPM to respond to and meet the responsibilities the Agency has been given. As shown in Figure 1, OPM comprises the following organizational components.

Figure 1—OPM Organizational Structure
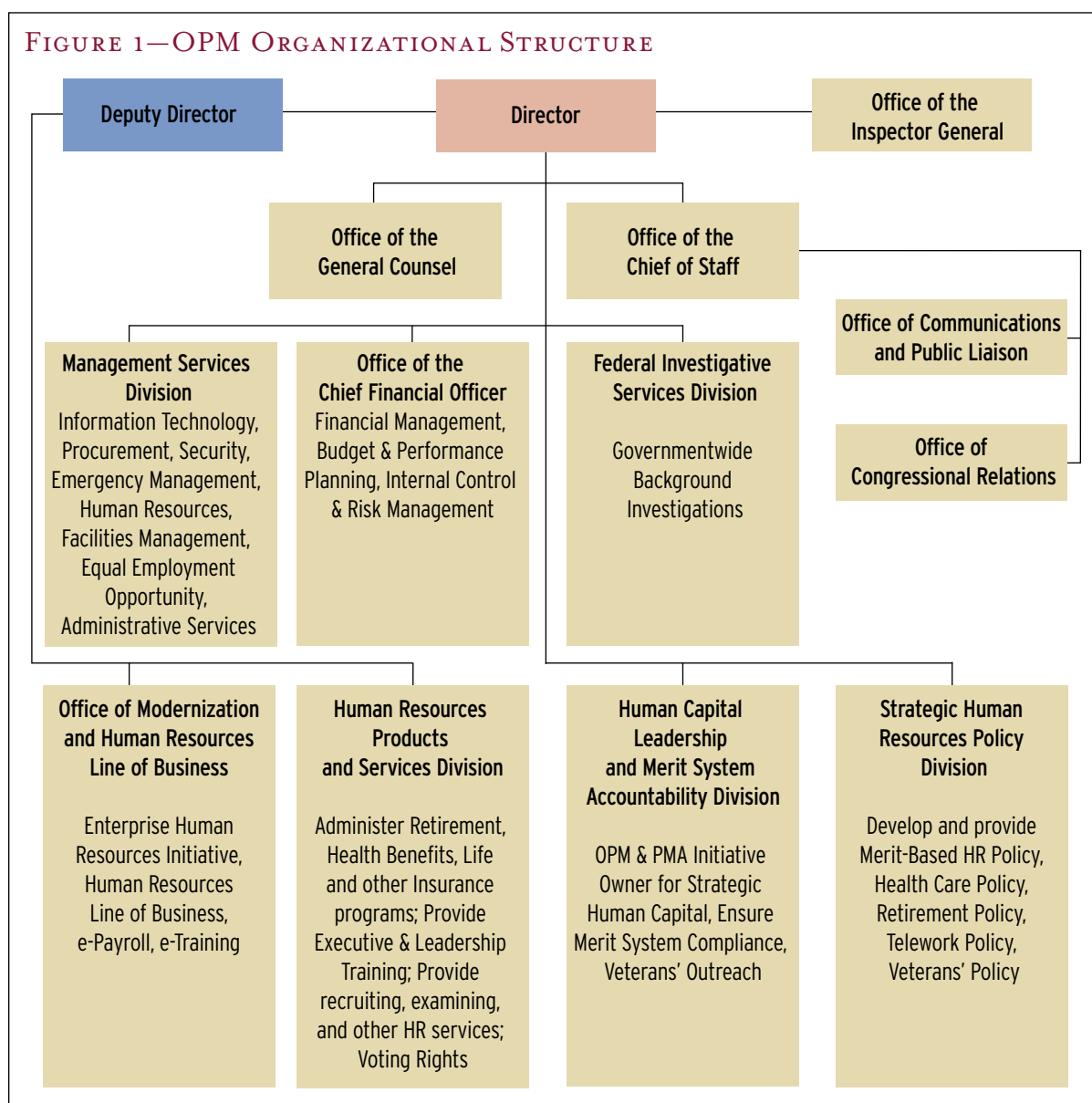
## SPECIFIC OFFICIALS ON THE DIRECTOR'S CORE MANAGEMENT TEAM

- *The Office of the Chief of Staff* is responsible for advising the Director on issues affecting OPM and the Federal workforce, and for coordinating implementation of the Director's decisions throughout OPM. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=1&#orgchart.

## EXECUTIVE OFFICES

- *The Office of Communications and Public Liaison* (OCPL) advances and defends the heritage and principles of America's civil service. OCPL promotes the policies and directives of the President and of the OPM Director and ensures they are fully supported as they relate to the Strategic Management of Human Capital Initiative. The office provides the American citizenry, Federal employees, Agency customers, and pertinent stakeholders with accurate information to aid in their planning and decision making. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=7&#orgchart.

- *The Office of Congressional Relations* oversees and coordinates all of OPM's congressional relations, provides strategic advice and legislative analysis to OPM's Director and program offices, and responds to congressional initiatives that affect Federal human resources management issues. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=6&#orgchart.

- *The Office of the General Counsel* (OGC) provides legal advice and representation to OPM managers and leaders so they can ensure the Federal Government has an effective civilian workforce. OGC does this by rendering opinions; reviewing proposed policies and other work products, and commenting on their legal sufficiency; serving as OPM's representatives in administrative litigation; and, supporting the Department of Justice in its representation of the Government on matters concerning the civilian workforce. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=5&#orgchart.

- *The Office of Modernization and Human Resources Line of Business* oversees the development, implementation and standardization of new and existing programs within OPM. The Office is responsible for the development and integration of modern, large-scale, cross-agency, interoperable human resources solutions and initiatives so that Federal agencies can better serve the American taxpayer. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=2&#orgchart.

- *The Office of the Inspector General* conducts comprehensive and independent audits, investigations, and evaluations relating to OPM programs and operations. It is responsible for administrative actions against health-care providers that commit sanctionable offenses with respect to the Federal Employees Health Benefits Program (FEHBP) or other Federal programs. The OIG keeps the Director and Congress fully informed about problems and deficiencies in the administration of OPM programs and operations, and the necessity for corrective action. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=4&#orgchart.

## PROGRAM DIVISIONS

- *The Federal Investigative Services Division* (FISD) provides Federal agencies with personnel background investigations on a reimbursable basis and employment suitability services to ensure Federal employees meet critical personnel security standards. FISD strives to provide these services within the time frames mandated by the National Intelligence Directive. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=24&#orgchart.

- *The Human Capital Leadership and Merit System Accountability Division* (HCLMSA) supports the Human Capital Program by leading the transformation of human capital management across Government. HCLMSA accomplishes this mission by proactively engaging agencies in the implementation of the Human Capital Standards for Success and providing them with technical advice and assistance. HCLMSA also supports the Merit System Compliance Program by assessing and reporting agencies' adherence to the Merit System Principles, veterans' preference, and other Governmentwide standards. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=11&#orgchart.

- *The Human Resources Products and Services Division* (HRPS) provides high-quality, cost-effective products and services that help OPM customers recruit and retain the best talent through the Talent Services Program; maintains independent administration of the Voting Rights Progam, as required by the Voting Rights Act; develops and maintains results-oriented leadership through the Leadership Capacity Services Program; and, delivers benefits services to Federal employees, annuitants, and their families through the employee benefit programs. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=9&#orgchart.

- *The Management Services Division* (MSD) provides OPM offices with the full range of administrative services, including human capital and equal employment opportunity management, contracting and administrative management, facilities management, property management, information technology, and security and emergency services. These services enable OPM to build mission capacity and maintain a high-quality and diverse workforce. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=21&#orgchart.

- *The Office of the Chief Financial Officer* (OCFO) is responsible for implementing the President's Management Agenda (PMA) within OPM and providing OPM offices with the full range of financial management, strategic planning, and budget services. The office also performs OPM's oversight of internal controls and risk assessments. Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=8&#orgchart.

- *The Strategic Human Resources Policy Division* (SHRP) designs, develops, and leads the implementation of innovative, flexible, merit-based human resources policies and strategies that enable Federal agencies to meet their missions and achieve their goals. Most of SHRP's activities support the Human Capital Program, and the Division also provides policy leadership to the employee benefit programs (retirement, health benefits, and life and other insurance). Additional information can be found at http://apps.opm.gov/opmorgchart/index.cfm?orgid=10&#orgchart.

FIGURE 2—STRATEGIC MANAGEMENT FRAMEWORK

## OPM's Strategic Management Process

OPM's strategic management process draws from two sources:

- *The Strategic and Operational Plan 2006–2010*[6] and subsequent Addendums to it
- Program assessments using the Program Assessment Rating Tool (PART)[7]

The seven strategic objectives described in *OPM's Strategic and Operational Plan 2006–2010* establish the overarching framework for how OPM fulfills its mission. Within this framework, OPM has used the PART process to define and assess nine overarching programs through which it achieves these objectives. These programs are: Human Capital, Merit System Compliance, Federal Employees Retirement Systems, Federal Employees Health Benefits, Federal Employees' Group Life Insurance, Federal Personnel Background Investigations, Center for Talent Services, Center for Leadership Capacity Services, and Inspector General Oversight of the Federal Health Benefits Program. OPM has aligned these program outcomes with its strategic objectives described in OPM's Strategic and Operational Plan, and uses the resulting strategic management process to develop operational goals to drive program improvements. Thus, OPM has strategically aligned all the elements of its management process, from the most granular element—operational goals—to OPM's mission, as shown in Figure 2.

Table 2 shows how OPM's specific programs and program activities are aligned with its strategic objectives.

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[6]*The Strategic Plan and Operational Plan 2006–2010* is available on the OPM Website at www.opm.gov/strategicplan.
[7]OPM program PARTs are available at http://www.whitehouse.gov/omb/expectmore/agency/027.html.

TABLE 2—RELATIONSHIP BETWEEN STRATEGIC OBJECTIVES, PROGRAMS, AND PROGRAM ACTIVITIES

| Strategic Objective | Program | Program Activity |
|---|---|---|
| **Strategic Objective A:** The Federal civilian workforce will be focused on achieving agency goals. | Human Capital | Performance Culture |
| **Strategic Objective B:** The Federal civilian workforce will have career opportunities, benefits and service delivery that compete successfully with other employers. | Human Capital | Leadership Capacity |
| | Benefits | Retirement; Health Benefits; Life Insurance; Other Insurance |
| | Leadership Capacity Services | Federal Executive Institute; Management Development Centers; Presidential Management Fellows |
| | GoLearn | GoLearn |
| **Strategic Objective C:** Federal agencies will be employers of choice. | Human Capital | Talent |
| | Talent Services | Examining, Automated Hiring (USAStaffing®) and Assessment; Nationwide Testing; HR Information Technology; Training & Strategic HR Consulting Services |
| | USAJOBS | USAJOBS |
| **Strategic Objective D:** Federal agencies will be recognized as leaders in having exemplary human resources practices. | Human Capital | Strategic Alignment; HR LOB |
| | Merit System Compliance | Agency Audits; DEU Audits; Classification Appeals |
| | Federal Investigative Services | Background Investigations |
| **Strategic Objective E:** OPM will be a model of performance for other Federal agencies. | Executive Services | Congressional Relations; Communications & Public Liaison; General Counsel; Emergency Actions |
| | Chief Financial Officer | Financial Management; Budget & Performance; Internal Control & Risk Management |
| | Management Services | Human Capital; Information Technology; Facilities, Administration, & Contracting; Security |
| | Inspector General | Investigations; Audits |
| **Strategic Objective F:** OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government. | Executive Services | Congressional Relations; Communications & Public Liaison; General Counsel; Equal Employment Opportunity; Support of Chief Human Capital Officer Council Goals |
| **Strategic Objective G:** OPM will have constructive and productive relationships with external stakeholders. | Executive Services | Congressional Relations; Communications & Public Liaison; General Counsel |

# The President's Management Agenda (PMA)

The President's Management Agenda (PMA) in its seventh year of implementation, is the Administration's strategy to improve the management and performance of the Federal Government by holding agencies accountable for delivering results and allocating resources efficiently and effectively to serve the American people. OPM is participating in the following seven PMA initiatives:

1. Strategic Management of Human Capital
2. Commercial Services
3. Improving Financial Performance
4. Expanding Electronic Government
5. Performance Improvement
6. Eliminating Improper Payments
7. Health Information Technology (IT)

The OMB oversees the PMA, and each fiscal quarter releases an executive scorecard that rates agencies' progress and overall status on PMA initiatives. OMB uses a traffic light scoring approach, wherein a "green" score represents success, "yellow" denotes mixed results, and "red" indicates unsatisfactory. A complete description of the PMA, the initiatives, their respective standards of success, and OMB scoring can be found at www.whitehouse.gov/results/.

As shown in Table 3, all seven PMA initiatives are green in progress, showing advancements toward the standards for these initiatives. Six of seven PMA initiatives are green in status.[8] OPM continues to work to achieve the green standard for Electronic Government.

## TABLE 3—OPM's 2008 PROGRESS ON THE PRESIDENT'S MANAGEMENT AGENDA

| Initiative | Status | Progress | Purpose |
|---|---|---|---|
| Human Capital | 🟢 | 🟢 | Workforce planning and restructuring will be defined in terms of each agency's mission, goals, and objectives. |
| Commercial Services | 🟢 | 🟢 | Competition between public and private sources becomes a standard management tool to promote innovation, efficiency, and effectiveness. |
| Financial Performance | 🟢 | 🟢 | Financial services support strategic decision making by Federal program managers and appropriate use of Federal financial resources. |
| Electronic Government | 🟡 | 🟢 | Expand the Federal Government's use of electronic technologies to provide better services at a lower cost that are easier for citizens to obtain. |
| Performance Improvement | 🟢 | 🟢 | Integrate more completely information about cost and program performance to provide a greater focus on performance, better control over resources used, and accountability for results by program managers. |
| Improper Payments | 🟢 | 🟢 | Reduce the incidence of improper payments in the Federal employee earned benefit programs (retirement and insurance). |
| Health IT | 🟢 | 🟢 | Ensure that health care programs administered or sponsored by the Federal Government promote quality and efficient delivery of health care through the use of health information technology (IT). |

[8]The PMA scorecard ratings have been on updated since the publication of OPM's Agency Financial Report (AFR) on November 17, 2008. The AFR reported five PMA initiatives with a "green" status rating and two initiatives with a "yellow" status rating. Since the publication date of the AFR, OPM's Improper Payments initiative has improved from "yellow" to "green" status.

## FY 2008 PMA ACCOMPLISHMENTS

### *Strategic Management of Human Capital* ● *Status* ● *Progress*

As agencies have progressed since 2002 in implementing strategic approaches to human capital, OPM revised the President's Management Agenda (PMA) Human Capital Scorecard standards to focus on sustainable institutionalization of strategic human capital management. Agencies were required to go beyond "checking the box" of quarterly PMA deliverables, and had to demonstrate to OPM that they have institutional systems and capacity to sustain effective human capital programs. Through this "revalidation" process, OPM's Human Capital Officers were able to pinpoint program areas where agencies need to renew their focus in order to accomplish strategic results.

To address continued Governmentwide challenges with recruitment, OPM focused its FY 2008 Human Capital program on the hiring process. OPM has helped agencies create an effective workforce through recruiting top talent. Extensive hiring time can impede top talent from joining the Federal workforce. In order to reduce hiring time frames, OPM's Human Capital Officers provide ongoing technical assistance and consulting services to help agencies reengineer their hiring processes. OPM also conducts interagency training and best practice forums in an effort to support agency efforts in this area. The Agency develops short and long term strategies and targeted investments in people to create a quality workplace designed to attract, acquire, and retain quality talent.

During FY 2008, OPM developed and issued a new hiring initiative titled End-to-End Hiring Roadmap.[9] On September 10, 2008, OPM issued its new End-to-End Hiring Roadmap (the Roadmap) that integrates five key components of the hiring process, including Workforce Planning; Recruitment; Hiring; Security and Suitability; and, Orientation. When fully implemented, the entire hiring process-from the date a hiring manager signs a request to fill a position to the date the employee reports for duty is 80 calendar (55 business) days. To ease the process for job applicants, the Roadmap calls for shorter job announcements that are written in plain language and the elimination of sometimes cumbersome Knowledge, Skills, and Abilities (KSA) narratives often required with a resume.

For agencies, the Roadmap will assist in planning for mission requirements; posting jobs more quickly; ensuring recruitment initiatives are targeting the right people; decreasing the timeline of security background investigations; and orientating new employees once hired.

### *Commercial Services* ● *Status* ● *Progress*

The Automated Cost/Quality Tracking Tool (CQTT) was developed and implemented to help track cost and quality of OPM's Commercial Services Management (CSM) activities performed by the Most Efficient Organizations (MEO), which could be either Federal staff or contractors. In accordance with OMB Circular A-76,[10] the MEO must submit quarterly cost and quality reports to OPM's CSM manager and the CFO. Unfortunately, until the implementation of the CQTT, there was no standard form for these cost and performance reports. As a consequence, staffs submitting these reports did not always provide consistent CSM information and sometimes used incorrect cost factors and formula calculations. This made it difficult for OPM to properly audit its CSM activities and burdened both the agency's CSM management and the activity managers with gathering information for these reports after the fact, sometimes years after the fact.

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[9]Additional information about the End-to-End Hiring Roadmap can be found at http://www.opm.gov/publications/EndToEnd-HiringInitiative.pdf.
[10]OMB Circular A-76 is available at www.whitehouse.gov/omb/circulars/.

The CQTT was developed specifically to eliminate these problems by simplifying and standardizing the cost and quality tracking process. Its successful implementation in FY 2008 measurably strengthens OPM's CSM management and streamlines its PMA reporting obligations. In addition, the CQTT now provides OPM with a single database capable of housing all MEO/contract cost and quality information.

## *Improving Financial Performance*   ● *Status*   ● *Progress*

OPM received an unqualified audit opinion on its FY 2008 consolidated financial statements by the independent public accounting (IPA) firm of KPMG LLP. As reported in the independent auditor's report, OPM had no material weaknesses in internal control over financial reporting for FY 2008 and received an unqualified audit opinion on the FY 2008 individual combined financial statements of the Retirement, Health Benefits and Life Insurance Programs.

During FY 2008, OPM began to implement a labor code reporting process, which incorporates activity-based work reporting. By using activity-based work reporting, the Agency is able to better align program office activities with the strategic and operational goals for the Agency.

Specifically, the new activity-based work reporting system will provide reliable, timely and consistent labor cost information associated with key business processes, programs, responsibility segments and projects. OPM's ability to capture this data is critical to effective and responsible management of the Agency. Data from this system will be used by management to aid in the decision-making process. It should be noted this system is an important strategic step for OPM toward fully implementing Managerial Cost Accounting within the Agency.

## *Expanding Electronic Government*   ● *Status*   ● *Progress*

The Electronic Government Act of 2002 mandated Federal agencies pursue opportunities to leverage information technology in a cost effective way in order to make the Federal Enterprise more citizen-centered and market-driven. OPM was selected by OMB to be the portfolio manager for five of the twenty-four Government-wide electronic government initiatives.

Historically, the Federal Government has taken an agency-centric approach to delivering human resources services to Government employees. Agencies have their own human resources (HR) missions, HR staffs, HR management practices and technology. While it is practical for agencies to maintain control of some HR practices, it is also prudent that other HR practices—those that are transactional in nature and not clearly linked to agency missions—be taken out of the agency domain. This allows agencies to focus resources on strategic management of their own human capital.

The Human Resources Line of Business (HR LOB) initiative has been launched to think through this fundamental business issue. This initiative has been tasked to consider business benefits and impacts and propose a service delivery model that preserves some HR functions at the agency level—where it makes sense—and that moves other HR functions to Federal HR service centers. Over time, as the Federal HR service centers evolve and expand their capabilities, more and more functions will shift to the service center delivery mode.

During FY 2008, the Human Resource Lines of Business (HR LOB) had many successes, including the addition of private-sector Shared Service Centers. Listed below are accomplishments

- Completed the evaluation of vendor proposals received to establish private sector Shared Service Centers (SSCs) and selected four companies to be included on the General Service Administration's Multiple Award Schedule

- Published version 1.0 of the *Migration Planning Guidance* (MPG), which assists agencies in preparing for and managing a migration of their human resources functions to an SSC, and completed version 2.0 of the MPG, which includes updates and information pertaining to the establishment of the private sector schedule of SSCs

- Developed a *Separation Management Concept of Operations* to describe the functional requirements for off-boarding an employee, propose a process and technology model for delivering these services, and recommend an overall strategy for agencies to acquire the future solution

- Completed the *Payroll Benchmarking study* which includes payroll benchmark data for e-Payroll providers and provides an insight into current payroll operational performance

- Launched the Integration Support Project which will provide an end-to-end view of common human solutions and their interrelationships and compile available information and resources to help HR LOB SSCs and customer agencies

## *Performance Improvement*            ● *Status*    ● *Progress*

During FY 2008, OPM made strides in further implementing the Performance Improvement Initiative through calculating marginal costs and developing independent research and evaluation capabilities.

OPM has made significant progress in developing methodology for calculating marginal cost of activities and outputs and in using that information for resource decision-making. OPM continued efforts begun in FY 2006 and FY 2007 on changing from a traditional accounting cost methodology to a more activity-based costing and activity-based management system. In FY 2008, OPM piloted marginal cost studies in the Federal Personnel Background Investigations Program and the Retirement Program; and OPM will integrate these activity-based cost methods into the development of OPM's new Consolidated Business Information System (CBIS).

Previous efforts in marginal costs had focused on determining an average cost of all activities (direct labor plus other cost objects) from aggregate units of volume of a few activities. This method tended to either overstate or understate unit output costs. Both the Retirement program and Federal Background Investigations program historically, maintained detailed labor data from its payroll system (GSA's Employee Time and Attendance Management System) and calculated the level of effort expended on major activities. However, the payroll tracking system and associated cost data lacked the detail to separate labor data by activity or output type and into direct and indirect cost elements by workload and therefore lacked the fidelity to accurately determine marginal costs per major activity and case type.

With the future development and implementation of OPM's CBIS and activity based costing, OPM will be able to directly trace all cost objects to activity levels. As OPM modernizes financial systems and models activities and cost drivers, then OPM will be able to more accurately illustrate the impact of demand across all cost objects and then be able to make activity-based resource management decisions.

OPM continues to make progress in developing an independent research and evaluation capability to assess and evaluate agency programs and initiatives. By using objective measurement and systematic analysis, independent program evaluations determine the extent programs achieve their intended

objectives. OPM annually revisits planned research and evaluation proposals in the Congressional Budget Justification. This allows the Director to determine research priorities for the Agency. Evaluations play an integral role in the delivery and management of OPM programs and are an invaluable budget performance integration tool.

The OPM Center for Budget and Performance recently initiated a study to design a rigorous independent evaluation methodology and approach for OPM's programs in accordance with the requirements of OMB's Program Assessment Rating Tools (PART). OMB's independent evaluation requirement is an opportunity to improve the process where the activities are analyzed, evaluated and refined to "support program improvements and evaluate effectiveness and relevance to the problem, interest, or need" met by program activities. The goal of the study is to recommend the program evaluation methodologies that will meet OMB PART requirements. Major study tasks for FY 2009 include:

- Consolidate previous literature reviews and fill the gaps in program literature reviews too date (Center for Talent Services, Center for Leadership Capacity, and Federal Personnel Background Investigation Services), particularly in relation to methodologies of rigorous evaluation systems

- Assess existing OPM independent evaluation efforts and analyze the degree to which they effectively assess program impact for the entire scope of OPM programs

- Re-think how OPM programs are structured and determine an approach to conduct rigorous and regular independent program evaluations

- Develop a rigorous, comprehensive program evaluation schedule

## Eliminating Improper Payments ● *Status* ● *Progress*

Each month, Retirement Services Program (RSP) pays 2.5 million retiree and survivor annuitants. Fifty thousand payees live outside the U.S., having worked for the State Department, Department of Defense or other Federal agencies in their native countries. In the U.S., OPM has several initiatives (such as computer matches) to indicate when annuitants are deceased. OPM does not have similar infrastructure in other countries, so more extraordinary methods are used for verifying that payments are going to intended annuitants.

Proof of Life Fairs began in the Philippines during FY 2008. A Proof of Life Fair is simply an event to verify that annuitants receiving Federal benefits are still alive and eligible to receive them. Employees from OPM, Department of Veterans Affairs, Social Security Administration and U.S. Embassy staffs worked together closely to establish instructions for annuitants living in the area to attend fairs with proper identification. In addition to personal authentication, data was collected on annuitants' addresses, bank enrollments, dates of birth and telephone numbers for future use. Thus far, proof of life annuitant verification has resulted in annual savings of $172,000. Similar fairs will be conducted in Japan and Greece during FY 2009.

## *Health Information Technology*    ● *Status*    ● *Progress*

During FY 2008, OPM issued a program-wide report on Heath Information Technology (HIT) and cost/quality transparency that provide incentives for insurance carriers to incorporate industry best practices. This program-wide report is based on individual reports collected from health plans participating in the Program. Through the health insurance contracts OPM has with private sector companies, the Agency is taking steps to further progress on adoption of HIT, personal health records (PHR), and transparency initiatives as shown below:

- Ninety-five percent of plans have taken steps to educate their members on the value of HIT

- Seventy-five percent of plans, which represents ninety-six percent of total FEHB enrollment, will have PHRs available for their members in 2009. Last year, only fifty-one percent of plans reported offering PHRs.

- Sixteen percent of FEHB plans reported over seventy-five percent of their members used PHRs

- Types of personal health records vary; 22 percent of plans report their PHRs are populated by members; 30 percent report they are populated with health plan claims data with the option for members to add personal information; 8 percent are populated by electronic medical records, with the ability to add information, and 15 percent allow members to view their personal health information with no ability for the member to up-date the information.

- 69 percent of plans report they have online physician or hospital cost estimators or comparison tools on their web sites

- 77 percent of plans report they have online tools which compare physician or hospital quality

- 26 percent of health plans state they provide financial incentives to providers for e-Prescribing

- All FEHB plans are required to comply with Federal law and policy requirements to protect the privacy of individually identifiable health information. All indicate they provide members with access to privacy policies describing their compliance with the Health Insurance Portability and Accountability Act (HIPAA).

## Program Assessment Rating Tool (PART)

OPM uses PART assessments as a key component of its program performance improvement process. The PART was developed to assess and improve program performance so that the Federal government can achieve better results. A PART review helps identify a program's strengths and weaknesses to inform funding and management decisions aimed at making the program more effective. The PART therefore looks at all factors that affect and reflect program performance including program purpose and design; performance measurement, evaluations, and strategic planning; program management; and program results. Because the PART includes a consistent series of analytical questions, it allows programs to show improvements over time, and allows comparisons between similar programs.

Since 2002, OPM has completed PART assessments for nine programs (see Table 4).

### TABLE 4—OPM PARTed Programs

| Program Name | Year of Last PART Assessment | Rating |
|---|---|---|
| Inspector General Oversight of Federal Health Benefits Program | 2003 | Effective |
| Federal Employees Group Life Insurance | 2004 | Adequate |
| Federal Employees Health Benefits | 2004 | Adequate |
| Center for Talent Services – HR Products and Services for Federal Agencies | 2005 | Moderately Effective |
| Merit System Compliance | 2005 | Adequate |
| Federal Personnel Background Investigations | 2006 | Adequate |
| Human Capital Program | 2006 | Adequate |
| Center for Leadership Capacity Services | 2006 | Results Not Demonstrated |
| Federal Employees Retirement | 2007 | Adequate |

The following rating system has been established for PART assessments:

- **Effective**—This is the highest rating a program can achieve. Programs rated Effective set ambitious goals, achieve results, are well-managed and improve efficiency.

- **Moderately Effective**—In general, a program rated Moderately Effective has set ambitious goals and is well-managed. Moderately Effective programs likely need to improve their efficiency or address other problems in the programs' design or management in order to achieve better results.

- **Adequate**—This rating describes a program that needs to set more ambitious goals, achieve better results, improve accountability or strengthen its management practices.

- **Ineffective**—Programs receiving this rating are not using tax dollars effectively. Ineffective programs have been unable to achieve results due to a lack of clarity regarding the program's purpose or goals, poor management, or some other significant weakness.

- **Results Not Demonstrated**—A rating of Results Not Demonstrated indicates that a program has not been able to develop acceptable performance goals or collect data to determine whether it is performing.
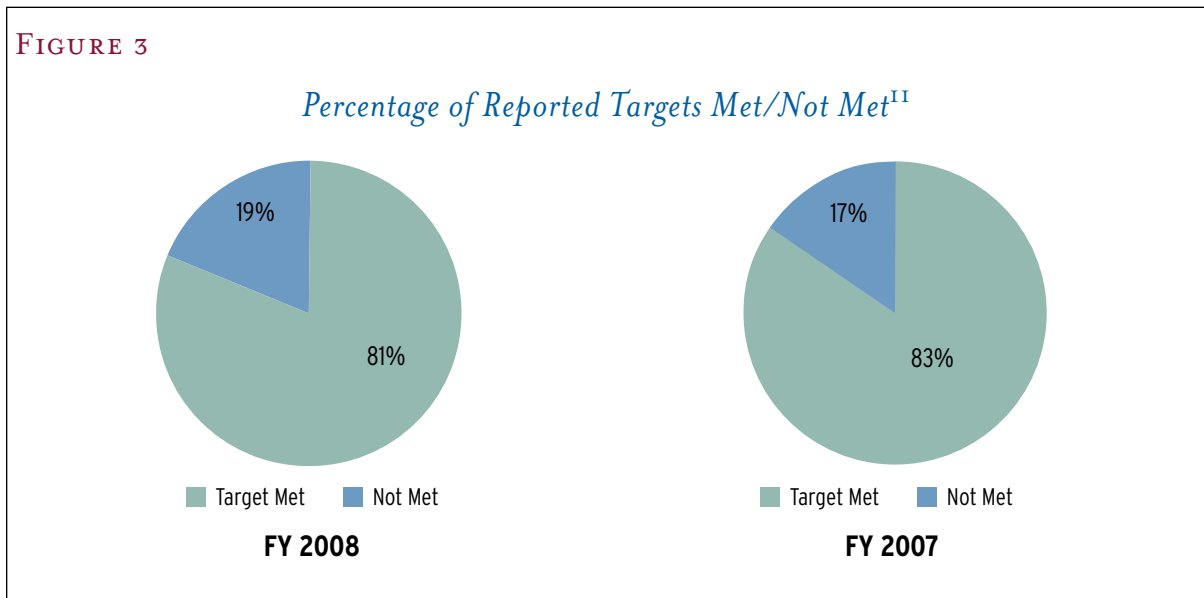
Stemming from the PART assessments, OPM has implemented aggressive performance improvement plans. Detailed results of OPM's PART assessments and updated improvement plans can be found at http://www.whitehouse.gov/omb/expectmore/agency/027.html

# FY 2008 Performance Results

OPM's FY 2008 performance results are presented in three sections. First, an overall performance summary is presented that shows an aggregate total of performance targets met along with summary performance measure tables grouped by strategic objective. Second, the Programs in Focus section highlights five specific programs which influenced OPM's FY 2008 efforts to achieve its mission. Third, the detailed performance results section recounts OPM's actions during FY 2008 to achieve specific performance targets and discusses related activities.

OPM's overall performance results are shown below in Figure 3. Summary performance tables by strategic objective are presented thereafter.

## OVERALL PERFORMANCE SUMMARY

FIGURE 3

### Percentage of Reported Targets Met/Not Met[11]



19%
81%

Target Met   Not Met

**FY 2008**

17%
83%

Target Met   Not Met

**FY 2007**

## STRATEGIC OBJECTIVE A: THE FEDERAL CIVILIAN WORKFORCE WILL BE FOCUSED ON ACHIEVING AGENCY GOALS.

| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
|---|---|---|---|---|---|---|---|
| Percent of agencies with effective performance management systems: Senior Executive Service (SES) | 5% | 4% | 3% | 33% | 78% | 35% | ✔ |
| Percent of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT) | n/a | n/a | 8% | 20% | 33% | 25% | ✔ |

✔ Met ✕ Not Met

[11] The overall percentage of FY 2008 measures "Met" has been revised since the publication of OPM's Agency Financial Report (AFR) on November 17, 2008. The AFR reported OPM met 67 percent (18 of 27) of its FY 2008 measures. Since the publication date of the AFR, updated information has changed the outcome of four measures from "Not Met" to "Met" resulting in an overall 81 percent (22 of 27) of FY 2008 measures "Met."

## STRATEGIC OBJECTIVE B: THE FEDERAL CIVILIAN WORKFORCE WILL HAVE CAREER OPPORTUNITIES, BENEFITS, AND SERVICE DELIVERY THAT COMPETE SUCCESSFULLY WITH OTHER EMPLOYERS.

| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
|---|---|---|---|---|---|---|---|
| Percent of initial claims processed within 30 days | n/a | 14% | 61% | 67% | 41% | 90% | ✗ |
| Average unit cost for processing retirement claims | $91.92 | $86.32 | $91.95 | $80.03 | $74.28 | $77.76 | ✔ |
| Percent of customers satisfied with overall retirement services | 94% | 87% | 83% | 87% | 83% | 88% | ✗ |
| Health benefits claims processing timeliness (percent processed within 30 working days) | 95% | 98% | 97% | 97% | 99% | 95% | ✔ |
| Federal Employee Health Benefit Program (FEHBP) overall enrollee satisfaction scores vs. health care industry standard (percent) | FEHBP: 70%; industry: 62% | FEHBP: 73%; industry: 64% | FEHBP: 73%; industry: 65% | FEHBP: 79%; industry: 63% | FEHBP 78% industry 60% | FEHBP› Industry: | ✔ |
| Federal Employees' Group Life Insurance (FEGLI) paid claims timeliness (days) | 6.4 | 6.5 | 6.9 | 6.7 | 6.3 | ‹10 days Industry standard | ✔ |
| Percent of Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service | 95% | 98% | 97% | 97% | 98% | 90% | ✔ |
| Number of GoLearn courses completed annually (all Learning Management Systems) | 178,207 | 136,878 | 2,009,267 | 2,278,513 | 3,827,638 | 2,300,000 | ✔ |
| Overall customer satisfaction with Center for Leadership Capacity delivered training | 4.70 | 4.61 | 4.68 | 4.60 | 4.51 | 4.50 | ✔ |
| Percentage increase in perceived learning of Center for Leadership Capacity students | 41% | 40% | 40% | 52% | 60% | 43% | ✔ |
| Number of 26 PMA agencies that meet their annual targets for closing leadership competency gaps | n/a | n/a | 13 | 20 | 22 | 22 | ✔ |
| Percent of 26 large agency leadership development program graduates placed into positions of higher responsibility | n/a | n/a | 53% | 65% | 44% | 67% | ✗ |

✔ Met ✗ Not Met

## Strategic Objective C: Federal agencies will be employers of choice.

| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
|---|---|---|---|---|---|---|---|
| Number of 26 PMA agencies that meet their annual targets for closing mission-critical occupation/ competency gaps | 10 | 14 | 21 | 21 | 20 | 20 | ✔ |
| Percent of hires in each Federal agency hired within the 45-day time frame, as described in OPM's hiring time frame model | n/a | n/a | 64% | 78% | 81% | 60% | ✔ |
| Overall customer satisfaction with Center for Talent Services' (CTS) products and services (ACSI Equivalent Index) | 84 | 85 | 85 | 84 | 84 | 80 | ✔ |
| Percent of customers agreeing that CTS products and services contribute to Government effectiveness | 95% | 98% | 93% | 94% | 94% | ≥90% | ✔ |
| Percent of Chief Human Capital Officer (CHCO) agencies using the USAJOBS® resume format and integrating online applications with their assessment systems | n/a | n/a | 35% | 78% | 84% | 75% | ✔ |
| Percent of CHCO agencies using USAJOBS® position announcement template | n/a | n/a | 86% | 98% | 100% | 92% | ✔ |

✔ Met ✕ Not Met

## Strategic Objective D: Federal agencies will be recognized as leaders in having exemplary human resources practices.

| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
|---|---|---|---|---|---|---|---|
| Percent of agencies with violations of veterans preference laws, rules and regulations | 40% | 18% | 21% | 25% | 33% | 30% | ✕ |
| Number of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards | 0 | 2 | 20 | 25 | 25 | 25 | ✔ |
| Percent of agencies that meet all 4 requirements of an effective strategic alignment system | 42% | 65% | 88% | 92% | 57% | 92% | ✕ |
| Number of agencies migrated to Human Resource Lines of Business (HR LOB) Shared Service Centers (including the migration of additional human resources functions) | n/a | n/a | 5 | 4 | 3 | 3 | ✔ |
| Average number of days within which 80 percent of initial security clearance investigations are closed | 556 | 213 | 116 | 67 | 54* | 90 | ✔ |

* based on 80% of initial clearances completed during FY 2008.

✔ Met ✕ Not Met

STRATEGIC OBJECTIVE E: THE OFFICE OF PERSONNEL MANAGEMENT WILL BE A MODEL OF PERFORMANCE FOR OTHER FEDERAL AGENCIES.

| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
|---|---|---|---|---|---|---|---|
| Percent of internal OPM hires within the 45-day time frame, as described in OPM's hiring time frame model | 60% | 60% | 81% | 89% | 86% | 85% | ✔ |
| Percent of payments within Prompt Pay Act guidelines | 99.0% | 99.9% | 99.9% | 99.9% | 99.9% | 98% | ✔ |

✔ Met ✕ Not Met

# Programs in Focus

## ENTERPRISE HUMAN RESOURCES INTEGRATION INITIATIVE

Enterprise Human Resources Integration (EHRI)[12] is one of five OPM-led e-Government initiatives designed to leverage the benefits of information technology in line with the President's Management Agenda (PMA). In support of the PMA, the Office of Management and Budget (OMB) has mandated that all Executive Branch agencies eliminate paper Official Personnel Folders (OPFs) by October 2010. To achieve this goal, EHRI offers proven, cost-effective solutions to ease an agency's transition to electronic OPFs and improve workforce planning with insightful analysis and reporting capabilities. All EHRI solutions are fully compliant with OPM and federally mandated HR employee record management regulations.

Moreover, EHRI is an all-inclusive electronic personnel recordkeeping and analysis system, which supports human resources management across the Federal Government and is used to track the careers of 1.8 million Federal employees—from hiring to retiring.

Key government-wide benefits of EHRI:

- Eliminates the need for more than 1.8 million paper employee records, saving almost $800 million over the next 10 years

- Streamlines HR processes and improves policy formulation and impact analysis

- Enables access to pay and benefits data from agency payroll providers

- Provides economies of scale for the entire Government

EHRI has been critical to helping human resources specialists seek greater efficiency, flexibility, and security in managing HR records. EHRI's eOPF solution increases productivity and efficiency, and frees HR staff to work directly with Federal employees to resolve issues and answer questions. Specifically, EHRI eOPF and Analysis & Reporting help Federal agencies:

- Reduce re-work caused by inaccurate or missing personnel data/folders

- Enable more efficient, accurate workforce planning and human capital management

- Eliminate oversight of employee review of personnel folders

- Enhance accuracy, portability and security of personnel records

- Provide immediate access to employee data for a geographically dispersed workforce

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[12] For additional information about the EHRI initiative, see http://www.opm.gov/egov/e-gov/EHRI/index.asp.

By the end of FY 2008, 65 percent of Federal agencies were using eOPF compared to 46 percent the prior year. Additionally, nearly 1 million paper Official Personnel Folders have been converted to electronic format. This includes official personnel records of approximately 55.5 percent of Federal employees. It is also important to note agencies may provide eOPF access to special investigators, which helps speed the investigation process and save agency resources.

With more than 40 eOPF implementations underway or completed, EHRI offers a standard approach for HR record conversion, storage, access, sharing, and archiving. Solutions can be customized to meet the needs of agencies of all sizes. EHRI also serves as a center of excellence for paper OPF conversion and eOPF hosting, and provides comprehensive support to guide agencies throughout the eOPF process.

An agency may grant access to eOPF for all employees to view their personnel data, which increases employee awareness and accountability. Additionally, eOPF facilitates the electronic filing of personnel data and automates employee notification of actions through email alerts. Highly innovative and specialized software enables eOPF to move beyond a document management tool, to an asset for process automation. Several agencies have leveraged eOPF underlying technology to automate approval processes and document removal, further improving HR specialists' ability to perform job functions quickly and effectively.

## FEDERAL INVESTIGATIVE SERVICES DIVISION

Part of the Office of Personnel Management's (OPM) mission is to protect merit system hiring principles; ensure the suitability of Federal applicants, employees, and appointees; and conduct National Security Investigations on individuals who work in positions that require access to classified information.

During FY 2008, OPM sent almost 300,000 completed background investigations electronically[13] to the participating agencies including: Department of the Army, Department of Transportation, Department of Commerce, and the Department of Energy. Future development and expansion of electronic delivery will support the initiatives to further automate adjudication.

Moreover, OPM provides background investigation services for more than 100 Federal agencies for suitability and security purposes. The investigations are conducted on Federal applicants, employees, military members, and contractor personnel. Approximately 90 percent of all Federal background investigations—ranging from non-sensitive to top secret—are provided by OPM. This translates to approximately 2.1 million investigations annually.[14] Even while performing this large percentage of investigations, OPM continuously exceeded the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 timeliness goals for initial clearances while maintaining the quality and integrity of investigations. IRTPA established a goal that by the end of FY 2006, 80 percent of background investigations conducted for initial security clearances would be completed within an average of 90 days. OPM is exceeding this statutory goal for all investigations initiated after October 1, 2006. In FY 2008, OPM completed initial security clearances in an average of 54 days. OPM is currently preparing for new timeliness goals that will begin in FY 2010 and require 90 percent of initial security background investigations be completed in an average of 40 days.

While OPM previously experienced a backlog of pending investigations, this issue has been resolved. In October 2006, there were over 137,000 pending clearance investigations over 180 days in process. As of September 30, 2008,

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[13] The number of completed background investigations electronically sent by OPM has been revised since the publication of the AFR on November 17, 2008. Updated information has revised the number of investigations sent from 305,000 to almost 300,000.

[14] The number of investigations reported has been revised since the publication of the AFR on November 17, 2008. Updated information has increased the number of investigations conducted from the previously reported 1.8 million to 2.1 million.

OPM reduced this number to 1,443 pending clearance investigations over 180 days. Those now delayed in process are primarily due to the nature of issues developed that require resolution and/or OPM's ability to obtain required third party information in a timely manner. OPM continues to work with agencies to reduce the time it takes to deliver completed investigations as well as document the agencies' adjudication actions.

## RetireEZ

The RetireEZ vision is to support benefit planning and management throughout a participant's lifecycle through an enhanced Federal Retirement Program. This will be achieved by:

Improving Customer Service

- Provide timely and accurate benefit payments

- Provide easy access to accurate and timely information for all employees and retirees

- Provide comprehensive customer service to include call center support—both from agency benefits officers and OPM throughout the customer's lifecycle

More Efficient Retirement Processing

- Industry-standard technology utilizing electronic data

- Meaningful performance metrics that measure progress towards achieving program goals; provide transparency; and underscore OPM's commitment

Under the current paper-based system, 88 percent of retirees receive interim annuity payments that have averaged 20 percent less than that to which they are entitled. Recent steps have been taken to increase the average to over 90 percent of the payment due. During FY 2008, the average time to fully process a case was 42 days from the time OPM received the records from the employing agency. Since FY 2006, three significant contracts have been awarded for this effort: one for an automated pension calculator, a second for business transformation and information technology, and a third for converting paper copies of records to electronic format. Because of problems with the pension calculator, OPM terminated the contract to develop the calculator.

In FY 2009, OPM will continue RetireEZ. These activities include continuing to scan and convert paper copies of records to electronic format (both existing and new) and transitioning to the Enterprise Human Resources Initiative for data storage and cleansing. Other planned activities include conducting an IV&V (Independent Verification and Validation) and performing a thorough review of retirement program requirements, including pension calculator requirements.

OPM's executive leadership has taken an active role in RetireEZ and holds meetings with internal stakeholders, as well as routine meetings with OMB, GAO, and other Federal agencies in order to continue to develop a solution and process that serves OPM, other agencies, and ultimately, Federal retirees.

## PMA Strategic Human Capital Management Initiative

Since the 2001 launch of the President's Management Agenda, OPM has led the effort to transform human capital management across the Federal Government. OPM defined the Human Capital Assessment and Accountability Framework (HCAAF) by which agencies are held accountable for the results of their Human

Capital Programs. This framework includes results that can serve as standards for success. These results include:

- Agencies' human capital strategies clearly support organizational mission and goals

- Agencies' succession planning and knowledge management assure leadership continuity

- Agencies use data-driven workforce planning to create effective strategies for recruiting, retaining and developing employees with mission critical competencies

- Agencies recognize and reward high performance, and address poor performance, in individual employees

- Agencies measure the outcomes of their human capital efforts, and incorporate the results into their human capital, program and budgetary decision making

To support agencies in meeting these standards, OPM implemented a number of inter-governmental initiatives, including training for Chief Human Capital Officers and their staff, and dissemination of web-based tools such as the Hiring Toolkit and the Federal Competency Assessment Tool (FCAT). OPM's Human Capital Officers provided intensive, onsite technical assistance and consulting to each scored agency to assure agencies built capacity to plan, implement and assess their human capital systems.

OPM's rigorous standards for success in human capital management were enforced through quarterly scoring of agencies' progress and results. In FY 2002, 23 of 26 Federal agencies were scored as "red," and 3 of 26 as "yellow." No agencies met the criteria for a "green" rating (see Figure 4). It was almost two years before the first Federal agency achieved a green rating in FY 2004, and in FY 2006, a majority of 15 agencies achieved a green rating for their Human Capital efforts.

In FY 2008, OPM conducted a rigorous revalidation of agencies' scorecards to ensure that effective human capital practices had been fully institutionalized and integrated into agencies' broader programmatic and budgetary management. Several agencies were found to have slipped from previous demonstrated practices, primarily due to high attrition among Human Resources (HR) staff. While these agencies were downgraded in status, the revalidation process provided renewed focus to their human capital transformation. By the end of FY 2008, 25 of 26 Federal agencies had improved from their original ratings from 2002, and had achieved a "green" or "yellow" status rating from OPM for their human capital efforts.

### Figure 4—PMA Strategic Human Capital Management Initiative Agency Status Score by Fiscal Year and Quarter
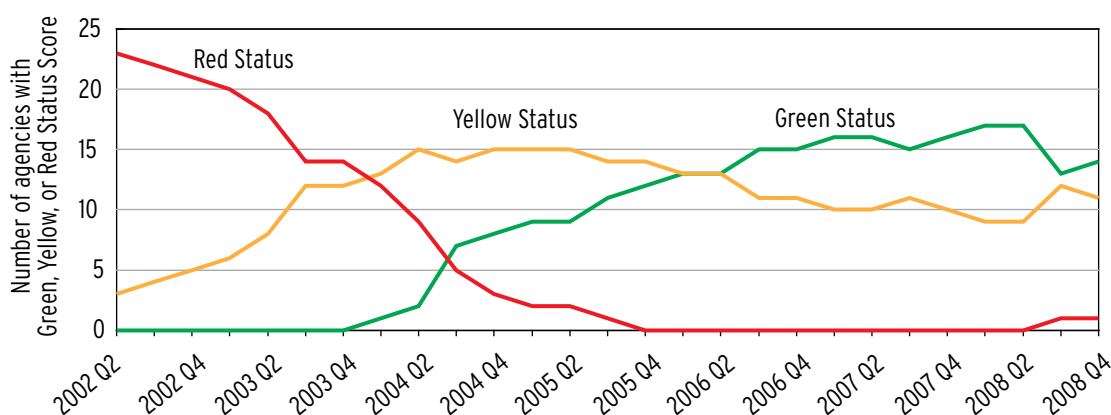
Looking ahead, OPM will continue to lead the effort to transform human capital practices across the Government in order to meet the current and emerging needs of Government and its citizens. The Chief Human Capital Officers (CHCO) Act of 2002 requires agencies to report annually to OPM on their progress and results in implementing the HCAAF. Based on analysis of Governmentwide challenges and results as evidenced in the Human Capital Management Reports (HCMRs) and other information sources, OPM will continue to develop standards and provide tools, training and technical assistance services that meet agencies' emerging human capital needs.

## FEDERAL EXECUTIVE BOARDS

During FY 2008, OPM took steps to significantly strengthen the Federal Executive Board (FEB) program.[15] The FEBs are mechanisms for interagency collaboration and coordination in 28 U.S. locations with high Federal populations. Increasingly, FEBs are recognized as a vital resource for effective emergency preparedness and human capital management of agencies' field operations—where 88 percent of Federal employees work and live. To assure the FEBs are positioned to fulfill their key role in supporting Federal agencies and employees in the field, OPM completed four major initiatives: (1) created a model for assuring all FEBs have stable funding; (2) designed, tested and implemented a consistent performance management system for all staff across the FEB network; (3) helped all 28 FEBs conduct tabletop exercises for emergency preparedness; and (4) created a common set of program measures based on the FEB network's strategic plan, and trained all FEB staff on data collection and analysis of program results.

The third initiative increased the preparedness of local Federal offices outside of Washington, D.C., by providing the opportunity to test and improve agency Continuity of Operations Plans (COOP). An excellent example is the pandemic-based, full-scale interagency exercise sponsored by the Greater Kansas City Federal Executive Board. Local regional administrators from the Federal Emergency Management Agency (FEMA) and the General Services Administration, worked with members of the FEB Interagency Continuity of Operations Working Group, to develop and coordinate the exercise with the assistance of representatives from the U.S. Department of Health and Human Services.

Twenty-six local agencies with over 2,000 regional Federal employees participated in the exercise. During the six hours of exercise play, participating agencies activated their respective Pandemic Flu Plans in response to a mock National Biological Disease Outbreak in the United States that affected the Kansas City metropolitan area. Participating agencies conducted the exercise in their own facilities, at alternate work locations, and through telework. The FEB successfully tested its communications system as part of the exercise. Agency internal reviews were held immediately following the exercise, and a full after action review session was held at FEMA. Evaluations and After Action Reports reported the majority of respondents rated the exercise as exceeding their expectations and had a very positive effect on their understanding of Pandemic and COOP.

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[15] Additional information about the Federal Executive Boards can be found at http://www.feb.gov/.

# Detailed Performance Results

| **Strategic Objective A:** The Federal civilian workforce will be focused on achieving agency goals. | **Budgetary Resources : $8.6 Million** |
| --- | --- |
| | **Full Time Equivalent Personnel: 69.9** |

The Federal Government can be fully effective only if employees at all levels, including agency senior executives, are focused on and accountable for achieving results.

## HUMAN CAPITAL/PERFORMANCE CULTURE
### FY 2008 Budgetary Resources: $7.9 million

**Program Description:** In 2004, the Senior Executive Service (SES) pay for performance system was implemented. In order to have access to higher pay rates for SES members, agencies must first have performance management systems certified by OPM, with OMB concurrence. Certification criteria incorporate ten key aspects of successful performance management systems, which must be evident in the design, implementation and results of the application of the system. Full certification covers two calendar years, while provisional certification covers one calendar year.

| **Program:** Human Capital | | | Program Activity: Performance Culture | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outcome:** A culture of performance and accountability exists in all Federal agencies. | | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of agencies with effective performance management systems: Senior Executive Service | 5% | 4% | 3% | 33% | | 78% | 35% | ✔ |

✔ Met ✗ Not Met

### FY 2008 Results:

Over the last 5 years, agencies have significantly improved their SES performance management systems. As reported in OPM's Report on Senior Executive Pay for Performance for Fiscal Year 2007 (found at http://www.opm.gov/ses/facts_and_figures/data_trends07.asp), agencies are demonstrating that SES members' performance is directly linked to organizational goals, that executives are being held accountable for achieving results and for the performance management of their subordinates, and that the result of the appraisal process is directly related to pay adjustments and awards. At the end of calendar year 2004, certified SES performance management systems covered 76 percent of all SES members. By the end of 2007, certified systems covered 99 percent of all SES members. Beginning in 2008, agencies with SES performance management systems which already had full certification used OPM's SES Performance Appraisal Assessment Tool (SES-PAAT) to renew their system certifications. The SES-PAAT is a self-evaluation tool focused on evaluating agency systems against the ten certification criteria and is designed to become part of an agency's accountability system.

**Program Description:** All agencies must have OPM-approved employee performance management systems that provide for appraising employee performance annually and recognizing and rewarding good performance while addressing poor performance. In 2006, OPM implemented the Performance Appraisal Assessment Tool (PAAT), which is a tool agencies and OPM use to evaluate the effectiveness of the design,

implementation, and results of agency performance management systems. The PAAT focuses on the ten key aspects of effective performance management: 1) alignment, 2) results, 3) balanced measures, 4) distinctions in performance, 5) consequences to performance, 6) employee involvement, 7) performance feedback, 8) training, 9) organizational assessment and communication, and 10) accountability. Agencies complete the PAAT, submit it to OPM, and OPM scores the PAAT on a 100-point scale, with 80 points or better set as the standard for effectiveness. OPM's long-range goal is to have all Federal employees covered by performance management systems that score at least 80 points on the PAAT. The PAAT is part of an agency's accountability system.

| Program: Human Capital | | | Program Activity: Performance Culture | | | | |
|---|---|---|---|---|---|---|---|
| Outcome: A culture of performance and accountability exists in all Federal agencies. | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Percent of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT) | n/a | n/a | 8% | 20% | 33% | 25% | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

Using the PAAT, OPM has evaluated 142 different Federal employee performance management systems. As of the end of FY 2008, 47 of those systems scored at least 80 points. At the end of FY 2007, 4.4 percent of non-SES employees were covered by systems that score at least 80 points on the PAAT, and at the end of FY 2008, almost 17 percent of non-SES employees are covered by systems that score at least 80 points. All agencies are working to improve their systems and are using PAAT results to identify strengths and weaknesses. Agencies report PAAT scores and their plans for improvement as part of their annual accountability reports to OPM.

Human Capital Leadership & Merit System Accountability's (HCLMSA) Human Capital Officers assisted Federal agencies in developing performance management systems that meet the PAAT criteria. In addition, the Excellence in Performance Management Implementation Group that created the PAAT holds assessment panels, conducts interagency training, hosts forums for sharing best practices, and maintains a web-based network and community of practice for performance management system managers across the government.

| Strategic Objective B: The Federal civilian workforce will have career opportunities, benefits and service delivery that compete successfully with other employers | Budgetary Resources : $210.0 Million |
|---|---|
| | Full Time Equivalent Personnel: 1,003.7 |

Employee benefits and services, including retirement, health and other insurance programs, are important competitive factors employees consider when comparing Federal employment with opportunities in other sectors. Training and other career development opportunities also are essential for maintaining a high performing Federal workforce. OPM has achieved this objective through the efficient and effective administration of its employee benefit, and leadership development programs.

# FEDERAL EMPLOYEES RETIREMENT/ CLAIMS PROCESSING
## FY 2008 Budgetary Resources: $69.5 million

**Program Description:** The Federal Employees Retirement program offers retirement benefits and retirement planning services. The Federal civilian retirement program is designed to meet two purposes. The first is to serve as an important component of employee compensation, which supports Federal agencies' recruitment and retention needs. The second is to provide Federal employees options and tools for their retirement planning to secure the financial future of themselves and their families. The program provides annuities or cash payments for retirement, disability or death.

The Center for Retirement and Insurance Services administers the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). CSRS is a defined benefit program that allows employees to qualify for a pension benefit based on several factors including salary and years of service. Employees contribute 7 percent of their base salary to CSRS. The government contributes to the system through agency matching contributions and through appropriations made by Congress. FERS uses Social Security as its base and provides a defined benefit that is substantially less than CSRS defined benefits. FERS adds a voluntary investment option, the Thrift Savings Plan (TSP). TSP allows for individuals to choose how to invest their money. FERS employees can contribute to the TSP and the agency matches a portion of the contribution. Under the CSRS system, employees can contribute to the TSP, but the agency does not match any contributions.

An integral part of delivering retirement benefits is claims processing. 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 entitled to receive. A key element in making these decisions is knowledge of the law, which is applicable to a particular claim.

| Program: Federal Employees Retirement | | | Program Activity: Claims Processing | | | | | |
|---|---|---|---|---|---|---|---|---|
| Outcome: Benefits payments are timely, accurate, and delivered efficiently. | | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Percent of initial retirement claims processed within 30 days | n/a | 14% | 61% | 67% | | 41% | 90% | ✗ |

✔ Met ✗ Not Met

## FY 2008 Results:

The Office of Personnel Management encountered significant challenges meeting the claims processing timeliness target. The target was aggressive based on the expectation that the RetireEZ Program's licensed technology chosen to speedily and accurately compute annuity calculations would begin implementation during the fiscal year. OPM expected claim processing time rates to significantly improve using RetireEZ technology to process a substantial portion of cases. This did not eventuate, and the contract to produce the annuity calculator has been terminated. OPM is currently assessing the next steps to develop a fully functioning pension calculator.

Several other factors have also contributed to longer processing times. During FY 2008, approximately 42 employees working to implement RetireEZ, were unavailable to process retirement claims. During this time period, OPM did not hire employees to offset losses due to attrition. It was anticipated that a significant portion of workloads would be processed electronically, which would reduce the need for additional staff.

However, OPM has hired and is currently training new employees to adjudicate claims and provide more rapid service. OPM continues to pursue alternative strategies to provide timely claims processing and is reviewing performance targets in an effort to continue to reflect the processing capabilities of the organization. The average claim processing time was 42 days during FY 2008. Seventy-two percent all claims were processed in 52 days.

| **Program:** Federal Employees Retirement | | | | Program Activity: Claims Processing | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Benefits payments are timely, accurate, and delivered efficiently. | | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Average unit cost for processing retirement claims | $91.92 | $86.32 | $91.95 | $80.03 | | $74.28 | $77.76 | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

As part of the RetireEZ Program, OPM has implemented "DocHarbor," an image storage and retrieval system to access imaged data of paper retirement records. DocHarbor allows OPM employees to review employee records online that previously required contacting agency human resources to obtain the information.

DocHarbor provides qualified Retirement Services staff electronic access to data previously available only on paper, often at another Federal agency. The new process has reduced the time and cost of adjudicating claims by eliminating the need to contact agency personnel, payroll offices and customers to supply retirement related information not included in the original claim.

OPM worked with customers living outside the United States to increase electronic fund transfer enrollments that reduced administrative costs and provided better service to our overseas annuitants. While continuing to reduce costs, claims processing quality has remained high. OPM's internal accuracy rate for claims processing was 92 percent in FY 2008.

## FEDERAL EMPLOYEES RETIREMENT/ANSWERING INQUIRIES
### *FY 2008 Budgetary Resources: $14.2 million*

**Program Description:** The Retirement Operations Center handles more than two million customer service inquiries each year. In addition, the Center processes hundreds of thousands of specific annuity roll maintenance transactions such as Federal or State tax withholding changes, health benefit enrollment changes, and post-retirement adjustments to gross annuity payments such as spousal benefit adjustments based on post retirement marriages and court ordered benefits.

| **Program:** Federal Employees Retirement | | | | Program Activity: Answering Inquiries & Maintaining Annuity Payment Accounts | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Services are delivered efficiently; annuitant rolls are accurate and current; annuitants are satisfied with overall program services. | | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Percent of customers satisfied with overall retirement services | 94% | 87% | 83% | 87% | | 83% | 88% | ✕ |

✔ Met ✕ Not Met

## FY 2008 Results:

As shown, the Agency missed this target by 5 percent. Unfortunately, achieving effective resource allocation, which provides both lower hold times and faster responses to written inquiries, continues to be a challenge. For example, telephone hold times increase when resources are allocated to answering written inquiries and vice-versa. However, survey data indicates more than eight out of ten customers are satisfied with the service provided. Customer satisfaction data is based on a statistically valid and reliable survey with a margin of error of +/− 5 percent.

OPM continues to strive to offer the best customer service possible. Each year a greater portion of the Center's services are processed online by customers through secure access self-service choices. Leveraging online service capabilities remains a top priority, while ensuring customer security and privacy is maintained. Freeing customer service representatives of many routine tasks, will enable OPM to provide better customer service to those who need to process more complicated transactions.

## Related Accomplishments:

Specific information from our Satisfaction Survey indicates that OPM is providing excellent service to our customers. Ninety-one percent of respondents state OPM provides courteous service. Moreover, 93 percent of respondents said they received their annuity payments the first business day of the month.

Although the results are largely positive, OPM's goal is to provide better service and continuous improvement. To help in this endeavor, OPM is developing and implementing focus group strategies that examine our customer service capabilities and identify opportunities to improve survey results. The focus groups will provide qualitative data to better understand our strengths and opportunities for improvement.

OPM met two other important customer service performance targets. The Agency responded to over 95 percent of general inquiries within 72 hours and completed 93 percent of change requests within 10 days.

## FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM/ CONTRACT ADMINISTRATION
### *FY 2008 Budgetary Resources: Not Available at Program Activity Level*

**Program Description:** The Federal Employees Health Benefits Program (FEHBP) provides Federal employees and retirees with health insurance benefits to meet their individual and family health needs. Because it is an important component of the Federal Government's compensation package, it also supports the Federal Government's ability to recruit and retain quality employees. The program provides hospitalization and major medical protection to Federal employees, retirees, former employees, family members, and former spouses. FEHBP is a comprehensive health insurance program that provides health insurance benefits to about eight million Federal enrollees and their dependents. In FY 2008, there were 283 plan choices including Fee-for-Service, Health Maintenance Organizations, Point of Service plans, Consumer Driven plans and High Deductible Health plans.

Each year OPM establishes an open season to allow qualified individuals to make changes to their current enrollment or select a different insurance plan. OPM also offers an optional Dental and Vision Insurance Program, known as Federal Employees Dental and Vision Insurance Program (FEDVIP). There are approximately 1.6 million individuals covered by the dental, vision or both plans. Additionally, there are

currently seven dental programs as well as three vision programs. Employees are eligible to purchase medical, dental and vision benefits on a pre-tax basis.

| Program:<br>Federal Employee Health Benefits Program | Program Activity: Contract Administration | | | | | | |
|---|---|---|---|---|---|---|---|
| Outcome: Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs. | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Health benefits claims processing timeliness (percent processed within 30 working days) | 95% | 98% | 97% | 97% | 99% | 95% | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

The Federal Employees Health Benefits Program exceeded its target by four percent, processing 99 percent of its claims within 30 days. This was made possible by critical key investments in information technology that ensure all information to pay a claim in a timely manner is available to stakeholders quickly to achieve greater productivity. This further illustrates OPM's commitment to process claims in timely manner, which allows participants to quickly determine the dollar amount of insurance benefits coverage and the portion he or she will be responsible for contributing.

| Program:<br>Federal Employee Health Benefits Program | Program Activity: Contract Administration | | | | | | |
|---|---|---|---|---|---|---|---|
| Outcome: Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs. | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Federal Employee Health Benefit Program (FEHBP) overall enrollee satisfaction scores versus health care industry standard (percent) | FEHBP: 70%; industry: 62% | FEHBP: 73%; industry: 64% | FEHBP: 73%; industry: 65% | FEHBP: 79%; industry: 63% | FEHBP 78%; industry 60% | FEHBP > industry | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

The Federal Employees Health Benefits Program received enrollee satisfaction scores significantly higher than the industry standard. We believe one contributing factor for the significantly higher score received by OPM is the population surveyed; the FEHB-surveyed population includes retirees whereas the industry as a whole does not. The cohort of retirees typically expresses greater satisfaction with healthcare than other groups. In addition, the FEHBP offers a variety of health plans with varying services and co-pays. Federal employees are able to choose a carrier that meets their specific needs.

# FEDERAL EMPLOYEES' GROUP LIFE INSURANCE AND OTHER INSURANCE/ CONTRACT ADMINISTRATION
## *FY 2008 Budgetary Resources: $12.5 million*

**Program Description:** The Federal Employees' Group Life Insurance (FEGLI) program provides Federal employees, retirees and their families with access to life insurance benefits, which help meet their individual insurance needs. In addition, the FEGLI program helps the Federal Government meet its recruitment and retention goals.

Approximately four million Federal employees and retirees are covered under the FEGLI Program. Additionally, most Federal employees are automatically covered by basic life insurance. In addition to basic life insurance, employees can choose one of the three following options: Option A provides $10,000 additional coverage, Option B provides up to five times an employee's salary or Option C provides insurance for a spouse (up to $25,000) and for each eligible dependent child (up to $12,500 each).

OPM also administers the Federal Long Term Care Insurance Program (FLTCIP), a voluntary enrollee-pay-all insurance program, which is open to Federal and U.S. Postal Service employees, annuitants, active and retired members of the uniformed services, and their qualified relatives. The program is sponsored by OPM. However, the insurance is provided by two insurance companies. The Federal program is designed to help protect enrollees against the high costs of long-term care. This program includes personal access to care coordinators and flexible home care provisions.

In addition to FEGLI and FLTCIP, OPM administers the Federal Flexible Spending Account Program (FSAFEDS), which allows employees to contribute up to $5,000 pre-tax dollars from salary, that can be used to reimburse eligible out-of-pocket health care expenses as well as up to $5,000 using pre-tax dollars from salary for out of pocket dependent care expenses. Several health, dental and vision insurance plans participate in the FSAFEDS paperless reimbursement program. This allows enrollees to be reimbursed for eligible health care expenses electronically.

| **Program:** Federal Employees Group Life Insurance and Other Insurance | Program Activity: Contract Administration | | | | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Federal employees have the opportunity to purchase group term life insurance and other insurance that provides financial protection to their beneficiaries. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Federal Employees' Group Life Insurance (FEGLI) paid claims timeliness (days) | 6.4 | 6.5 | 6.9 | 6.7 | 6.3 | <10 days Industry standard | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

The time it takes to pay completed claims from life insurance beneficiaries, remains substantially below the industry average. OPM's contractor, MetLife, pays claims using data from the FEGLI Automated Certification of Life Insurance (AutoCert) function, which enables OPM to certify life insurance coverage for deceased annuitants electronically. Automating the process has improved life insurance claim processing times as well as eliminated errors common to manual certifications. The FEGLI paid claims accuracy rate is 99.9 percent.

| Program: Federal Employees Group Life Insurance and Other Insurance | Program Activity: Contract Administration | | | | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Federal employees have the opportunity to purchase group term life insurance and other insurance that provides financial protection to their beneficiaries. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of Federal Long-term Care Insurance Program customers overall satisfied with customer service | 95% | 98% | 97% | 97% | 98% | 90% | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

The 98 percent satisfaction rate exceeded the contractual target established with Long Term Care Partners. OPM is providing a high quality, efficient and competitively valued program. Care Coordinators and Customer Care Representatives are very knowledgeable and among the most experienced in the Long Term Care industry. Claims are processed quickly and payments are sent, received, and processed in a timely manner. OPM continues to make website improvements, including providing a user friendly means for enrollees to check the status of their account any time, day or night. Non-enrollees who express interest in the Long Term Care Program can quickly access information and rate quotes for the Long Term Care Insurance options which interest them.

## Related Accomplishments:

There are almost 222,000 enrollees in the FLTCIP. In FY 2008, online account access was implemented for enrollees. To date, over 6,000 enrollees have voluntarily registered for accounts to access benefits and track claims. The FLTCIP call center answered 89 percent of calls within 20 seconds. The program also made the full underwriting application available online this year. Lastly, a Request for Proposals has been issued for the next FLTCIP contract.

The FSAFEDS program had similar success. While the FY 2008 goal was to increase enrollment in FSAFEDS to 240,000 enrollees, OPM exceeded the goal by increasing enrollment to nearly 250,000 enrollees in the program. Even with steady growth of the program, OPM paid 100 percent of properly prepared and filed claims within five business days.

## GoLearn
### FY 2008 Budgetary Resources: $35.3 million

**Program Description:** The GoLearn program is part of OPM's Human Resources Products and Services Division. GoLearn is a catalyst for transforming the way government manages human capital by effectively and efficiently implementing solutions that align workforce development with organizational goals, resulting in improved mission attainment.

GoLearn's primary contribution to human capital management has been through deploying training content and administration computer-based infrastructure across the Federal Government. These online core systems deployed by GoLearn are learning management systems (LMS) and learning content management systems (LCMS). These systems provide agencies with technology to manage and deliver their content and to manage, track, deliver and report training events. GoLearn provides an agency easy access to over 50 vendors and provides a wide range of services in seven specialized technical areas (STA's).

| Program: GoLearn | | | | Program Activity: GoLearn | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** The Federal workforce has increased opportunities for career development by utilizing high return on training investments. | | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Number of GoLearn courses completed annually (all Learning Management Systems) | 178,207 | 136,878 | 2,009,267 | 2,278,513 | | 3,827,638 | 2,300,000 | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

OPM's GoLearn program continued its expansion during FY 2008 as its client agencies increasingly used this on-line facility, resulting in an increase in the number of GoLearn courses completed and registered users of GoLearn online systems. GoLearn's availability to all Federal agencies and employees makes it the ideal choice for addressing a wide range of training needs. GoLearn provides multiple paths to its extensive training modules so employees and agency training officials can quickly and cost effectively enroll in, conduct, and report on their training activities.

## Related Accomplishments:

During FY 2008 and in anticipation of FY 2008's financial performance, GoLearn management undertook a major restructuring of the organization, operations, financial management, and fee structure. These significant changes were completed at the end of the fiscal year, so the program would realize full-year benefits in FY 2009. The program has reduced overhead costs by eliminating project manager positions, which were not agency funded. The procurement and financial management functions will be transferred from contractor support to Federal staff. The procurement and financial business processes are under review and will be streamlined to provide better customer service. In short, the new organization will make the program more customer-responsive and will provide a solid basis for financial improvement.

During FY 2008, GoLearn started to develop the new GoLearn Portal. The portal will provide opportunities for smaller agencies to purchase a set of services that will better enable them to deliver, track and manage their on-line learning. During FY 2009, GoLearn will continue to refine and update the portal's functionality.

GoLearn will continue to support current LMS/LCMS systems operating in agencies. OPM will also assist agencies in integrating other Human Capital Management tools such as competency management and performance management systems.

# CENTER FOR LEADERSHIP CAPACITY SERVICES/ LEADERSHIP CAPACITY
## *FY 2008 Budgetary Resources: $48.9 million*

**Program Description:** The Center for Leadership Capacity Service (CLCS) offers leadership education programs for Federal employees from entry level team leaders to Senior Executives and succession planning and custom leadership development programs for agencies. These programs ensure that the Federal workforce has the opportunity for high-quality training to meet the leadership, management development, and succession planning needs of their organizations. To ensure effective learning experiences to meet the government's training needs, CLCS measures the customer satisfaction and learning impact it has on individuals and organizations.

| Program: Center for Leadership Capacity Services | Program Activity: Leadership Capacity | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Federal executives, managers, and supervisor's have opportunity to receive high-quality training to meet the leadership, management development, and succession planning needs of their organizations and develop or renew their commitment to public service. | | | | | | | | |
| **Performance Measure** | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Overall customer satisfaction with Center for Leadership Capacity delivered training | 4.70 | 4.61 | 4.68 | 4.60 | | 4.51* | 4.50 | ✔ |

\* CLCS converted from a 7-point paper survey process to a 5-point scale automated survey system during FY 2007 and, as a result, the overall customer satisfaction averages resulted in lower averages. A new baseline or target of 4.50, which is the Knowledge Advisors® industry standard benchmark, was established to more accurately reflect this new system of obtaining evaluations.

✔ Met ✕ Not Met

## FY 2008 Results:

OPM met the target. Efforts in the quality and delivery of executive leadership and management development training are measured by evaluations received from students. Participants provided an average rating of 4.51 on a five-point scale for customer satisfaction on CLCS products and services, exceeding the 4.5 industry standard benchmark.

By FY 2009, CLCS will contribute to increasing effectiveness in Federal agencies by increasing the number of participants in leadership development programs and by gaining a greater understanding of clients' succession planning needs to improve customer satisfaction. CLCS will strive to increase both of these measures by one percent for each consecutive year.

| Program: Center for Leadership Capacity Services | Program Activity: Leadership Capacity | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Federal executives, managers, and supervisor's have opportunity to receive high-quality training to meet the leadership, management development, and succession planning needs of their organizations and develop or renew their commitment to public service. | | | | | | | | |
| **Performance Measure** | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Percentage increase in perceived learning of Center for Leadership Capacity trained students | 41% | 40% | 40% | 52% | | 60% | 43% | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

Executive leadership development and management training are measured by participants' self-assessment on the extent to which each perceives an improvement in his or her skills, knowledge, and behavior. This performance measure captures and quantifies the participant's percentage change in learning. Students were expected to gain a targeted measure of a 43 percent increase in perceived learning. However, effectiveness in the design and delivery of the program and services reflected a 60 percent increase for this long-term measure to build great government, one leader at a time.

## Related Accomplishments:

CLCS underwent a major business process transformation in 2007 in which it identified, implemented, and is currently executing key business processes to support three new business lines – Executive, Leadership and Management, and Succession Planning and Custom Solutions Lines of Business. These business lines are the foundation upon which new solutions are built to improve effectiveness and efficiency in business

processes and the delivery of CLCS programs and services. All three business lines deliver products and services that are based on the five OPM Executive Core Qualifications needed to build a customer-focused and results-oriented Federal workforce culture. CLCS continues to demonstrate public value to citizens in building great leaders for great government.

In FY 2008, CLCS implemented a Curriculum Development Team to monitor and evaluate open enrollment programs against a standard leadership development framework. CLCS also designed and implemented the Leadership Education and Development (LEAD) Certificate Program to provide employees and their supervisors, as well as training officers with a "short list" of critical training in four levels of leadership: Project/Team Lead, Supervisor, Manager and Executive (SES level). The LEAD Certificate program will help agencies with succession management and will provide a guide for budgeting valuable training dollars across fiscal years. It also provides a roadmap for individual leadership development in the Federal Government.

In addition, repeat organization customers jumped from 15 percent to 56 percent, exceeding the FY 2007 goal by 250 percent over target and demonstrating high levels of training satisfaction, long-term customer loyalty, and exceptional value. These accomplishments position CLCS as the premier provider of open enrollment interagency and customized agency-specific training programs and organizational interventions.

For the second consecutive year, CLCS improved efficiencies and achieved full cost recovery for FY 2008. Enrollment programs that were not financially viable were eliminated. With this action, coupled with the custom program line of business' significant growth, CLCS positioned itself for continued financial success in FY 2009.

## HUMAN CAPITAL/LEADERSHIP CAPACITY
### *FY 2008 Budgetary Resources: $5.8 million*

**Program Description:** By measuring leadership competency gaps, OPM can determine its effectiveness in helping agencies target recruiting, retention and development efforts.

| Program: Human Capital | | | Program Activity: Leadership Capacity | | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Improved agency management of SES recruitment, development, and retention. | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Number of 26 PMA agencies that meet their annual targets for closing leadership competency gaps | n/a | n/a | 13 | 20 | 22 | 22 | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

The results show that agencies continue to make progress in implementing recruiting, retention, and development strategies that close or reduce important leadership competency gaps. OPM's Human Capital Officers provide technical assistance and consulting support to agencies in designing, implementing, and evaluating effective leadership succession management in agencies. OPM developed and delivered an evaluation template to assure agencies have effective mechanisms in place for measuring the effectiveness of their leadership succession management plans.

| Program: Human Capital | | | Program Activity: Leadership Capacity | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Improved agency management of SES recruitment, development, and retention. | | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of 26 large agency leadership development program graduates placed into positions of higher responsibility | n/a | n/a | 53% | 65% | | 44% | 67% | ✗ |

✔ Met ✗ Not Met

## FY 2008 Results:

OPM did not achieve the target. After analyzing the available data, OPM has determined there are major data gaps and flaws in calculating the FY 2008 result. The 44 percent result reported for FY 2008 only includes graduates who are still with the Federal Government. It does not include anyone who has graduated from a Federal Candidate Development Program (CDP), obtained a position of increased responsibility, and subsequently separated from the Federal Government. The impact is OPM cannot accurately measure the full count of leadership development program graduates that are placed into positions of higher responsibility. While OPM does not directly support agency implementation of CDP programs, OPM's Human Capital Officers provide ongoing advice and consultation on this and other strategies for effective leadership succession management. Because of the fundamental problems with the data available, and the subsequent determination that the measure is not relevant to the human capital program's focus on institutional capacity building, OPM will delete this measure.

| **Strategic Objective C:** Federal agencies will be employers of choice | **Budgetary Resources : $218.1 Million** |
|---|---|
| | **Full Time Equivalent Personnel: 688.8** |

In order for Federal agencies to successfully compete with other major employers for top talent, they must design and implement effective recruitment and retention strategies. Federal agencies must make use of available recruiting, hiring and retention methods, tools, authorities and flexibilities in order to acquire and retain a 21st century workforce with the specific skills, knowledge, and abilities essential to achieving agency goals and missions. This includes using technology to simplify job seekers' experience when applying for Federal employment, streamlining the hiring processes to bring on-board sought-after, valuable individuals quickly and offering attractive workplaces which meet employees' diverse expectations and needs. Through a wide variety of initiatives in the areas listed above, OPM has made progress helping Federal agencies become "employers of choice."

## HUMAN CAPITAL/TALENT
### FY 2008 Budgetary Resources: $15.8 million

**Program Description:** Competency gaps are defined as the difference between required competencies and existing competencies. Part of OPM's mission is to help agencies close gaps in those competencies, which are necessary to effectively perform mission-critical work, in accordance with legislation. Closure of mission critical competency gaps is the "bottom line" indicator as to whether talent systems have been used effectively to provide the human capital necessary to achieve an agency's mission.

| Program: Human Capital | | | | Program Activity: Talent | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Agencies successfully compete with other employers to recruit, hire and retain top talent. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Number of 26 PMA agencies that meet their annual targets for closing mission-critical occupation/ competency gaps | 10 | 14 | 21 | 21 | 20 | 20 | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

OPM met the FY 2008 target as 20 agencies closed mission-critical occupancy (MCO) gaps. In 2007, OPM implemented more stringent standards making it more difficult for agencies to meet their targets. Accordingly, the 2006 and 2007 targets were set at the same level and the 2008 target was slightly decreased. By meeting this target, these agencies have demonstrated they have strategies to ensure the right talent is in place in order to effectively accomplish mission-critical work.

OPM's Human Capital Officers provide technical assistance and consulting services to agencies in identifying MCOs aligned with agency mission; developing validated competency models for each MCO; assessing MCO competencies; identifying competency gaps and setting targets for closure as well as implementing effective strategies to meet annual targets. OPM also provided interagency training and forums for sharing best practices in this critical area of talent management.

| Program: Human Capital | | | | Program Activity: Talent | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Agencies successfully compete with other employers to recruit, hire and retain top talent. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of hires in each Federal agency hired within the 45-day time frame, as described in OPM's hiring time frame model | n/a | n/a | 64% | 78% | 81% | 60% | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

OPM helps agencies create an effective workforce by recruiting top talent. Extensive hiring time can impede top talent from joining the Federal workforce. Many candidates who experience extensive delays in obtaining Federal employment accept other job offers. In 2003, the Government Accountability Office reported that the average time to complete all steps in the competitive hiring process averaged 102 days or about 3.4 months. In a 2004 survey of new hires, the Merit Systems Protection Board found that less than half

of the individuals surveyed thought a hiring process of more than three months was reasonable.

In order to reduce hiring time frames, OPM's Human Capital Officers provide ongoing technical assistance and consulting services to help agencies reengineer their hiring processes. OPM also conducts interagency training and best practice forums in an effort to support agency efforts in this area. During FY 2008, OPM developed and issued a new hiring initiative titled End-to-End Hiring Roadmap.[16] The new End-to-End Hiring Roadmap (the Roadmap) integrates five key components of the hiring process, including Workforce Planning; Recruitment; Hiring; Security and Suitability; and, Orientation. When fully implemented, the entire hiring process-from the date a hiring manager signs a request to file a position to the date the employee reports for the date the employee reports for duty is 80 calendar (55 business) days. To ease the process for job applicants, the Roadmap calls for shorter job announcements that are written in plain language, and the elimination of the sometimes cumbersome Knowledge, Skills, and Abilities (KSA) narratives often required with a resume. For agencies, the Roadmap will assist in planning for mission requirements; posting jobs quicker; ensuring recruitment initiative are targeting the right people; increasing the timeline of security background investigations; and orientating new employees once hired.

## TALENT SERVICES
### FY 2008 Budgetary Resources: $193.8 million

**Program Description:** The Center for Talent Services (CTS) Program provides Federal agencies with relevant, cost-effective human capital products and services (on a reimbursable basis), based upon merit system principles, needed to build a high-quality workforce and become high-performance organizations. CTS's service offerings align with the HR LOB Reference Model, a Governmentwide approach for modern, cost-effective, standardized, and interoperable HR solutions to support the strategic management of human capital. CTS uses the equivalent of the American Customer Satisfaction Index (ACSI) to indicate whether CTS is meeting customer expectations and providing good value in its human capital products and services. Additionally, if CTS customers agree that CTS products and services increase organizational effectiveness, agencies are more likely to become high-performing organizations. CTS evaluates on an on-going basis the quality and relevancy of its individual products and services to better provide human capital solutions to Federal agencies.

| **Program:** Talent Services | | Program Activity: Talent Services | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Federal agencies have effective and efficient staffing, training, assessment, and other human resources services available that contribute to their becoming successful, high-performance organizations. | | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Overall customer satisfaction with Center for Talent Services' (CTS) products and services (ACSI Equivalent Index) | 84 | 85 | 85 | 84 | | 84 | 80 | ✔ |

✔ Met ✕ Not Met

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[16] Additional information about the End-to-End Hiring Roadmap can be found at http://www.opm.gov/publications/EndToEnd-HiringInitiative.pdf.

## FY 2008 Results:

In FY 2008, CTS again met its overall customer satisfaction (ACSI Equivalent Index) target with a rating of 84. CTS signed over 4,200 agreements with various Federal agencies. CTS's top customers during FY 2008 included the Departments of Defense, Homeland Security, Transportation, Interior, the Social Security Administration and the Central Intelligence Agency. The Training and HR Strategy consulting services were in high demand by customer agencies and CTS anticipates continued demand in FY 2009. CTS's products and services were also largely used by OPM. CTS regularly solicits feedback from its customers throughout the year. CTS's ACSI Equivalent Index score is consistently higher than the combined public and private sector industry standard of 75.

| **Program:** Talent Services | | | | Program Activity: Talent Services | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Federal agencies have effective and efficient staffing, training, assessment, and other human resources services available that contribute to their becoming successful, high-performance organizations. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of customers agreeing that CTS products and services contribute to Government effectiveness | 95% | 98% | 93% | 94% | 94% | ≥ 90% | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

In FY 2008, over 94 percent of CTS customer Federal agencies who responded to CTS's customer satisfaction survey agreed that CTS's products and services contributed to improving the agency's organizational effectiveness. Since CTS began measuring effectiveness, it has consistently met or exceeded its target within the margin of error. CTS's cadre of integrated products and services contribute to improved organizational effectiveness, include, but are not limited to: automated staffing solutions; individual and organizational assessment; recruitment, selection, and retention strategies; workforce and succession planning services; classification services; performance management services; development, implementation, support, integration, and hosting of complex human resources information technology systems; and pre-qualified commercial vendors providing custom training, learning, and knowledge management solutions and human capital solutions. With these products and services, CTS is able to help agencies build a high-quality workforce and become high-performance organizations.

# USAJOBS®

## *FY 2008 Budgetary Resources: $8.6 million*

**Program Description:** USAJOBS® is the United States Government's program that oversees the function of the official online system for Federal jobs and employment information. The technology and program operations offer Federal agencies and job seekers a modern platform to support online recruitment and job application. The success and continued progress of the program is tied directly to the USAJOBS® application and its ability to successfully manage the integration of other agency systems with USAJOBS®.

| **Program:** USAJOBS® | | | | Program Activity: USAJOBS® | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Federal agencies recruit effectively and efficiently for high-quality applicants to become employers of choice. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of Chief Human Capital Officer agencies using the USAJOBS resume format and integrating online applications with their assessment systems | n/a | n/a | 35% | 78% | 84% | 75% | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

The measure was met for FY 2008. The success in achieving this measure depends on the respective agencies' ability to clearly define their application process and translate those requirements to their assessment system vendors. Full integration of agency assessment systems with the USAJOBS® platform remains the number one priority for the USAJOBS® Program Office. This initiative supports end-to-end hiring by tying the announcement and application intake system (USAJOBS) with a variety of agency applicant processing systems providing more seamless services to both the applicant and agency selecting officials. The FY 2008 USAJOBS® Vendor's Conference fully communicated expectations of agencies to support vendors and announced a new integration recognition program to highlight the "Most Integrated Automated Recruitment Process" for FY 2009. The intent of this program is to draw attention to agency integration and to provide incentives to agencies for compliance. The target is 100 percent compliance for CHCO agencies by April 2010.

| **Program:** USAJOBS® | | | | Program Activity: USAJOBS® | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Federal agencies recruit effectively and efficiently for high-quality applicants to become employers of choice. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of Chief Human Capital Officer agencies using USAJOBS position announcement template | n/a | n/a | 86% | 98% | 100% | 92% | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

All agencies were required to format their Vacancy Announcements in accordance with a prescribed template, effective December 2007. OPM was able to achieve 100 percent compliance with the performance measure, through the cooperative and diligent work of agency representatives and members of the Agency Review Board (ARB) comprised of agency stakeholders convened for the purpose of improving the Employment Information portal of the U.S. Government (USAJOBS®) through a transparent change management process. The ARB has increased the number of Chief Human Capital Officers Council (CHCO) agencies using the USAJOBS® resume format and improved the integration of the online application while successfully increasing the number of CHCO agencies using the USAJOBS® position announcement template to 100%.

| **Strategic Objective D:** Federal agencies will be recognized as leaders in having exemplary human resources practices | **Budgetary Resources : $716.7 Million** |
| --- | --- |
| | **Full Time Equivalent Personnel: 2,541.4** |

To create throughout the Federal Government a performance culture where all employees are focused on achieving goals, providing competitive benefits and career development opportunities, and to effectively make the Federal Government a 21st century employer of choice, OPM supports exemplary human resources practices in Federal agencies. Chief among these are OPM's efforts to promote the strategic management of human capital; i.e., the alignment of Federal agencies human capital plans with the nine merit principles and to provide Federal agencies with background information to determine the suitability of candidates for Federal jobs or new Federal employees or to credential employees of contractors.

## MERIT SYSTEM COMPLIANCE/COMPLIANCE
### FY 2008 Budgetary Resources: Not Available at the Program Activity Level

**Program Description:** The purpose of the merit system oversight and compliance program is to ensure that Federal agencies carry out effective human resources programs that meet merit system principles and other Civil Service laws and regulations. An oversight and compliance program of this kind has existed in one form or another since the creation of the American civil service system and it remains a core part of OPM's current statutory mission. Under the current program, OPM holds agencies accountable for compliance with civil service laws, rules, and regulations, *and* high-quality human resources management overall. OPM carries out its oversight and compliance program in three ways:

1. *Human Capital Management Evaluations*—OPM's Center for Merit System Accountability (CMSA) conducts rigorous on-site evaluations to see if an agency's human resources programs are helping the agency achieve its mission and determine if those programs meet merit system principles and related civil service laws. OPM closely examines staffing and competitive hiring practices, with a particular emphasis on the adjudication and application of veterans' preference as well as other human resources programs in the areas of knowledge management, leadership and succession planning, and performance management. As part of every evaluation, CMSA recommends improvements that will help agencies operate more effectively. OPM requires agencies to take corrective steps if problems are uncovered.

2. *Delegated Examining Unit (DEU) Evaluations*—Under legislation, OPM may delegate to agencies the authority to examine applicants for positions in the competitive civil service. However, OPM has a statutory obligation to oversee how well agencies are exercising this authority. CMSA fulfills this responsibility by evaluating the effectiveness of agency delegated examining units and determining if they meet legal requirements. CMSA staff carefully examines how agencies make selections and process job applications, giving particular attention to whether veterans' preference is properly adjudicated and applied. If violations are found, OPM will order the agency to take corrective action. Serious violations may be referred to the U.S. Office of Special Counsel or the agency's Inspector General, or OPM may withdraw an agency's delegated examining authority altogether.

3. *Strengthening Agency Accountability*—Three years ago, CMSA began a program to help large departments and agencies establish their own internal human capital accountability systems. With OPM's guidance and active participation, agencies are able to conduct evaluations to assess the health of their human capital programs. In April 2008, OPM issued Governmentwide regulations, which requires all agencies to establish such self-accountability systems. Both the Merit System Protection Board and Government Accountability Office have commented that OPM must continue to promote agency self-monitoring programs in recognition of the growing decentralization of the Federal Government's personnel system.

| **Program:** Merit System Compliance | | | Program Activity: Compliance | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Federal agencies' human resources programs are efficient, effective, and compliant with Merit Systems Principles | | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of agencies with violations of veterans' preference laws, rules and regulations | 40% | 18% | 21% | 25% | | 33% | 30% | ✕ |

↙ Met ✕ Not Met

## FY 2008 Results:

At the end of FY 2008, 33 percent of the agencies assessed through CMSA's Human Capital Management Evaluations were found to have systemic violations of veterans' preference laws, rules and regulations. As a result, CMSA missed the established target by 3 percent. There are two key factors that contributed to CMSA missing this target.

First, OPM's compliance and oversight program changed significantly since FY 2005, when this goal was established. With the full implementation of the Strengthening Agency Accountability initiative in FY 2007, the number of agency-led Human Capital Management evaluations increased by 177 percent. Simultaneously, OPM evaluations have decreased. Due to the smaller number of evaluations, there was a disproportionate weight on each OPM evaluation as compared to previous years.

Second, the focus of OPM-led Human Capital Management Evaluations has shifted from large cabinet-level agencies to smaller agencies. Some of the smaller agencies have fewer than 200 employees. Most of the smaller agencies do not have the kind of internal accountability systems now required under governmentwide regulations. Unlike the large agencies, which typically have several Human Resource support offices, the smaller agencies typically have a single HR support office or delegated examining unit. As a result, if OPM finds legal or regulatory violations in a smaller agency's single HR support office or delegated examining (DE) operations, OPM must treat them as systemic violations since the infractions impact the entire agency.

By June 2009, CMSA intends to replace the single performance metric with a broader index that will better measure an agency's overall legal and regulatory compliance with civil service requirements. An independent assessment of OPM's merit system compliance program by the *Center for Organizational Excellence (COE)* also concluded the measure should be replaced since the percentage of agencies who commit veterans' preference violations is outside OPM's direct control.

**Program Description:** A core part of CMSA's oversight and compliance responsibility is to ensure that agencies operate their OPM-approved human capital accountability systems in accordance with legal standards and other OPM requirements. As a key requirement, OPM instructed agencies to use results of agency-led human capital evaluations to guide the development of future human capital plans and goals.

| Program: Merit System Compliance | | | Program Activity: Compliance | | | | | |
|---|---|---|---|---|---|---|---|---|
| Outcome: Federal agencies' human resources programs are efficient, effective, and compliant with Merit Systems Principles | | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Number of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards | 0 | 2 | 20 | 25 | | 25 | 25 | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

At the end of FY 2008, twenty-five President's Management Council (PMC) agencies had fully implemented internal systems to assess their compliance with merit system principles and related personnel laws and regulations. The original goal of the PMC was to have twenty-five agencies accomplish this target by 2010. However, this goal was achieved in FY 2007—well ahead of schedule.

## Related Accomplishments:

CMSA developed an Audit Engagement Tool to help CMSA staff categorize agencies' human capital accountability system as "very effective," "somewhat effective," or "ineffective." The triage approach helps CMSA target limited resources towards agencies that need the most help. By focusing our resources on the agencies with the weakest accountability systems, we are much more likely to uncover and remedy veterans' preference violations and other problems.

In FY 2008, CMSA developed a compliance database to capture essential data from oversight evaluations. This database was developed in response to a recommendation from OMB and enables CMSA to conduct Governmentwide trend analysis. Analyses of Governmentwide trends, places CMSA in a position to better determine root causes of systemic problems and create solutions, which will have a positive impact on agencies across government.

## HUMAN CAPITAL/STRATEGIC ALIGNMENT
### *FY 2008 Budgetary Resources: $13.4 million*

**Program Description:** Strategic alignment of human capital with agency mission is the foundational requirement for accomplishing the goal of an effective Federal workforce; The Human Resources Line of Business (HR LOB) provides the Federal Government HR community a model to deliver services and identifies the standards to modernize HR systems. This enables the transformation of the HR workforce from an administrative focus to a strategic management focus. Since April 2004, the HR LOB has assisted 24 agencies in defining its vision, goals, target architecture, and supporting business case. Delivery of HR services through Shared Service Centers (SSCs) drives standardization of HR business functions and processes. This allows Federal departments and agencies to manage HR more effectively as well as provide managers and executives across government improved means to meet strategic objectives.

| **Program:** Human Capital | | | | | | | |
|---|---|---|---|---|---|---|---|
| Program Activity: Strategic Alignment | | | | | | | |
| **Outcome:** Federal agencies' human capital systems are aligned with their Strategic Plans | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of agencies that meet all 4 requirements of an effective strategic alignment system | 42% | 65% | 88% | 92% | 57% | 92% | ✗ |

✔ Met ✗ Not Met

## FY 2008 Results:

The measure was not met. It was established to assess whether OPM is enabling agencies to achieve strategic alignment through their workforce analysis, planning and management. The four requirements look at 1) the implementation of documented human capital plans fully integrated with agency strategy and goals, 2) analysis of results relative to the plan and their use to drive continuous improvement, 3) analysis of existing organizational structures from service and cost perspectives, and 4) processes in place to address future changes in business needs. OPM began to use more stringent standards for approval of human capital plans and expected that change to cause fewer agencies to meet all four requirements.

In FY 2008, as part of OPM's push to full institutionalization of strategic human capital management, OPM created a more rigorous standard for agencies strategic alignment systems. Based on this higher standard for clear evidence of an ongoing institutionalization of aligned human capital systems, OPM reviewed agencies' new strategic human capital plans, workforce plans, operational plans and associated deliverables. Rather than loosen the target for this measure as a reflection of the more stringent standard, OPM preferred to continue to "raise the bar" for agency performance in their planning and alignment. Unfortunately fewer agencies met the higher standard for this critical foundation for effective human capital management.

OPM conducted interagency training and forums on workforce planning, introducing advanced models for this critical aspect of strategic planning. In addition, Human Capital Officers provided technical assistance and training to agencies in preparing their strategic human capital management plans.

The actual percentage of agencies that met all 4 requirements was extremely low—57 percent. In addition to more stringent standards being applied, several agencies, although showing progress, were unable to demonstrate results during this period of performance. OPM will continue to work with agencies in the areas of effective goal setting, workforce planning and measurement to ensure continued agency progress in these very important areas.

In FY 2009, OPM is intensifying its focus on this critical area. Through the End-to-End Hiring Initiative, OPM is creating new models and training materials on workforce planning. In addition, OPM is developing a business requirements document for data systems to support workforce and human capital planning. OPM will use the annual human capital management reporting mechanism to push agencies toward better practices in this area, and expect to see results improve as a result.

| **Program:** Human Capital | | | | | Program Activity: Strategic Alignment | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome:** Federal agencies' human capital systems are aligned with their Strategic Plans | | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Number of agencies migrated to Human Resource Lines of Business (HR LOB) Shared Service Centers (including the migration of additional human resources functions) | n/a | n/a | 5 | 4 | | 3 | 3 | ✔ |

✔ Met ✗ Not Met

## FY 2008 Results:

The Office of Personnel Management met its goal to migrate three agencies to HR LOB Shared Service Centers during FY 2008. The Veterans Benefits Administration migrated its payroll services to the Defense Finance and Accounting Service, the Office of Thrift Supervision migrated its payroll to the USDA's National Finance Service while their HR system migrated to the Department of the Treasury. Lastly, the Institute of Museum and Library Sciences migrated both their payroll and HR systems to DOI's National Business Center.

## Related Accomplishments:

During FY 2008, the HR LOB initiative met its goals in support of the President's Management Agenda. The HR LOB successfully worked with its 24 partner agencies to secure funding for the program and continued its work with the Chief Human Capital Officers Council (CHCOC)[17] HR LOB subcommittee on issues pertaining to the strategic management of human capital. The HR LOB added four private sector SSCs to its list of five public sector SSCs. In addition, HR LOB continued to develop and issue key documents for stakeholders:

- Published version 2.0 of the *Migration Planning Guidance* to assist agencies in preparing for and managing a migration of their human resources functions to an SSC

- Published the *Federal Case Studies* document which describes the practices and systems that have been put into place to improve the employee appraisal process as well as lay the foundation for improved performance management within each agency

- Developed version 2.0 of the *Technical Model*, which establishes a common view of technology and compiles a set of applicable government standards for each of the technology services identified as well as addressing the HR service components delivered to users via direct access channels

- Developed a *Separation Management Concept of Operations* to describe the functional requirements for off-boarding employees, proposed a process and technology model for delivering these services, and recommended an overall strategy for agencies to acquire the future solution

- Completed the *Payroll Benchmarking Study* which included payroll benchmark data for e-Payroll providers and provided an insight into current payroll operational performance

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[17] Additional information on the Chief Human Capital Officers Council can be found at http://www.chcoc.gov/.

- Launched the Integration Support Project which will provide an end-to-end view of common HR solutions and their interrelationships and compile available information and resources to help HR LOB SSCs and customer agencies effectively manage HR solutions

## FEDERAL INVESTIGATIVE SERVICES/BACKGROUND INVESTIGATIONS
### *FY 2008 Budgetary Resources: $455.4 million*

**Program Description:** The investigations program conducts background investigations on Federal applicant, employees, military members, and contractor personnel. The primary purpose of OPM's investigations program is to conduct high-quality, timely background investigations which will be used to determine an individual's suitability for Federal employment. The completed background investigations are also used by Federal agencies to determine an individual's eligibility for access to classified national security information. These investigations can also be used to determine whether to credential a particular individual to work in a Federal facility or have access to Federal information systems. They may also be used by the military services to determine whether to enlist an individual in the military.

| **Program:** Federal Investigative Services | | | | Program Activity: Background Investigations | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** Federal agencies receive high-quality, timely background investigation services to determine individuals' suitability for Federal civilian, military or Federal contract employment, and determine eligibility for access to classified national security information | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Average number of days within which 80 percent of initial security clearance investigations are closed | 556 | 213 | 116 | 67 | 54* | 90 | ✔ |

\* based on 80% of initial clearances completed during FY 2008.

✔ Met ✕ Not Met

## FY 2008 Results:

At the end of FY 2008, OPM was able to complete 80 percent of initial clearance investigations in an average of 54 days, exceeding the target of completing 80 percent in an average of 90 days. Completing 80 percent of initial clearance investigations in an average of 90 days is a key element in the Intelligence Reform and Terrorism Prevention Act of 2004 which mandated OPM to reduce the average time it took to conduct initial clearance background investigations. Tracking of this target officially began in December 2006.

As can be seen by the data, OPM has continued to improve timeliness for initial clearance investigations. In FY 2008, key upgrades in the information technology infrastructure of the investigations program contributed to the further improvement in timeliness. These upgrades included the implementation of scanning upon receipt of hardcopy results and providing Federal agencies with the option of receiving completed investigations via an electronic imaged format. This process allows OPM to deliver the completed investigative product to the participating agency faster and more efficiently. OPM has initiated a major planning effort to upgrade the investigations program's core IT system infrastructure in preparation for further mandated improvements in timeliness starting in FY 2010.

## Related Accomplishments:

The OPM investigations program had several major achievements during FY 2008. OPM continues to perform approximately 90 percent of all Federal background investigations and completed over 2.1 million investigations in FY 2008. OPM officially eliminated the backlog of pending cases in its inventory and now has the lowest inventory of pending cases in several years.

| | |
|---|---|
| **Strategic Objective E:** OPM will be a model of performance for other Federal agencies | **Budgetary Resources : $95.0 Million** |
| | **Full Time Equivalent Personnel: 482.7** |

OPM recognizes to successfully fulfill its mission and role as leader of Federal human policy and practices, it must lead by example. OPM's Management Services Division, Office of the Chief Financial Officer, and Executive Offices provide critical managerial and administrative control of OPM's internal operations to enable the programs to perform efficiently.

## INTERNAL MANAGEMENT
### *FY 2008 Budgetary Resources: Not Available at the Program Activity Level*

**Program Description:** OPM's Management Services Division, Center for Human Capital Management Services (CHCMS), provides a full range of human resource management services to OPM managers, supervisors and employees. One of the critical services provided by CHCMS is the timely filling of vacant positions to ensure the agency has the capacity needed to carry out its mission. In 2006, OPM established an operational goal calling for a decrease in hiring decision time frames to 45 days from the closing date of the job announcement to the date a job offer is made. The initial goal was set at 50 percent of hires and increased by 10 percent annually until reaching the target of 90 percent by 2010.

| **Program:** Internal Management | | | | Program Activity: Management Services | | | |
|---|---|---|---|---|---|---|---|
| **Outcome:** OPM's management services provide a model of performance for Federal agencies. | | | | | | | |
| **Performance Measure** | **FY 2004 Results** | **FY 2005 Results** | **FY 2006 Results** | **FY 2007 Results** | **FY 2008 Results** | **FY 2008 Target** | **Met/ Not Met** |
| Percent of internal OPM hires within the 45-day time frame, as described in OPM's hiring time frame model | 60% | 60% | 81% | 89% | 86% | 85% | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

During FY 2008, OPM successfully exceeded its goal under the 45-day hiring initiative by filling 86 percent of its positions within the required time frames with an average of 34 days per hire. The established goal for 2008 was set at 85 percent. While the overall rate declined slightly from the 2007 average, this was a particularly significant accomplishment because of the expanded focus on improving the entire end-to-end hiring process—from receipt of request for personnel action through the entry-on-duty of the selectee (versus the "back-end" focus of the 45-day model which counts the time from issuance of the candidate referral certificate to date of job offer). As a result of the expanded focus on the "front-end" of the process, OPM made significant improvements in the time it takes to issue vacancy announcements and candidate referral lists (which are not captured in the 45-day model). As reflected in the results, OPM senior leadership paid close

attention to the timelines established in the hiring process to ensure that hiring managers met or exceeded their allotted time to interview and make selections.

| Program: Internal Management | | | Program Activity: Financial Services | | | | | |
|---|---|---|---|---|---|---|---|---|
| Outcome: OPM's financial services and management provide a model of performance for Federal agencies. | | | | | | | | |
| Performance Measure | FY 2004 Results | FY 2005 Results | FY 2006 Results | FY 2007 Results | | FY 2008 Results | FY 2008 Target | Met/ Not Met |
| Percent of payments within Prompt Pay Act guidelines | 99.0% | 99.9% | 99.9% | 99.9% | | 99.9% | 98% | ✔ |

✔ Met ✕ Not Met

## FY 2008 Results:

OPM exceeded the FY 2008 performance target by nearly two percent. The Prompt Payment Act (Public Law 100-496) requires Federal agencies to pay vendors transacting business with them in a timely manner. With certain exceptions, the Act requires agencies to make payments within 30 days of the later: 1) receipt of properly prepared invoices, or 2) the receipt of goods or services.

An agency's performance under the Act for any given period is measured by the percentage of payments paid with the specified time frames out of all payments subject to the Act's provisions. The use of automated data feeds aides us in our ability to not only meet, but exceed this measure. The automated system reduces the time it would take to make similar payments using a manual process. Based on requests from Federal agencies, OPM processes several hundred thousand transactions per month for a variety of personnel background investigations that require payments to contractors.

| Strategic Objective F: OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government. | Budgetary Resources : $5.2 Million |
|---|---|
| | Full Time Equivalent Personnel: 32 |

OPM recognizes the benefits of leveraging partnerships and maintaining a leadership role in the HR community to fulfill its mission. Human resource professionals both inside and outside the Federal Government look to OPM for leadership and guidance as the central human resources policy agent for the Federal Government. Human resources professional organizations provide OPM an opportunity to share best practices and innovative approaches to meeting 21st century human resource challenges affecting not only the Federal—but the entire workforce.

| **Strategic Objective G:** OPM will have constructive and productive relationships with external stakeholders | **Budgetary Resources : $2.8 Million** |
| --- | --- |
| | **Full Time Equivalent Personnel: 24.1** |

OPM's programs designed to fulfill its mission of ensuring that the Federal Government has an effective civilian workforce involve high-profile issues impacting external stakeholders. These include the Congress, veterans, Federal employee unions, and employee advocacy groups. OPM works closely with stakeholders to develop, implement, and maintain effective communications about its programs and policies.

# Program Evaluations Completed During FY 2008

OPM continues to make progress in developing an independent research and evaluation capability to assess and evaluate agency programs and initiatives. By using objective measurement and systematic analysis, independent program evaluations determine the extent programs achieve their intended objectives. OPM revisits, annually, planned research and evaluation proposals in the Congressional Budget Justification. This allows the Director to determine research priorities for the agency. Evaluations play an integral role in the delivery and management of OPM programs and are an invaluable budget performance integration tool.

## *Current Independent Evaluations*

Begun in FY 2007 and completed in FY 2008 OPM concentrated independent evaluation efforts on two programs: Merit Systems Compliance and Human Capital.

## *Independent Evaluation of Merit Systems Compliance Program*

The purpose of the evaluation was to determine if the merit system compliance program meets the statutory intent, desired outcomes, and expectations of program participants, legislators, and program officials. The Center for Organizational Excellence (COE) performed an objective, third party evaluation to determine if the merit system accountability program meets the statutory intent, desired outcomes, and expectations of program participants, legislators, and program officials.

To conduct the program evaluation, COE interviewed a variety of stakeholders and analyzed current program objectives, outcomes, measures, strategic goals, and audit procedures. COE's evaluation took into consideration OMB's 2005 Program Assessment Rating Tool (PART). The final evaluation report prepared by COE is entitled *Independent Evaluation of the Merit System Accountability Program.*

The independent evaluation found that Merit Systems Compliance program meets its statutory responsibilities through its Human Capital Management Evaluations and Delegated Examining Unit audit activities. Overall, the review of Merit Systems Compliance program processes and procedures indicates that the health of the Federal merit system is strong, and an active and effective human capital audit process contributes significantly to this strength. The audit approach used helped identify and decrease violations by informing agencies of required or recommended actions they should take to improve their functioning. The goals of the audit process are clearly stated, and they are unanimously agreed upon by key OPM stakeholders, auditors, and agency human resources officials. These major goals include, but are not limited to, ensuring human capital accountability, compliance with merit system principles, and the prevention of prohibited personnel practices.

The merit systems compliance program has made recent programmatic improvements that not only increase their audit effectiveness and efficiency but also ensure consistent reporting of violations. Nonetheless, while OPM has made great strides in recent years, this report identified additional areas where OPM can become more effective and efficient to strengthen its important leadership role in ensuring the overall health of the Federal merit system. Specifically, COE identified six key areas where program modification would benefit the health of the Federal merit system: (1) the audit report, (2) the audit schedule, (3) program consistency, (4) information sharing, (5) audit procedures, and (6) success measurement.

## The Independent Evaluation of the Office of Personnel Management's Human Capital Program

The purpose of the evaluation was to determine the impact of OPM's human capital program on Governmentwide human capital management (HCM) using a rigorous methodology developed in accordance with the requirements of OMB's PART. The evaluation was conducted by Industrial/Organizational psychologists and statisticians employed by the Human Resources Research Organization (HumRRO) located in Alexandria, Virginia.

The evaluation was carried out in three major phases. In Phase I, HumRRO developed an exhaustive literature review on methods for evaluating HCM systems. HumRRO also provided a detailed description of how the HC Program is structured to deliver products and services, such as policy, guidelines, and technical assistance, to Federal agencies and other stakeholders.

In Phase II, OPM used the information on the structure and purpose of the program, the literature review on how HCM is generally evaluated, available data, and government guidelines on conducting rigorous program evaluations to develop a methodology to meet the HC Program's evaluation needs. Using all of this information, OPM specified a program logic model to articulate the underlying assumptions about ho w the Program's products and services were expected to influence HCM practices in Federal Government agencies and result in improvements in the Federal workforce's effectiveness and efficiency. This model then became the foundation for a path model that became the basis for the analysis plan.

In Phase III, the evaluation methodology was developed and implemented which included comparing agencies on differences in their use of the Program's products and services, implementation of HCM initiatives, and other agency differences that may have influenced outcomes. The methodology was based on a predictive research design using longitudinal analysis and examination of lagged effects of the Program's product and services on short term, and long term agency HCM outcomes. In addition, data was collected from more than one respondent per agency (questionnaires) and multiple sources of independent and dependent variable data was used whenever possible (significant improvement on past HCM evaluation studies).

The evaluation found that OPM HC program has had a positive impact on the strategic human capital management outcomes across the Federal Government. Specifically, Federal agencies that used OPM HC Program products and services to a greater degree tended to have better results on the Executive Human Capital Scorecard, and more employees expressing satisfaction on various aspects of work life on the Federal Human Capital Survey (FHCS). And, Agencies that did better on the FHCS tended to have better organizational performance results on the PAR and PART (statistical relationship impacted by type of weighting used and whether DOD components were included in the sample).

Based upon the evaluation, the human capital program will continue to "market" the program products and services to agencies, especially new products as the more products/services agencies were familiar with, the higher they rated the program's impact; get agencies' input and provide information they can use to develop the business case for HCM's importance; and publicize the HC Program's positive impact.

## ON-GOING INDEPENDENT EVALUATIONS

### Literature Reviews

Since 2003, through the PART process, OPM has defined and assessed nine programs to accomplish its mission—to ensure that the Federal Government has an effective civilian workforce. These programs are: Human Capital, Compliance (Merit System Accountability), Federal Civilian Retirement, Federal Employees Health Benefits, Federal Employees' Group Life Insurance, Federal Investigative Services, Talent Services, Leadership Capacity Services, and OIG FEHB Integrity.

OPM has laid the ground-work for program evaluations that will focus on assessing program outcomes and will incorporate research methods sufficiently rigorous, comprehensive, unbiased and independent. Recent OPM program evaluations have been effective literature reviews and management effectiveness evaluations. OPM has built on the following recent evaluations: Employee Benefits Plans (Hewitt, 2005) FEHB, FEGLI, Retirement; Human Capital Management Systems (HumRRO, 2006–2007); and Merit System Accountability (Center for Organizational Excellence, 2007–2008). These literature reviews in combination with the Merit Systems Compliance program independent evaluation conducted this year lay the framework for conducting rigorous independent evaluations across a comprehensive set of OPM programs.

### Evaluation Methodology

Building on the previous independent evaluations efforts, OPM recently began a study to tie together the various literature reviews and evaluations into a single OPM program evaluation structure. These literature reviews in combination with the Merit Systems Compliance and Human Capital Program independent evaluation conducted this year lay the framework for conducting rigorous independent evaluations across a comprehensive set of OPM programs.

The OPM Center for Budget and Performance recently initiated a study to design a rigorous independent evaluation methodology and approach for OPM's programs in accordance with the requirements of OMB's Program Assessment Rating Tool (PART). OMB's independent evaluation requirement is an opportunity to improve the process where the activities are analyzed, evaluated and refined to "support program improvements and evaluate effectiveness and relevance to the problem, interest, or need" met by program activities. The goal of the study is to recommend the program evaluation methodologies that will meet OMB PART requirements. Major study tasks are:

• Consolidate previous literature reviews and fill the gaps in program literature reviews too date (Center for Talent Services, Center for Leadership Capacity, and Federal Personnel Background Investigation Services), particularly in relation to methodologies of rigorous evaluation systems

• Assess existing OPM independent evaluation efforts and analyze the degree to which they effectively assess program impact for the entire scope of OPM programs

- Re-think how OPM programs are structured and determine an approach to conduct rigorous and regular independent program evaluations
- Develop a rigorous, comprehensive program evaluation schedule

# The Completeness and Reliability of Performance Data

The performance information used by OPM in this Annual Performance Report for FY 2008 is reasonably complete and reliable, as defined by the Government Performance and Results Act. Since all data are imperfect in some fashion, pursuing perfection in agency performance data may consume substantial public resources without achieving appreciable value. OPM has chosen an approach to data collection and analysis that provides sufficient accuracy and timeliness to be useful to program managers and policy makers within reasonable cost constraints.

## Completeness of Data

Most data in this report are produced in an annual cycle tied to the fiscal year, often with quarterly updates which make it easier to track progress during the year. All performance data are representative of the entire fiscal year for which it is reported. If there are instances where full and complete data for a measure is not available until after OPM publishes its APR, these instances are noted and final data will be updated in the following year's APR.

## Reliability of Data

OPM performance data are generally reliable and are used regularly by OPM program managers to make both strategic and operational decisions. However, in any given year, some of these data elements are influenced by multiple factors over which OPM has little control. For example, the findings of merit systems evaluations of agency human capital practices may vary substantially from one year to the next, depending on which agencies are targeted for evaluation in each cycle. A single year's results accurately report what was uncovered in that year, but multi-year trends may be more reflective of the mix of agencies examined each year than of changes in practices across the Federal Government.

Assessing and eliminating sources of errors in data collection systems continues to be an important task for program managers. As a part of this ongoing task, program managers use quality control techniques to identify where errors can be introduced into the collection system. They use automated edit checks to minimize data entry errors and follow-up with reasonableness checks before the data are entered in the Annual Performance Report. These include verification of data collection techniques and coding, response and non-response rates, and computation of margins of error. OPM has established a three-tiered approach to ensure the completeness and reliability of performance information. Data quality standards are established by the agency's Office of the Chief Financial Officer; data sources, collection and reporting procedures are documented by program managers (see Appendix A); and this documentation is reviewed by the Office of the Chief Financial Officer and is available for testing. Collectively, these tools verify that the data presented in this document are complete and reliable, and accurately reflect actual performance during FY 2008.

# Data Sources of OPM Performance Measures

| Performance Measures | Definition | Data Source |
|---|---|---|
| Percent of agencies with effective performance management systems: Senior Executive Service (SES). | This measure is calculated taking the number of applicant systems certified and dividing it by the total number of applicant systems. Agencies that are fully certified receive certification for two years. These agencies are counted in each of the two years for which they are fully certified. | OPM's SES appraisal system certification team. |
| Percent of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Assessment Accountability Tool (PAAT). | OPM uses the 100-point PAAT scale to assess how well a performance appraisal system performs in 11 areas. In order to calculate this measure, the number of systems scoring 80 and above is divided by the total number of scores. | OPM's PAAT database, which contains PAAT information for all agency appraisal programs Government-wide for which a PAAT has been conducted. |
| Percent of initial retirement claims processed within 30 days. | The number of calendar days a CSRS retirement application is received at OPM and the date the full annuity payment is authorized and tracked. The measure is calculated using the number of initial retirement claims finalized within 30 days or less divided by the total number made final for the period. | ARPS & DCCS data |
| Average unit cost for processing retirement claims. | The average direct cost per claim for all retirement and survivor annuity claims processed. | Derived from Employee Time and Attendance Management System (ETAMS). |
| Percent of customers satisfied with overall retirement services. | The number of annuitants (retirees and survivor annuitants) generally or very satisfied with retirement program services divided by the total number of respondents. | CRIS Customer Satisfaction Survey. |

| Frequency | Data Verification | Measure Validation |
|---|---|---|
| Data is collected as certification decisions are made. | OMB review and concurrence. | Certification allows agencies to pay SES staff above EXEC III pay levels. A high-performing workforce requires performance management systems that effectively plan, monitor, develop, rate and reward performance at all organizational levels. OPM accomplishes this outcome by helping agencies institute leadership performance appraisal systems that effectively link to agency mission, goals and outcomes; hold leaders accountable for results appropriate for their level of responsibility; differentiate between levels of performance; provide consequences based on performance; and adhere to merit system principles (e.g., 5 U.S.C. 2301 (b)(6)). |
| Upon request; database is maintained with current information. | Panelists from HCLMSA and SHRP verify the PAAT scores. | To assure an effective Federal workforce, OPM is helping agencies institute performance appraisal systems that effectively plan, monitor, develop, rate, and reward performance in accordance with 5 U.S.C. 4301 and 5 CFR 430, 432, 5321, and 1330. |
| Weekly | Data collection and reporting procedures are verified, and data is tested to assess its accuracy. These tests include comparing data for a given fiscal year to similar data collected for previous years and researching any anomalies that are observed, and comparing data with similar information collected from other sources. Quality and management-control devices are built into these data collection mechanisms to ensure accuracy and reliability. | The Federal civilian retirement program is designed to meet two purposes. The first is to provide Federal employees options and tools for their retirement planning to secure their and their families' financial futures. The second is to serve as an important component of employee compensation. Thus it helps support Federal recruitment and retention efforts. |
| Bi-weekly | Data collection and reporting procedures are verified, and data is tested to assess its accuracy. These tests include comparing data for a given fiscal year to similar data collected for previous years and researching any anomalies that are observed, and comparing data with similar information collected from other sources. Quality and management-control devices are built into these data collection mechanisms to ensure accuracy and reliability. | Processing claims at a lower unit cost provides a better value to the American taxpayer. |
| Annually | Raosoft Survey tabulation and analysis and data tracking system. | |

| Performance Measures | Definition | Data Source |
|---|---|---|
| Health benefits claims processing timeliness (percent processed within 30 working days). | Number of claims adjudicated (denied, paid or request for additional info) within 30 working days divided by total number of claims for the period. | Quality assurance reviews and Reports filed by the HB Carriers. |
| Federal Employee Health Benefit Program (FEHBP) overall enrollee satisfaction scores versus health care industry standard (percent). | The number of FEHB customers generally or very satisfied with FEHB program services divided by the total number of respondents, compared to same data reported for the larger health care industry. | Consumers Assessment of HealthCare Providers and Systems (CAHPS). |
| Federal Employee Group Life Insurance (FEGLI) paid claims timeliness (days). | The average number of days from receipt of claim until payment is made for all claims paid during the period. | OFEGLI Average Claim Processing Report |
| Percent of Federal Long-term Care Insurance Program customers satisfied with overall customer service. | The percentage of FLTCIP customers generally or very satisfied with FEGLI program services. | Long Term Care Partners Report |
| Number of GoLearn courses completed annually (all Learning Management Systems). | The number of completed GoLearn courses on all Learning Management Systems. | GoLearn Learning Management System sites maintain data records of all course completions. This data is extracted and maintained in an Access database, where the indicator can be derived. |
| Overall customer satisfaction with Center for Leadership Capacity delivered training. | Students complete course evaluations at the end of training to rate their overall learning experience. This metric is the overall score for the evaluation based on a 5-point scale. It includes food and lodging, customer service, logistics, course content, instructor, before and after knowledge, etc. | Combination of paper and online evaluation tools. During FY 2007, CLCS piloted and implemented a new online evaluation tool (Metrics that Matter) developed by Knowledge Advisors. |
| Percentage increase in perceived learning of Center for Leadership Capacity students. | The measure reflects self-assessments by participants using a survey before and after the training to evaluate how much they have learned from CLCS training. The intent of the measure is to evaluate more than simply participant satisfaction (Kirkpatrick Level 1). The measure assesses the extent to which students perceive an advance in skills, knowledge, or attitude. Using the Kirkpatrick Evaluation Model described above, this measure evaluates the participant's perception percentage (%) change in learning (knowledge resulting from completion of training minus the knowledge possessed prior to attending training divided by the knowledge held before taking the course) on a five point scale. | Combination of paper and online evaluation tools. During FY 2007, CLCS piloted and implemented a new online evaluation tool (Metrics that Matter) developed by Knowledge Advisors. |

| Frequency | Data Verification | Measure Validation |
|---|---|---|
| Annually | Reviews/Audits | The purpose of the FEHB Program is to provide Federal employees, retirees and their families with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs. Quickly processing claims aids in recruitment and retention. |
| Annually | Independent HB Certifying Agency (NCQA) | High customer satisfaction with the government's health benefits programs aids in recruitment and retention, and is an indication of how well the program is functioning. |
| Quarterly | Independent Audits of MetLife | FEGLI |
| Monthly | Independent Audits of Long Term Care Partners | |
| Monthly | Queries are run on the data extract files that validate the number of distinct users and the courses they have taken against the number of records submitted. This validates that there are no duplications for the agencies. | The number of courses completed by registered users indicates the extent in which eTraining is being used. An increase in the number of courses taken by registered users indicates an increased return on an agency's investment in a Learning Management System, and wider acceptance among workers of this form of training. |
| Monthly | Data resides with and is verified by Knowledge Advisors. | While there is no strong correlation satisfied course participants increase their competencies, there is empirical evidence showing that dissatisfied participants do not learn as much. Higher customer satisfaction will also drive increased repeat customers. |
| Monthly | Data resides with and is verified by Knowledge Advisors. | The higher the knowledge transfer to Federal employees in each course, the greater the increase in worker skills and the better value for training dollar spent. |

| Performance Measures | Definition | Data Source |
|---|---|---|
| Number of 26 PMA agencies that meet their annual targets for closing leadership competency gaps. | Number of agencies meeting their annual targets divided by the total number of agencies that set targets. The "yes" or "no" agency rating on this metric is based on a comparison of targets for closing leadership competency gaps (set at the beginning of the year) and evidence that these gaps have been completely closed at the end of the year. Agencies set targets based on their strategic needs; targets will differ by agency and over time. | The following are data sources for this performance measure:<br><br>• Annual Human Capital Management Report—the report includes specific metrics relating to closing leadership competency gaps and outlines specific results relating to leadership gap closure.<br><br>• Human Capital Executive Scorecard—the scorecard includes a checkmark linked to the measure.<br><br>• Quarterly Internal Scoring Reviews—information is provided on the progress of agencies in closing their leadership competency gaps and meeting leadership bench strength targets. |
| Percent of 26 large agency leadership development program graduates placed into positions of higher responsibility. | The number of leadership development program graduates who have attained positions of higher responsibility divided by the total number of graduates. | The source for this data is a set of reports that agencies provide to OPM. This data is maintained in an OPM administered database. |
| Number of 26 PMA agencies that meet their annual targets for closing mission-critical occupation/competency gaps. | Number of agencies that meet their annual targets for closing mission-critical occupation/competency gaps. | The following are data sources for this performance measure:<br><br>• Annual Human Capital Management Report—the report provides an assessment of the performance of an agency's human capital program and activities. The report includes specific metrics relating to closing mission critical occupation/competency gaps and outlines specific results relating to gap closure.<br><br>• Human Capital Executive Scorecard—the scorecard includes a checkmark linked to the measure.<br><br>• Quarterly Internal Scoring Reviews—internal reviews designed to assess the progress of agencies in meeting the Human Capital Standards for Success. Information is provided on the progress of agencies in closing their competency/occupational gaps. |

| Frequency | Data Verification | Measure Validation |
|---|---|---|
| Annually (HCM report) and quarterly (scoring) | The information is verified through the Annual Human Capital Management Report and during Quarterly Internal Scoring Reviews. | |
| Annually | The information is verified during Quarterly Internal Scoring Reviews, as part of OPM's verification that agencies are meeting milestones in their Strategic Leadership Succession Management Plans. | This measure assesses the outcome of the leadership development programs. OPM's definition of "leadership talent pool" is the pipeline of potential leaders who are being developed to take leadership positions as they become vacant. This marks an evolution from simply assuring that agencies put leadership development programs in place (previous measure) to tracking programs' effectiveness in creating leaders capable of taking on positions of higher responsibility. |
| Annually (HCM report) and quarterly (scoring) | The Annual Human Capital Management Report (formerly Annual Human Capital Accountability Report) is assessed by OPM Experts in the field of strategic human capital management and evaluation. Initially, Human Capital Officers, Auditors, and Program Managers independently evaluate the reports. Afterwards, these individuals meet to discuss the accuracy of the information reported based on routine audits, agency interactions, previously received deliverables, and the results of quarterly internal scoring reviews. In addition, the individuals discuss the strengths, improvements needed, and potential risks determined through their assessment of the report. The results of the discussions are documented and provided to the leadership team for further scrutiny. Feedback is then provided to the agency, allowing the agency the chance to clarify information or supplement what was provided. | Competency gaps are the differences between required and existing competencies. OPM helps agencies close gaps in competencies necessary to effectively perform mission-critical work, in accordance with 5 U.S.C. 1304. Closure of mission critical competency gaps is the "bottom line" indicator as to whether talent systems have been effectively used to supply human capital necessary to achieve an agency's mission. |

| Performance Measures | Definition | Data Source |
|---|---|---|
| Percent of hires in each Federal agency hired within the 45-day time frame, as described in OPM's hiring time frame model. | Number of individuals hired in each agency within the 45-day time frame divided by the total number of hires. | Quarterly Hiring Timeline Chart—a chart that captures information related to the timeliness of agency GS and SES hires. It also captures information on the use of hiring flexibilities. |
| Overall customer satisfaction with Center for Talent Services' (CTS) products and services (ACSI Equivalent Index). | A composite score is calculated using a 10-point scale for Items 14-16 on the CSS which ask the following three questions:<br><br>14) Please consider all your experiences to date with OPM/CTS products and services. How satisfied are you with these products and services?<br><br>15) Considering all of your expectations, to what extent have OPM/CTS's products and services fallen short of or exceeded your expectations?<br><br>16) Imagine the ideal organization that provides HR products and services. How well would OPM/CTS compare with that ideal organization?<br><br>The composite score is the ACSI equivalent. | The results are based on the CTS Customer Satisfaction Survey (CSS), which is administered by all CTS business lines as projects are completed. OPM's Customer Satisfaction Survey, on which the CTS CSS is based, was benchmarked by GAO in 1999 as a valid GPRA measure and assesses service quality on nine dimensions (General Accounting Office. July 1999. Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information. GAO/GGD-99-1309). The development of this research-based survey instrument was also described in Human Resource Management (Brigitte W. Schay et al. "Using Standard Outcome Measures in the Federal Government," Fall 2002, Volume 41, Number 3). |
| Percent of customers agreeing that CTS products and services contribute to Government effectiveness. | The percentage of positive responses (percent "yes" excluding don't know) are reported for Item #13a of the CSS:<br><br>"Have our services contributed to your organization's effectiveness (yes, no, don't know)?" | The results are based on the CTS Customer Satisfaction Survey (CSS), which is administered by all CTS business lines as projects are completed. OPM's Customer Satisfaction Survey, on which the CTS CSS is based, was benchmarked by GAO in 1999 as a valid GPRA measure and assesses service quality on nine dimensions (General Accounting Office. July 1999. Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information. GAO/GGD-99-1309). The development of this research-based survey instrument was also described in Human Resource Management (Brigitte W. Schay et al. "Using Standard Outcome Measures in the Federal Government," Fall 2002, Volume 41, Number 3). |

| Frequency | Data Verification | Measure Validation |
|---|---|---|
| Quarterly | The efficiency of an agency's hiring process is assessed through our auditing function and the Annual Human Capital Management Report and during Quarterly Internal Scoring Reviews. | OPM helps agencies create effective workforces by recruiting top talent. It has been shown longer hiring time frames impede top talent from joining Federal service, as many will accept other job offers. In 2003, GAO reported that the average time to complete all steps in the competitive hiring process averaged 102 days, or about 3.4 months. In a 2004 survey of new hires, the MSPB found less than half of new hires who experienced a hiring window of three months or longer thought this amount of time was reasonable. |
| Semi-annually | Once the survey results are entered into the annual database, random checks are performed to compare the electronic data to the data from the original forms received. The CTS survey analyst and GPRA coordinator also compare the total number of surveys (faxed and e-mailed) received and forwarded to ensure it is the same number. | The equivalent of the American Customer Satisfaction Index (ACSI) can be used for comparisons with Federal Government and private industry. The ACSI is used to show whether CTS is meeting customer expectations and providing good value. Experience has proven increased customer satisfaction leads to increased repeat business. It also indicates CTS is providing effective HR solutions. |
| Semi-annually | Once the survey results are entered into the annual database, random checks are performed to compare the electronic data to the data from the original forms received. The CTS survey analyst and GPRA coordinator also compare the total number of surveys (faxed and e-mailed) received and forwarded to ensure it is the same number. | If CTS customers agree that CTS products and services increase organizational effectiveness, agencies are more likely to become high-performing. |

| Performance Measures | Definition | Data Source |
| --- | --- | --- |
| Percent of Chief Human Capital Officer (CHCO) agencies using the USAJOBS resume format and integrating online applications with their assessment systems. | Number of CHCO agencies using the USAJOBS resume format and integrating online applications with their assessment systems divided by the total number of CHCO agencies. | The USAJOBS® system |
| Percent of Chief Human Capital Officer agencies using USAJOBS position announcement template. | Number of CHCO agencies using USAJOBS position announcement template divided by the total number of CHCO agencies. | The USAJOBS® system |
| Percent of agencies with violations of veterans' preference laws, rules, and regulations. | The number of agencies with violations of veterans' preference laws, rules, and regulations divided by the total number of agencies monitored. | Part of OPM's statutory oversight responsibility includes conducting audits of agency personnel operations and delegated examining units (DEUs). OPM audits agencies to determine if veterans' preference is given to persons who are entitled as well as to ensure no improper appointments occur. The Agency records violations and maintains this data. |
| Number of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards. | Number of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards divided by the total number of agencies required to have systems. Each President's Management Agenda (PMA) agency has an OPM approved accountability system. | The source for this is information is OPM's internal review panel. The approval process for agency systems is rigorous and requires significant fact finding, data gathering, and analysis. The results are presented to an internal OPM review panel as an evidence file. The panel uses this data to ensure agencies' systems fully meet OPM standards. |

| Frequency | Data Verification | Measure Validation |
|---|---|---|
| Monthly | Reoccurring reports are processed and reported monthly. | USAJOBS® is the Federal Government's cost effective job clearinghouse where citizens can go on-line at one site and apply for a Federal job. The purpose of this site is to make the Federal hiring process more efficient and effective. The improved integration of agency acquired assessment systems to USAJOBS® improves the application experience for Federal jobseekers. |
| Monthly | | |
| Quarterly | HCLMSA FSG Managers will certify the accuracy and validity of violations cited in 'feeder reports' and in reports of agency/installation audits their field group conducts. The Compliance Manager will annually report on the internal control processes and certify as to the accuracy of this process to identify and report violations found during OPM audits to the CMSA DAD. Further reporting may be to higher levels of HCLMSA, OPM, and/or to OMB. | This measure for the agency HRM audit activity assesses PMC and small agency compliance with veteran's preference laws. OPM asserts that agencies that administer veterans' preference correctly have fewer total violations of civil service laws, rules and regulations, making veterans' preference violations a leading indicator for overall compliance. OPM is gathering data to support this hypothesis. Unlike other laws, rules and regulations governing Federal human resource management, veterans' preference requirements apply to all executive agencies, including those not covered by Title 5 or that operate alternative personnel systems. Violating veterans' preference requirements is a serious violation and can constitute a prohibited personnel practice punishable by adverse action, debarment from Federal service, and/or civil penalty. |
| Quarterly | On an ongoing basis, HCOs and CMSA staff (specifically Lead Auditors) work together to verify the accountability results reported on the annual HCMR and the scorecard, and develop deliverables to address system improvement action or facilitate agency corrective action. Quarterly assessments are used to determine OPM's level of participation in agency accountability activities, and data contained in the report is verified by Field Service Group management prior to submission. | This measure addresses OPM's goal of building strong agency accountability systems that can serve as the first level of compliance. OPM has developed self-accountability standards to improve oversight at the 26 President's Management Council agencies, representing 93% of the Federal workforce. Both MSPB and GAO agree that OPM must continue to promote agency self-monitoring programs in recognition of the growing decentralization of the Federal Government's personnel system. These systems are also required by 5 CFR Part 10 Rule 10 and must be assessed with standards developed by OPM to execute the requirements of the CHCO Act of 2002 (5 U.S.C. 1103(c)). |

| Performance Measures | Definition | Data Source |
| --- | --- | --- |
| Percent of agencies that meet all 4 requirements of an effective strategic alignment system. | Number of agencies meeting all 4 requirements divided by total number of agencies reporting. | The following are data sources for this performance measure:<br><br>• Human Capital Executive Scorecard—the scorecard includes four checkmarks linked to the four requirements of the measure.<br><br>• Annual Human Capital Management Report—the report provides information on the alignment of agency human capital programs and activities with the agency's mission and strategic objective. |
| Number of agencies migrated to Human Resource Lines of Business (HRLOB) Shared Service Centers (including the migration of additional human resources functions). | Number of agencies migrated to HR LOB Shared Service Centers. Migration is defined as the transition of an agency's HR services (e.g., processing forms, personnel actions, payroll transactions, etc.) to a Shared Service Center (SSC). Agencies transitioning additional HR functions and services to an SSC will be counted as a migration. | Data comes from Federal agencies. It is usually an Interagency Agreement or Memorandum of Understanding between the shared service center and the agency. It can also be a letter of intent to migrate or intent to change providers. |
| Average number of days within which 80 percent of initial security clearances are closed. | The average number of days from receipt to delivery of a completed background investigation to the customer. This metric only captures the first 80 percent of cases received and closed during the period. It does not include cases, which were not received during this time frame. | Personnel Investigations Processing System (PIPS) database report "National Intelligence Directive (NID) Closing Timeliness Performance." The report shows percent of NID cases closed and average timeliness for those cases closed for a specified time frame. |
| Percent of OPM internal hires within 45-day time frame, as described in OPM's hiring time frame model. | Number of hires within the 45-day model divided by the total number of hires. | Internal EXCEL data base used as a tracking system for all competitive staffing actions. This is an interactive system used by all staff in the Talent Services Group and CHCMS Boyers Team to track the end to end hiring process and also the 45 day model timelines. It allows CHCMS to provide accurate up-to-date status of each recruit action at any given time and also to track individual organizational and HR specialist performance. |
| Percent of payments within Prompt Pay Act guidelines. | The number of payments made within prompt payment guidelines divided by the total number of payments. | Monthly prompt pay reports from OPM's financial management system. |

| Frequency | Data Verification | Measure Validation |
|-----------|-------------------|--------------------|
| Quarterly and annually, respectively | Review of Strategic Human Capital and Workforce Plans using established criteria contained in the Proud to Be Scoring Guidance document. A Strategic Alignment Tool developed by HCLMSA's Program Management Team supports HCO and Program Manager analysis and verification that the strategic human capital plans meet the criteria. The information is verified through the Annual Human Capital Management Report and during Quarterly Internal Scoring Reviews. | Strategic alignment of human capital with agency mission is the foundational requirement for accomplishing the goal of an effective Federal workforce (5 U.S.C. 2301(b)(5)). This measure assesses whether OPM is enabling agencies to achieve strategic alignment through their workforce analysis, planning, and management. Regulation 5 CFR 205.203 establishes requirements for an agency to annually submit a Strategic Human Capital Plan to OPM, and this requirement is congruent with planning and reporting requirements in OMB Circular A-11 and 31 U.S.C. |
| Data is collected as agencies commit to migrating to a shared service center. | Interagency Agreements or Memoranda of Understanding are signed by the relevant agency and shared service center. | It is expected that the further expansion of agency access to SSCs' efficient, standardized information processing systems will result in efficient and effective human capital management functions throughout the government. |
| Quarterly | This report was developed specifically to track this measure and was tested extensively for accuracy at that time. Data is transcribed directly from this report and is not manipulated in any way. | This measure is mandated by statute and reflects FISD's ability to deliver its initial clearance investigations in a timely manner. It is a key objective in OPM's Strategic Plan 2006-2010. For agencies to meet their human capital needs, particularly in sensitive positions, OPM must provide timely background investigations so that agencies can make timely adjudication decisions and permanently fill critical positions. Initial clearance investigations were cited by agencies as being especially important in this process, and therefore deserving of its own measure. |
| Quarterly | Data is verified by the Talent Services Group Manager, team leaders and individual human resource specialists. | OPM has as one of its strategic goals to be a model of performance for other Federal agencies. This measure gives one indication the degree to which it is meeting this goal. |
| Monthly | Internal records are used to verify the prompt payment reports. | The Prompt Pay Act requires Federal agencies to meet specific guidelines with regard to paying accounts payable. OPM monitors its payment timeliness to comply with this Act as well as to increase the satisfaction of its suppliers and contractors. |

# Acronyms

| | | | | |
|---|---|---|---|---|
| ACSI | American Customer Satisfaction Index | | HCAAF | Human Capital Assessment and Accountability Framework |
| APR | Annual Performance Report | | HCLMSA | Human Capital Leadership & Merit System Accountability |
| CQTT | Automated Cost/Quality Tracking Tool | | HCM | Human Capital Management |
| CHCMS | Center for Human Capital Management Services | | HCMR | Human Capital Management Report |
| CMSA | Center for Merit System Accountability | | HR | Human Resources |
| COE | Center for Organizational Excellence | | HCMR | Human Capital Management Report |
| CTS | Center for Talent Services | | HR LOB | Human Resources Line of Business |
| CHCO | Chief Human Capital Officers | | HRPS | Human Resources Products and Services Division |
| CHCOC | Chief Human Capital Officers Council | | HumRRO | Human Resources Research Organization |
| CSRS | Civil Service Retirement System | | IPA | Independent Public Accounting |
| CSM | Commercial Services Management | | IRTPA | Intelligence Reform and Terrorism Prevention Act |
| CBIS | Consolidated Business Information System | | KSA | Knowledge, Skills, and Abilities |
| COOP | Continuity of Operations Plans | | LEAD | Leadership Education and Development |
| DEU | Delegated Examining Unit | | LCMS | Learning Content Management Systems |
| EHRI | Enterprise Human Resources Integration | | LMS | Learning Management Systems |
| FCAT | Federal Competency Assessment Tool | | MSD | Management Services Division |
| FEMA | Federal Emergency Management Agency | | MPG | Migration Planning Guidance |
| FEDVIP | Federal Employees Dental and Vision Insurance Program | | MCO | Mission-critical Occupancy |
| | | | MEO | Most Efficient Organizations |
| FEGLI | Federal Employees' Group Life Insurance | | OCPL | Office of Communications and Public Liaison |
| FEHBP | Federal Employees Health Benefits Program | | OMB | Office of Management and Budget |
| FERS | Federal Employees Retirement System | | OPM | Office of Personnel Management |
| | | | OCFO | Office of the Chief Financial Officer |
| FEB | Federal Executive Board | | OPF | Official Personnel Folders |
| FSAFEDS | Federal Flexible Spending Account Program | | PAAT | Performance Appraisal Assessment Tool |
| FHCS | Federal Human Capital Survey | | PIO | Performance Improvement Officer |
| FISD | Federal Investigative Services Division | | PMA | President's Management Agenda |
| | | | PMC | President's Management Council |
| FLTCIP | Federal Long Term Care Insurance Program | | PART | Program Assessment Rating Tool |
| | | | RSP | Retirement Services Program |
| FY | Fiscal Year | | SES | Senior Executive Service |
| HIPAA | Health Insurance Portability and Accountability Act | | SSC | Shared Service Centers |
| | | | STA | Specialized Technical Area |
| HIT | Heath Information Technology | | SHRP | Strategic Human Resources Policy Division |
| | | | OGC | Office of the General Counsel |
| | | | TSP | Thrift Savings Plan |