FY 2007
Office of Personnel Management
Congressional Budget Justification

Performance Budget

CBJ Submission
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Acronyms & Abbreviations

BI	background investigation
BSG	Benefits Systems Group
CBJ	Congressional Budget Justification
CFC	Combined Federal Campaign
CFI	centrally funded items
CHCMS	Center for Human Capital Management Services
CICRM	Center for Internal Control and Risk Management
CHCO	Chief Human Capital Officer
COOP	Continuity of Operations Plan
CRIS	Center for Retirement and Insurance Services
CSEA	Center for Security and Emergency Actions
CSRS	Civil Service Retirement System
CTS	Center for Talent Services
DBTS	Defined Benefits Technology Solutions
DEU	delegated examining unit
DHS	Department of Homeland Security
DOD	Department of Defense
DSS	Defense Security Service
e-HRIS	e-Human Resource Information System
e-TSPC	e-Training Service Provider Consortium
EEO	equal employment opportunity
EHRI	Enterprise Human Resources Integration
EO	executive order
FACES	Federal Annuity Claims Expert System
FEB	Federal Executive Board
FEGLI	Federal Employees Group Life Insurance Program
FEHBP	Federal Employees Health Benefits Program
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FERS	Federal Employees Retirement System
FISD	Federal Investigative Services Division
FLTCIP	Federal Long-Term Care Insurance Program
FSAFEDS	Flexible Spending Accounts Program
FTE	full-time equivalent
FWFA	Federal Workforce Flexibility Act
FY	fiscal year
GAO	Government Accountability Office
GFA	General Fund Annual
GSA	General Services Administration
HCLMSA	Human Capital Leadership and Merit System Accountability Division
HMO	health maintenance organization
HR LOB	Human Resources Line of Business

HRPS	Human Resources Products and Services Division
IT	information technology
IV&V	independent verification and validation
LAIRS	Labor Agreement Information Retrieval System
LTC	Long-Term Care Fund
MSD	Management Services Division
MSPB	Merit Systems Protection Board
OCFO	Office of the Chief Financial Officer
OIG	Office of the Inspector General
O&M	Operations and Maintenance
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PART	Program Assessment Rating Tool
PIPS	Personnel Investigations Processing System
P.L.	Public Law
PMA	President's Management Agenda
PMC	President's Management Council
PMFP	Presidential Management Fellows Program
PSI	Personnel Security Investigations
R&R	recruitment and retention
RF	Revolving Fund
RRI	Retirement Readiness Index
RSM	Retirement Systems Modernization
RSP	Retirement Services Program
S&E	Salaries & Expenses
SES	Senior Executive Service
SHRP	Strategic Human Resources Policy Division
SPMFP	Senior Presidential Management Fellows Program
SSC	shared service center
TF	Trust Fund
TFA	Trust Fund Annual

Part 1
Introduction to the Office of Personnel Management

Background

The Office of Personnel Management (OPM) is the central human resources agency for the Federal Government and the primary policy agency supporting the President as he carries out his responsibilities for managing the Federal workforce. The Director of OPM serves as the President's principal advisor on issues related to the Federal workforce. OPM maintains the unique American tradition of a merit-based civil service in service to the executive branch and is the proud keeper of the Theodore Roosevelt legacy. OPM leads Federal agencies in the strategic management of their human capital, proposes and implements human resources management policy, and provides agencies with ongoing advice and technical assistance for implementing these policies and initiatives. OPM plays a vital role in assisting agencies in shaping the workforce that serves and protects the Nation.

OPM also oversees and safeguards the Merit System Principles and veterans' preference and administers Federal employee benefits programs. OPM also manages the process for personnel security and background checks for suitability and national security clearances. By carrying out these responsibilities, OPM has an immediate impact on the security of the Nation while providing for the long-term health of the civil service.

OPM's leadership in the management of human capital is transforming the way agencies manage the Federal workforce and is enhancing the values of the civil service. New human resources management policies are streamlining the Federal hiring process, decreasing time to hire, and changing how Federal employees are paid and how their job performance is evaluated. New employee benefit offerings are ensuring that the Federal Government continues to be a competitive and model employer that balances work/life and family needs and offers choices to employees as consumers.

OPM's core values, as set forth in the Merit System Principles, require that Federal employees be hired, promoted, paid, and discharged on the basis of merit and in compliance with law. OPM's commitment to these principles is undiminished and sustains the role of a strong civil service in our Nation's system of governance.

OPM continues to honor the Government's commitment to employees by managing the Trust Funds that support the retirement and insurance benefits they earn, and delivering excellent benefit services and support to these civil servants both during and after their Federal careers.

Location

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

OPM's Mission and Strategic Goals

OPM's Mission: It is OPM's job to build a high-quality and diverse Federal workforce, based on Merit System Principles, which America needs to guarantee freedom, promote prosperity, and ensure the security of this great Nation.

OPM's Strategic Plan 2002–07 describes OPM's mission and establishes the strategic goals and management strategy the agency is following to fulfill this mission. For each strategic goal, OPM has established specific objectives to provide clarity to its strategic vision. Also, OPM describes strategies for achieving the goals and objectives. Finally, OPM describes the performance measures by which it and others may assess its success. The Strategic Plan is available on the OPM Web site at www.opm.gov/gpra/opmgpra/sp2002.

OPM's strategic goals are derived from its mission and aligned with its major business lines of developing and deploying human resources policy (Strategic Goal I); leading the human capital initiative across the Federal Government and ensuring Merit System protections and accountability for all Federal employees (Strategic Goal II); and developing and delivering human resources products and services to Federal agencies, employees, annuitants, and their families (Strategic Goal III). In addition, OPM's management strategy establishes a standard of excellence for the agency's internal operations and programs. OPM's Human Resources Line of Business and Enterprise Human Resources Integration initiatives are transforming human resources processes and providing secure, cross-agency human resources solutions.

OPM's strategic goals and supporting objectives (see table next page) acknowledge the agency's responsibilities as described by statute and in the expectations of the President, Congress, other Federal agencies, and Federal employees and annuitants, and as developed in consultation with these key stakeholders. The Strategic Plan holds OPM accountable for the development of and ongoing support for Federal human resources management policies. These policies include pay, performance management, employee benefits, workforce planning and information, and executive development. The Strategic Plan also holds OPM accountable for the transformation of human capital in all Federal agencies, based on the Merit System Principles, veterans' preference, and other standards. This human capital transformation has an immediate impact on the security of the Nation, while ensuring that the civil service remains a strong and vital component of a Federal Government that will continue to protect America and win the war on terrorism.

Finally, OPM's Strategic Plan describes the agency's duties regarding the administration of the trust funds supporting the Federal employee benefit programs (retirement, health benefits, life and long-term care insurance, dental and vision care, and flexible spending accounts) and its responsibilities for the delivery of fast, friendly, accurate, and cost-effective benefits to the beneficiaries of these programs.

OPM Strategic Goals and Objectives

Strategic Goal I	Federal agencies adopt human resources management systems that improve their ability to build successful, high-performance organizations.
Objective 1	Agencies use OPM policy and guidance to develop and maintain the capacity of their workforce to continue to meet and improve their strategic performance targets.
Objective 2	Provide expert advice and assistance in establishing and/or coordinating the implementation of human resources systems for the Department of Homeland Security, the Department of Defense, and other Federal agencies to ensure that their human capital needs are met.
Objective 3	Provide the Federal Government with a modern compensation system that is performance-oriented and market-sensitive, and assists Federal agencies in meeting their strategic goals.
Objective 4	Increase the effectiveness and efficiency of the Federal hiring process and make Federal employment attractive to high-quality applicants of diverse backgrounds.
Strategic Goal II	Federal agencies use effective merit-based human capital strategies to create a rewarding work environment that accomplishes the mission.
Objective 1	Provide advice to agencies and promote best practices on solutions, actions, and strategies to meet their human capital management needs.
Objective 2	Monitor and assess agencies' effectiveness in implementing merit-based strategies that support their missions.
Strategic Goal III	Meet the needs of Federal agencies, employees, and annuitants through the delivery of efficient and effective products and services.
Objective 1	Provide direct human capital products and services that are cost-effective, relevant, and useful to agencies.
Objective 2	Facilitate retirement income security for Federal employees by making the transition from active employment to retirement seamless and expeditious.
Objective 3	Federal employees, annuitants, and their families can choose from among quality and fiscally responsible carriers to address their specific insurance needs.
Management Strategy	OPM creates an environment that fosters the delivery of services to its customers and employees through effective communication and management of human capital, technology, financial resources, and business processes.

How OPM Will Use Its Resources in FY 2007

OPM's FY 2007 budget request focuses on the following priorities:

- Improve retirement program administration for Federal retirees and survivor annuitants.
- Implement civil service reform across the Federal Government.
- Introduce dental and vision benefits for Federal employees and annuitants.
- Expand health benefits options.
- Enhance workforce recruitment
- Improve the Federal hiring process.
- Improve training and performance management of Federal employees.
- Continue expanding electronic Government.
- Improve career and professional development opportunities for Federal employees.

The budget will also ensure our ability to meet expectations regarding voting rights protections, veteran's preferences, and implementation of personnel security mandates. Details of the request are presented in Parts 3-5.

How PARTs Were Used in this Budget Request

OPM has applied the Program Assessment and Rating Tool (PART) to six of its programs: the Federal Employees Retirement, Health Benefits, and Group Life Insurance programs, the Center for Talent Services and the Merit System Compliance programs. This budget request reflects the results of those experiences in the following ways:

- More clearly articulated outcomes and new performance indicators for the Merit System Compliance and Talent Services (Center for Talent Services) programs;
- Requested increased resources for the Retirement Services Program to sustain retirement claims processing timeliness;
- New performance indicators are being developed for the Retirement program to assess Federal employees' retirement readiness and general knowledge of the benefits programs;
- New performance indicator(s) are being developed for the health benefit program to assess health care outcomes;
- New cost-based efficiency measures are being developed for the Merit System Compliance program; and
- An aggressive schedule of program evaluations has been planned through FY 2008.

Schedule of Planned Program Evaluations		
Description of Evaluation	**Purpose**	**Schedule**
Evaluation of the Employee Benefit	Determine if the employee benefits programs are meeting their intended purposes: 1) support Federal agency efforts to recruit and retain the workforce they need to meet their missions, and 2) meet the retirement and insurance needs of Federal employees.	Independent program evaluation will begin during FY 2006 and continue into FY 2007
Independent Evaluation of Compliance Program	Determine if the merit system compliance program meets the statutory intent, desired outcomes, and expectations of program participants, legislators, and program officials.	Independent program evaluation will begin during FY 2006 and continue into FY 2007
Independent Evaluation of Talent Services Program	Determine CTS's overall effectiveness in meeting its program purpose.	Independent program evaluation will begin during FY 2006 and continue into FY 2007
Independent Evaluation for "Human Capital Performance" Program (includes SHRP, Human Capital Leadership and HR LOB).	Design and conduct a rigorous independent evaluation OPM's Human Capital Performance program, encompassing SHRP, HCLMSA and HRLOB operations, as an integrated program that reaches across all three divisions.	Independent program evaluation will begin during FY 2006 and continue into FY 2007
Independent Evaluation for Investigative Services	Design a rigorous independent evaluation program of OPM's Leadership Capacity program in accordance with the requirements of question 2.6 of the PART.	Independent program evaluation will begin during FY 2006 and continue into FY 2007
Independent Evaluation for Leadership Capacity Program	Design a rigorous independent evaluation program of OPM's Leadership Capacity program in accordance with the requirements of question 2.6 of the PART.	Independent program evaluation will begin during FY 2006 and continue into FY 2007

Part 2
OPM's FY 2007 Budget Request

Overview of FY 2007 Request

OPM's total FY 2007 request of $36,591,767,000—an increase of $928,238,000 above the FY 2006 enacted level—is composed of appropriations that are 1 percent discretionary and 99 percent mandatory. The discretionary portion of OPM's budget request consists of three appropriation accounts containing general funds and trust funds totaling $255,767,000, a net increase of $17,238,000 for several key initiatives. The three mandatory payment appropriations total an estimated $36,336,000,000, an increase of $911,000,000 above the 2006 level.

In FY 2007, OPM's administrative accounts will support 4,768 full-time-equivalent (FTE) employees as compared to 4,621 FTE in 2006. Of these, the discretionary appropriations and Trust Fund mandatory will support 1,982 FTE, and the remaining allocation of 2,786 FTE is in the Revolving Fund.

Discretionary Appropriations

Salaries & Expenses

General Funds: OPM's General Funds request for basic operating expenses total $111,095,000 and 843 FTE. The 2007 request includes $102,746,000 in Annual Funds and $8,349,000 in No-Year funds for Human Resources Line of Business (HR LOB) projects. This reflects a net decrease of $10,202,000, 8.4 percent below the 2006 enacted level and is comprised of a net decrease of $8,309,000 to Annual Funds and a $1,893,000 decrease to No-Year HR LOB activity. The requested resources will enable OPM to implement several key initiatives, including improving personnel reform and enhancing workforce recruitment.

Continuing activities include support of Federal agencies as they transform their human capital management processes, modernize human resources management systems, improve the hiring process, improve training and performance management, expand electronic government, improve career and professional development, meet Intelligence Act goals, and enhance outreach to stakeholders and constituencies.

Transfers from Trust Funds: For the administration of the civil service retirement and insurance programs, OPM requests a total of $126,908,000 in transfers from the trust funds for 697 FTE. This level reflects a net increase of $27,892,000 above the 2006 enacted level. This request is comprised of a increase of $26,730,000 and 5 FTE in No-Year funding and a net increase of $1,162,000 for the Annual Trust Funds.

The No-Year funding will be used to advance the Retirement Systems Modernization (RSM) project, pursue licensed software technology, and improve the availability of electronic retirement data. The Trust Fund Annual resources will be used to improve processing times for retirement benefits claims, responding to retirement program customer inquiries, and maintaining and adjusting benefit payment accounts for retirees and survivor annuitants.

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

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

Office of Inspector General Salaries & Expenses

The request for the Office of the Inspector General (OIG) totals $17,764,000 and 127 FTE, and includes $1,598,000 and 14 FTE in general funds and $16,166,000 and 113 FTE in transfers from the trust funds to enable the OIG to carry out its audit, investigative, and oversight responsibilities. This request reflects a net decrease of $452,000, a 2.5 percent drop in general funds from the 2006 appropriated resources. The trust funds annual level is unchanged from 2006 and will enable the OIG to continue its investigative oversight of the Federal Employees Health Benefits Program and the Civil Service Retirement System/Federal Employees Retirement System programs, to audit FEHBP plans and carrier information systems and to continue its prescription drug audit plan, established in 2005.

Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2007 budget includes an estimated $1,039,016,000 in new budget authority and 2,786 FTE to be financed by other agencies' payments for OPM's services. These services include providing professional development and continuous learning for Federal managers and executives; providing one-stop access to high-quality e-government products and services; testing potential military personnel for the Department of Defense (DOD) in those locations where it is cost effective for OPM to do so; providing employment information and assessment services; automating other agencies' staffing systems; providing examining services when requested by an agency; providing technical assistance and general consultation services on all facets of human resources management; and managing the selection, coordination, and development of Presidential Management Fellows.

Through a mix of Federal staff and the use of contracts with private companies, OPM conducts national agency check and inquiry cases and background security/suitability investigations for Federal agencies on a reimbursable basis through the Revolving Fund.

OPM is using its resources to reduce the current Governmentwide backlog in background investigations and decrease the time required for these investigations.

Agency contributions through the Revolving Fund for the HR LOB in FY 2007 are expected to be approximately $3 million. These funds will be used to further develop the HR Line of Business including enterprise architecture and requirements development, planning and governance support and assistance with the set-up and operation of Shared Service Centers and agency migration to established centers.

Mandatory Appropriations

Government Payment for Annuitants, Employee Health Benefits

An appropriation for "such sums as may be necessary" is requested for an estimated $8,765,000,000—an increase of $561,000,000 over FY 2006—to finance the Government's share of health benefit costs for 1.9 million annuitants participating in the program.

Government Payment for Annuitants, Employee Life Insurance

An appropriation for "such sums as may be necessary" is requested for an estimated $39 million—unchanged from FY 2006—to finance the Government's share of life insurance premiums for 500,000 annuitants under 65 years of age electing post-retirement coverage.

Payment to the Civil Service Retirement and Disability Fund

An appropriation for "such sums as may be necessary" is requested for an estimated $27,532,000,000—an increase of $350,000,000 over FY 2006—to cover the service cost of the Civil Service Retirement System that is not funded by active employees.

Strategic Human Resources Policy

OPM's request includes $24,881,000 to fund activities supporting the strategic human resources policy programs. This amount comprises $21,075,000 from the General Funds and $3,806,000 from the Trust Fund Annual. OPM will use these funds to pursue an aggressive agenda of policy initiatives to continue to reform human resources management in Federal agencies. We will work with the Departments of Homeland Security (DHS) and Defense (DoD) to ensure the reforms underway link pay to performance. At the same time OPM will work with other agencies engaged in Alternative Personnel Systems to assess the lessons learned from various modernization efforts. OPM is uniquely positioned to apply to the rest of the Federal workforce lessons learned from modernization efforts undertaken at DHS and DOD. In the last half-century, the Federal workforce has changed significantly, and the old personnel system has not kept pace. According to the 2004 Federal Human Capital Survey (FHCS), for example, only 27 percent of Federal employees believe steps are being taken to deal with poor performers, and only 29 percent believe differences in performance are recognized in a meaningful way. Little of an employee's current compensation is based on performance or mission accomplishment. OPM will deliver this needed human resources modernization.

OPM will continue to maintain the competitiveness of Federal employee benefits by promoting affordable options within the Federal Employees Health Benefits Program, such as health savings plans, explore ways to refine market adjustments to Federal pay, and provide Federal employees with opportunities, benefits, and service delivery that compare favorably with other employers. For instance, OPM will continue to develop new workforce recruitment strategies and tools, and further improve the hiring process. In addition, we will continue to be an active partner in maximizing human resources flexibilities and pay for performance within a Governmentwide framework.

OPM will assess the results of its strategic human resources policy activities by analyzing data collected from the FHCS and Federal Benefits Survey to be issued in 2006 and continuing to track and report the extent to which agencies use innovations such as hiring flexibilities, teleworking, and student loan repayments. The results of these surveys will provide broad, Governmentwide indicators on the status of Federal human capital, which will benefit lawmakers, managers, and employees—and enable OPM to assess its performance in terms of delivering new human resources policies and issuing ongoing policy guidance as needed.

Human Capital Leadership and Merit System Accountability

OPM's request includes $30,758,000 from the General Funds for the Human Capital Leadership and Merit System Accountability programs. OPM will use these funds to engage Federal agencies in implementing Human Capital Standards for Success, and other best practices in human capital management, in keeping with the Merit System Principles, veterans' preference, and other standards.

OPM's success will be measured by the number of agencies that meet the Human Capital Standards for Success which were jointly developed with the Office of Management and Budget and the Government Accountability Office. At the beginning of FY 2006, 11 of the 26 agencies reporting under the President's Management Agenda Scorecard met these standards, up from 8 in 2005, and zero in 2003. An additional 14 agencies have made significant progress toward achieving these standards. As a result, the Federal civilian workforce is employed by agencies that have made significant progress toward meeting these standards. OPM expects continued improvement in 2006 and 2007 as it strengthens these standards and

engages more agencies to fully adopt them. Also, OPM expects Federal agencies to make hiring decisions more quickly and implement improved and documented succession plans. In addition, OPM expects Federal employees to be better trained for their jobs and to be held accountable for their performance as their agencies implement improved performance management systems.

Through the Compliance Program, OPM will continue audit, review, and oversight activities to ensure agencies comply with Merit System Principles and veterans' preference, and to ensure whistleblower protection and other rights and privileges are honored and protected. OPM will strengthen this program by implementing a human capital accountability system that holds agencies accountable for adhering to these principles, laws, and rules, as well as the human capital best practices referenced above.

Federal Investigative Services

This is a fee-for-service activity to support the processing of background investigations and suitability determinations for job seekers and tenured employees.

The Defense Authorization Act of 2004 provided OPM with the option of accepting a transfer of functions and personnel from DOD's Defense Security Service. OPM accepted the transfer of the Personnel Security Investigations functions and personnel from DSS in early FY 2005. The transfer of DSS to OPM's Federal Investigative Services Division has brought under one roof a unit that will conduct the vast majority of background investigations for the entire Federal Government. This responsibility is critical to the security of our Nation. The transfer encompassed the full range of investigative and administrative support functions, including reimbursable investigative work, training and system support, accounting functions, and billing and collections.

Human Resources Products and Services

To support activities for the delivery of human resources products and services, OPM's request includes $85,961,000, comprised of $2,010,000 in General Funds and $57,221,000 from Trust Fund Annual and $26,730,000 in No-Year funds. OPM will use the General Funds appropriation to support the Voting Rights Program, as required by the Voting Rights Act of 1969 (42 USC 1973d) and administer the Flexible Savings Account (FSAFEDS) Program.

We will carry out activities mandated by the Voting Rights Act of 1965. The act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote due to race, color, or language. At the request of the Department of Justice, OPM provides trained Federal observers to monitor the election process in areas designated by the U.S. Attorney General.

OPM will use $57,221,000 from the Trust Fund to improve the services it delivers to Federal employees, annuitants, and their families through the retirement and insurance programs. This will include reducing the time needed to process claims for benefits submitted by retiring Federal employees to an average of 30 days. This represents a significant improvement over the timeliness reported for FY 2005 – 80 days for employees retiring under the Civil Service Retirement System (CSRS), and 93 days for those under the Federal Employees Retirement System (FERS). In addition, OPM will use $26,730,000 in No-Year funds to continue the Retirement Systems Modernization Project by continuing to convert the millions of paper retirement records to electronic data and contracting for the information technology needed for the system.

RSM is the core strategy to meet OPM's long-term customer service, business, and financial management goals for the retirement program. As RSM is implemented, OPM will authorize new retirement benefits within five or fewer days (for 17 percent of all claims in FY 2008 and 49 percent in FY 2009). RSM will also improve the accuracy of retirement claims from 90 percent (CSRS) and 93 percent (FERS) to between 95 percent and 97 percent, respectively. RSM implementation is scheduled for 18 to 36 months from contract award. During this period, OPM will need experienced Legal Administrative Specialists (claims processors) to provide subject matter expertise and advice as the effort progresses. The requested resources provide OPM the flexibility to support RSM implementation while maintaining timeliness and accuracy in processing retirement claims.

For the Federal Employees Health Benefits Program, OPM will continue to negotiate and contract with private insurance companies that offer a broad range of health insurance benefits, including high-deductible health plans with Health Savings Accounts and consumer-driven health plan options. Customers can make informed health insurance decisions by several means: OPM-sponsored health plan brochures and Web site postings, health plan customer satisfaction survey results, Web-based comparison/decision tools, and the Health Plan Employer and Data Information Set. OPM will continue to carry out tough negotiations with health carriers to contain premium hikes and maintain benefit levels, and continue to provide, improve, and expand tools so customers can make informed health insurance decisions. In addition, OPM will continue to maintain the competitiveness of the insurance programs by implementing the new dental/vision benefits as directed by P.L. 108-496.

OPM provides a wide range of human resources management products and services to Federal agencies and employees on a reimbursable basis through its Revolving Fund. These products and services include employment information, management and executive development and training, assessment and test administration, human resources consulting, electronic official personnel folders (e-OPF), automated staffing, and training development. Many of these human resources management solutions are delivered through a network of expert OPM consultants, assessment and recruitment tools and systems, and an expedited contracting process managed by an experienced team of human resources and contracting professionals.

Management Functions

OPM's Management functions include executive direction and leadership and ongoing administrative support to ensure OPM fulfills its mission themes of supporting national security and protecting the vitality of the civil service as it achieves its strategic goals and objectives and successfully implements its HR LOB initiatives.

Executive Services: Executive services includes executive direction and leadership, legal advice and representation, public affairs, legislative liaison, and the operating expenses of the Presidential Committee on White House Fellows. OPM's budget request includes $14,092,000 to support these activities and ensure OPM meets its goals and objectives (note: total includes total reimbursements).

HR LOB: In 2007 OPM will continue to be a leader in the President's Management Initiative for Expanding Electronic Government and has included $8,349,000 in its request to come from Salaries & Expenses No-Year funds, a decrease of $1,893,000 from the 2006 level. The requested resources will support the Human Resources Line of Business and Enterprise Human Resources Integration (EHRI). HR

LOB will continue to identify and document common functional, technical, and data requirements consistent with Federal human resources policies. It will work toward the establishment of Federal and private sector Shared Services Centers to meet these requirements. During 2007 the EHRI project will continue to modernize how the Federal Government maintains, stores, protects, and transmits human resources transactions and resulting information.

Management Services Division: OPM recognizes the need to support its programs with excellent administrative management services. OPM requests $62,382,000, comprised of $55,502,000 in General Funds and $6,880,000 in Trust Funds for facilities maintenance, contracting, procurement, publications, human capital and equal employment opportunity (EEO) management, security and emergency planning, and information services management (note: total includes total reimbursements).

As part of its continuing activities, OPM will implement Homeland Security Presidential Directive 12 (HSPD-12), Policy for a Common Identification Standard for Federal Employees and Contractors, which was signed by the President on August 27, 2004. This mandates the circulation of a Federal standard for a secure and reliable form of identification for Federal employees and contractors. HSPD-12 requirements will enhance OPM's strategic goal of improving security and emergency actions throughout the agency. In addition, succession planning activities will also be pursued in 2007.

Our funding levels also contain funds for security upgrades at OPM field offices across the country. These funds will be used to address critical vulnerabilities and correct the most serious problems identified during field evaluations. Failure to correct these deficiencies compromises the security of our employees.

Office of Chief Financial Officer: OPM's Chief Financial Officer budget request of $15,477,000 general and $7,158,000 trust fund annual includes activities for financial management, budget and performance planning, and internal control and risk management activities (note: total includes total reimbursements).

Through these activities, OPM will strive to make solid progress in advancing the President's Management Agenda. Key strategies for achieving green status for Financial Management Improvement are to complete planned actions to resolve issues involving OPM's financial management system, and address weaknesses in its Revolving Fund and Salaries & Expenses account.

Rent and Centrally Funded Items: Funds are included for GSA Rent and Centrally Funded items such as Workers Compensation, Unemployment Insurance and telephone bills.

Relationship to OPM's Strategic Plan

OPM is updating its Strategic Plan, as required by the Government Performance and Results Act that agency strategic plans be updated every 3 years. Thus, this is the last OPM Congressional Budget Justification (Performance Budget) developed under the framework of OPM's current strategic goals. OPM's Performance Budgets are designed to implement its strategic goals and objectives. In preparing their annual Performance Budgets, OPM program offices develop annual performance goals that cascade from the strategic goal and objectives for which they are responsible. Thus, each annual goal relates to a specific strategic goal and objective, or the management strategy. As shown in the table on the next page, each of these groups of goals and objectives is the responsibility of one of OPM's program The OPM program divisions are:

- Strategic Human Resources Policy Division (SHRP)
- Human Capital Leadership and Merit System Accountability Division (HCLMSA)
- Federal Investigative Services Division (FISD)
- Human Resources Products and Services Division (HRPS)
- Human Resources Line of Business Program Management Office (HR LOB)
- Management Services Division (MSD
- Office of the Chief Financial Officer (OCFO)

This structure supports accountability and ensures OPM executives, managers, and staff is fully aware of their specific organizational and strategic priorities. It also enables OPM to track its costs directly to its strategic goals and compute the full cost of each (see table next page).

OPM Goals, Responsible Organizations, Programs, and Costs

Strategic Goal and Objective	Responsible Organization	Annual Goals	Program	Requested Resources*	Funding Source
Strategic Goal I Objective 1	SHRP	SHRP Annual Performance Goal 1	Executive Resources Policy	$2.489 million	General Funds Annual
Objective 2	SHRP	SHRP Annual Performance Goal 2	DOD/DHS Initiative	$1.768 million	General Funds Annual
Objective 3	SHRP	SHRP Annual Performance Goal 3	Pay & Performance Policy	$7.906 million	General Funds Annual
Objective 4	SHRP	SHRP Annual Performance Goal 4	Benefits & Talent Capacity Policy	$17.428 million	General Funds Annual
Strategic Goal II Objective 1	HCLMSA	HCMLSA Annual Performance Goal 1	Human Capital Leadership	$21.468 million	General Funds Annual
Objective 2	HCLMSA	HCMLSA Annual Performance Goal 2	Merit System Compliance	$17.297 million	General Funds Annual
Strategic Goal III Objective 1	HRPS	HRPS Annual Performance Goals 1	Talent Services – Voting Rights	$3.465 million	General Funds Annual
Objective 2	HRPS	HRPS Annual Performance Goals 3 & 4	Retirement	$84.594 million	Trust Funds Annual & No Year
Objective 3	HRPS	HRPS Annual Performance Goal 5	Health Benefits	$8.732 million	Trust Funds Annual
Objective 3	HRPS	HRPS Annual Performance Goal 6	Life & FSAFEDS	$0.731 million	Trust Funds Annual & General Fund Annual
Management Strategy	Office of HR LOB Initiatives	HR LOB Annual Performance Goals 1 & 2	Human Capital Standards	$8.349 million	General Funds No year
Management Strategy	MSD	MSD Annual Performance Goal 1	Administrative Management	$40.290 million	General and Trust Fund Annual
Management Strategy	OCFO	OCFO Annual Performance Goal 1	Financial Management	$23.486 million *(includes Executive Resources)*	General and Trust Funds Annual
Management Strategy	OIG	OIG Annual Performance Goals 1 & 2	Program Oversight	$17.764 million	General and Trust Funds Annual
Total Discretionary Resources Requested				***$255.767 million***	***General and Trust Funds***

* Includes distributed rent and other centrally funded costs

Part 3
Appropriations Language, Budget Summary Tables, and Performance Indicators Summary Table

Appropriations Language

Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, $111,095,330, of which $6,913,170 shall remain available until expended for the Enterprise Human Resources Integration project. $1,435,500 shall remain available until expended for the Human Resources Line of Business project; In addition, $126,908,100 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which $26,730,000 shall remain available until expended for the cost of automating the retirement recordkeeping systems: Provided, that the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: Provided further, that no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, that the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2007, accept donations of money, property, and personal services: Provided further, that such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission. (Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.)

Office of Inspector General Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, $1,597,860, and in addition, not to exceed $16,165,710 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: Provided, that the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere. (Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006.)

Budget Tables

Office of Personnel Management
FY 2006 Appropriations and FY 2007 Budget Request Summary

	Salaries and Expenses		Office of the Inspector General	
	General Fund	Transfers from Trust Funds	General Fund	Transfers from Trust Funds
Appropriation, Enacted, FY 2006	$122,521,000	$100,017,000	$2,071,000	$16,329,000
Appropriation, net rescission FY 2006	$121,297,000	$99,016,000	$2,050,000	$16,166,000
Budget Request, FY 2007	$111,095,000	$126,908,000	$1,598,000	$16,166,000
Request compared with Appropriation	$(11,426,000)	$26,891,000	$(473,000)	$(163,000)
Request compared with rescized Appropriation	$(10,202,000)	$27,892,000	$(452,000)	$0

Government **Payment for Annuitants, Employees Health Benefits**[1]	
Appropriation, Enacted, FY 2006	$ 8,204,000,000
Budget Request, FY 2007	$ 8,765,000,000
Request compared with Appropriation	$ 561,000,000

Government Payment for Annuitants, Employees Life Insurance[1]	
Appropriation, Enacted, FY 2006	$ 39,000,000
Budget Request, FY 2007	$ 39,000,000
Request compared with Appropriation	–

Payment to Civil Service Retirement and Disability Fund[1 2]	
Appropriation, Enacted, FY 2006	$ 10,434,000,000
Budget Request, FY 2007	$ 10,532,000,000
Request compared with Appropriation	$ 98,000,000

[1] Government Payment accounts represent payments from the General Fund to earned benefit trust funds administered by OPM. These payments are defined in the sections of the United States Code that pertain to these programs. The amounts shown represent current estimates of annual costs. Please see Part 5, Payment Accounts for additional details.

[2] In addition to this payment to the Civil Service Retirement and Disability Fund, there is a permanent indefinite authorization that provides for an annual transfer representing interest on the unfunded liability of the Civil Service Retirement System. Please see Part 5, Payment Accounts for additional details. In 2007, this amount is $17 billion, an increase of $252 million from $16.748 billion in 2006.

OFFICE OF PERSONNEL MANAGEMENT
FY 2007 Budget
Summary of Increases/Decreases Compared to FY 2006 Enacted
(dollars in millions)

	Item	Amount
Agency wide	FY 2006 Level	$238,529
HRPS	Retirement Systems Modernization	$26,730
HRPS	Retirement Program Improvement	$1,551
SHRP/HCLMSA	Pay and Performance Modernization	$2,129
MSD	Succession Planning	$500
Agency wide	Offsets	($13,672)
FY 2007 Request [1/]		**$255,767**

1/ Includes Salaries and Expenses, Transfers from the Trust Funds and the Office of the Inspector General.

Office of Personnel Management
FY 2007 Budget
TOTAL OPM BUDGET AUTHORITY
(in thousands)

	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
TOTAL OPM BUDGET AUTHORITY:	$33,814,875	$35,663,529	$36,591,767	$928,238
OPM + OIG SALARIES AND EXPENSES:	$269,875	$238,529	$255,767	$17,238
SALARIES & EXPENSES:	**$251,932**	**$220,313**	**$238,003**	**$17,690**
GENERAL FUND:	**$124,496**	**$121,297**	**$111,095**	**($10,202)**
ANNUAL	$112,592	$111,055	$102,746	($8,309)
NO-YEAR (multiyear in 2005): HR LOB	$11,904	$10,242	$8,349	($1,893)
Enterprise Human Resources Integration	$1,855	$6,913	$6,913	–
E-Payroll	$6,169	$1,398	–	($1,398)
HR LOB	$742	$1,436	$1,436	–
E-Clearance	$1,872	–	–	–
E-Training	–	$495	–	($495)
Three-Year other	$1,266	–	–	–
TRUST FUNDS:	**$127,436**	**$99,016**	**$126,908**	**$27,892**
ANNUAL	$100,017	$99,016	$100,178	$1,162
NO-YEAR/Retirement Systems Modernization	$27,419	–	$26,730	$26,730
OIG SALARIES & EXPENSES:	**$17,943**	**$18,216**	**$17,764**	**($452)**
GENERAL FUND	$1,614	$2,050	$1,598	($452)
TRUST FUNDS	$16,329	$16,166	$16,166	–
MANDATORY PAYMENTS				
Civil Service Retirement and Disability Fund	$25,618,000	$27,182,000	$27,532,000	$350,000
Federal Employees Health Benefits	$7,889,000	$8,204,000	$8,765,000	$561,000
Federal Employees Group Life Insurance	$38,000	$39,000	$39,000	–
Total Mandatory Payments	**$33,545,000**	**$35,425,000**	**$36,336,000**	**$911,000**

FY 05-06 reflects rescission. Details may not add due to rounding.

Office of Personnel Management
FY 2007 New Budget Authority
SUMMARY
(S&E, TF, OIG, and RF)

Fund	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
S&E annual	$112,592,000	$111,055,000	$102,746,000	($8,309,000)
S&E multiyear	$11,904,000	-	-	-
S&E No-Year	-	$10,242,000	$8,349,000	($1,893,000)
SALARIES & EXPENSE TOTAL	$124,496,000	$121,297,000	$111,095,000	($10,202,000)
Trust Fund annual	$100,017,000	$99,016,000	$100,178,000	$1,162,000
Trust Fund No-Year	$27,419,000	-	$26,730,000	$26,730,000
TRUST FUND LIMITATION TOTAL	$127,436,000	$99,016,000	$126,908,000	$27,892,000
TOTAL APPROPRIATED	$251,932,000	$220,313,000	$238,003,000	$17,690,000
Trust Fund title V	$30,688,000	$31,238,000	$31,718,000	$480,000
Trust Fund FERCCA	$5,612,000	$6,910,000	$6,910,000	-
Trust Fund LTC	$1,000,000	$1,000,000	$1,000,000	-
Trust Fund Dental/Vision	$1,000,000	$1,000,000	$1,134,000	$134,000
TRUST FUND MANDATORY TOTAL	$38,300,000	$40,148,000	$40,762,000	$614,000
OIG Salaries & Expenses	$1,614,000	$2,050,000	$1,598,000	($452,000)
OIG Trust	$16,329,000	$16,166,000	$16,166,000	-
OIG TOTAL	$17,943,000	$18,216,000	$17,764,000	($452,000)
Other Resources				
	-	-	-	-
Revolving Fund	$684,000,000	$991,471,000	$1,039,016,000	$47,545,000
Total 1/	$992,175,000	$1,270,148,000	$1,335,545,000	$65,397,000

Details may not add due to rounding.

[1]Total excludes reimbursements of projected $2.1 million in FY 2006 for HR LOB.

Office of Personnel Management
FY 2007 Budget
SUMMARY FTE

Fund	FY 2005 Actual FTE	FY 2006[1]	FY 2007 Request	FY 2006–07 Variance
S/E annual	876	845	830	(15)
S/E multiyear	14	–	–	–
S/E No-Year	–	11	13	2
SALARIES & EXPENSE TOTAL	890	856	843	(13)
Trust Fund annual	760	688	677	(11)
Trust Fund No-Year	10	15	20	5
TRUST FUND LIMITATION TOTAL	770	703	697	(6)
TOTAL APPROPRIATED	1,660	1,559	1,541	(18)
Trust Fund Title V	215	281	281	–
Trust Fund FERCCA	14	21	21	–
Trust Fund LTC	3	5	6	–
Trust Fund Dental/Vision	1	6	6	–
TRUST FUND MANDATORY TOTAL	233	313	314	1
OIG S&E	11	20	14	(6)
OIG Trust	113	116	113	(3)
OIG TOTAL	124	136	127	(9)
Other Resources				
A&R	–	–	–	–
Revolving Fund	1,550	2,613	2,786	173
Total	3,567	4,621	4,768	147

Details may not sum to totals because of rounding.

[1]Revised from President's Budget submission (5,023 FTE), includes adjustments for clerical/technical/administrative competitive sourcing activities.

Office of Personnel Management
FY 2007 Budget
DISCRETIONARY APPROPRIATION: OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Budget	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$101,347,926	$104,541,275	$3,193,349
Personnel Benefits	$24,221,482	$26,829,304	$2,607,822
Travel and Transportation of Persons	$2,767,792	$2,641,525	($126,267)
Transportation of Things	$178,412	$201,022	$22,610
Communications, Utilities and Rent	$32,510,681	$33,799,017	$1,288,336
Printing and Reproduction	$1,089,198	$1,251,896	$162,698
Other Services	$54,728,496	$64,630,956	$9,902,460
Supplies and Materials	$1,101,474	$1,232,000	$130,526
Equipment	$2,317,539	$2,876,005	$558,466
Land and Structures	$50,000	$0	($50,000)
Total	$220,313,000	$238,003,000	$17,690,000

Details may not add due to rounding.

Office of Personnel Management
FY 2007 Budget
GENERAL FUND APPROPRIATION
SALARIES & EXPENSES: OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Budget	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$51,757,873	$51,974,912	$217,039
Personnel Benefits	$11,819,146	$13,296,545	$1,477,399
Travel and Transportation of Persons	$2,408,052	$2,172,519	($235,534)
Transportation of Things	$73,416	$83,464	$10,049
Communications, Utilities and Rent	$18,504,876	$17,767,844	($737,033)
Printing and Reproduction	$644,085	$571,963	($72,122)
Other Services	$23,855,000	$14,923,345	($8,930,655)
Supplies and Materials	$571,529	$519,558	($51,971)
Equipment	$1,421,023	$1,435,850	$14,830
Land and Structures	$0	$0	$0
Total	$111,055,000	$102,746,000	($8,309,000)

Details may not add due to rounding.

Office of Personnel Management
FY 2007 Budget
TRANSFERS FROM THE TRUST FUNDS: OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Budget	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$49,121,626	$51,059,363	$1,937,737
Personnel Benefits	$12,251,880	$13,042,759	$790,879
Travel and Transportation of Persons	$335,340	$412,006	$76,666
Transportation of Things	$104,996	$117,558	$12,562
Communications, Utilities and Rent	$13,841,305	$15,852,174	$2,010,869
Printing and Reproduction	$434,313	$667,933	$233,620
Other Services	$21,601,116	$17,196,985	($4,404,131)
Supplies and Materials	$502,409	$630,664	$128,255
Equipment	$773,015	$1,198,558	$425,543
Land and Structures	$50,000	$0	($50,000)
Total	$99,016,000	$100,178,000	$1,162,000
No-Year	$0	$26,730,000	$26,730,000
Grand Total	$99,016,000	$126,908,000	$27,892,000

Details may not add due to rounding.

Office of Personnel Management
FY 2007 Budget
GENERAL FUND APPROPRIATION
HR LOB NO-YEAR: OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Budget	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$909,307	$1,098,000	$188,693
Personnel Benefits	$244,456	$298,000	$53,544
Travel and Transportation of Persons	$54,400	$25,000	($29,400)
Transportation of Things	$0	$0	$0
Communications, Utilities and Rent	$284,500	$169,000	($115,500)
Printing and Reproduction	$10,800	$5,000	($5,800)
Other Services	$8,574,570	$6,578,000	($1,996,570)
Supplies and Materials	$35,467	$42,000	$6,533
Equipment	$128,500	$134,000	$5,500
Land and Structures	$0	$0	$0
Total	$10,242,000	$8,349,000	($1,893,000)

Details may not add due to rounding.

OFFICE OF PERSONNEL MANAGEMENT
FY 2007 Budget Submission

REVOLVING FUND ACTIVITIES-ESTIMATES
Dollars in Thousands

Business Line		FY 2006 Estimate	FY 2007 Estimate	FY 2006-07 Variance
Investigative Services	Revenue	$705,000	$725,000	$20,000
	Expenses	$705,000	$725,000	$20,000
	Budget Authority	$705,000	$725,000	$20,000
Talent Services	Revenue	$185,800	$152,000	($33,800)
	Expenses	$185,600	$151,000	($34,600)
	Budget Authority	$158,600	$167,000	$8,400
Leadership Capacity Services	Revenue	$85,277	$94,215	$8,938
	Expenses	$85,086	$92,558	$7,472
	Budget Authority	$99,871	$114,215	$14,344
Human Resource Integration Services	Revenue	$25,732	$27,800	$2,068
	Expenses	$24,794	$26,846	$2,052
	Budget Authority	$28,000	$32,801	$4,801
TOTAL	Revenue	$1,001,809	$999,015	($2,794)
	Expenses	$1,000,480	$995,404	($5,076)
	Budget Authority	$991,471	$1,039,016	$47,545

Details may not add due to rounding.

FY 2007 Annual Performance Goals and Indicators

Strategic Human Resources Policy Division

SHRP Annual Performance Goal 1: Improve and expand succession planning and SES pay-for-performance systems across Executive Agencies.

Leadership Capacity

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
% of PMA agencies with certified or provisionally certified SES pay-for-performance systems in place	No data	70	80	80
% of PMA agencies whose executive resources points of contact are trained and informed on SES pay-for-performance systems	No data	No data	90	90
Workforce morale index	65	66	67	67

SHRP Annual Performance Goal 2: Identify policy needs in furtherance of establishing and implementing human resources systems for DHS, DOD, and other agencies; develop work plans for appropriate policies; and execute work plans in accordance with OPM and Administration priorities.

Human Resources Systems

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
DHS implementation	Published joint proposed OPM/DHS regulations	Published joint final OPM/DHS regulations	Coordinate implementing issuances within 30 days of formal request	Coordinate implementing issuances within 30 days of formal request
NSPS implementation	No data	Published joint proposed OPM/DOD regulations	Publish joint final OPM/DOD regulations; Coordinate implementing issuances	Coordinate implementing issuances within 30 days of formal request
Revised pay-banding criteria for IRS	No data	No data	Publish proposed regulations on revised IRS pay-banding criteria	Publish final regulations on revised IRS pay-banding criteria

SHRP Annual Performance Goal 3: Modernize Federal compensation programs to increase the focus on results and provide increased market sensitivity. Improve employee/labor relations through the development and promulgation of appropriate regulations and policy guidance.

Performance Culture

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Timeliness of statutory pay system pay tables issuance	Issued within 24 hours of E. O. signed	Issued within 24 hours of E. O. signed	Issue within 24 hours of E. O. signed	Issue within 24 hours of E. O. signed
Pay Agent's report to the President on locality pay	Report issued	Report issued	Issue Pay Agent's report to the President on locality pay	Issue Pay Agent's report to the President on locality pay
Appropriate regulations regarding Federal Wage System issues	No data	No data	Publish proposed or final regulations, as appropriate, regarding Federal Wage System issues	Publish proposed or final regulations, as appropriate, regarding Federal Wage System issues
Develop proposed pay adjustment for President's budget	Proposed adjustment developed	Proposed adjustment developed	Proposed adjustment developed	Proposed adjustment developed
Appropriate regulations regarding pay, leave, or performance management systems	No data	No data	Publish proposed or final regulations, regarding pay, leave, or performance management systems	Publish proposed or final regulations, regarding pay, leave, or performance management systems
Number of unfair labor practices upheld for failure to complete Governmentwide consultation.	0	0	0	0
Accuracy of Information provided by Federal agencies in LAIRS (% accurate)	95% of information accurately entered into LAIRS	95% of information accurately entered into LAIRS	95% of information accurately entered into LAIRS	95% of information accurately entered into LAIRS
Review of third-party decisions to allow for intervention as necessary	MSPB decisions reviewed within average of 14 calendar days	MSPB decisions reviewed within average of 14 calendar days	MSPB decisions reviewed within average of 14 calendar days	MSPB decisions reviewed within average of 14 calendar days

SHRP Annual Performance Goal 4: Improve the Federal hiring process, increase the quality of the Federal workforce, and improve workforce reshaping tools.

Talent

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Appropriate regulations regarding staffing and employee development issues.	No data	No data	Publish proposed or final regulations	Publish proposed or final regulations
Appropriate classification and qualification standards.	No data	No data	Publish 2 standards	Publish 2 standards
Percent of agency requests processed within established time frames.	No data	No data	80	80
Percent of Federal employees who Telecommute (%)	5.9	7.7	7.7	7.7
% of new hires who say retirement, HB, and LI benefits are competitive and important in their decision to accept a Federal job.	No data	69	69	69
% of employees who say retirement, HB, and LI benefits are competitive and important in their decision to remain in a Federal job.	No data	70	70	70
% of enrollees (Federal employees) satisfied with retirement benefits.	No data	65	66	66
% of enrollees (Federal employees) satisfied with health insurance benefits.	No data	60	60	60
% of enrollees (Federal employees) satisfied with life insurance benefits.	No data	62	62	62
% of actuarial estimates accepted by auditors.	100	100	100	100
% of customers satisfied with workforce information products and services.	n/a	80	83	85
Timeliness of releasing new payroll data standards.	n/a	n/a	210 days	210 days
Timeliness of releasing new systems requirements.	n/a	n/a	9 new system requirements	100 days
Federal Human Capital Survey	n/a	n/a	Develop and administer by the end of the 4th quarter	Release Results by end of 1st quarter

Human Capital Leadership and Merit System Accountability Division

HCLMSA Annual Performance Goal 1: Maintain the progress achieved in the transformation of human capital through systems, standards, and metrics and implementation of core human capital program drivers—leadership and knowledge management, performance culture, and talent.

Human Capital Leadership

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
# of PMA agencies that have a performance appraisal system that meets OPM standards*	No data	No data	23	23
# of PMA agencies meeting targets for closing mission-critical occupation (MCO) gaps*	No data	No data	20	20
# of PMA agencies meeting targets for closing leadership competency gaps*	No data	No data	12	12
# of PMA agencies that have a process in place to account for Federal employees during an emergency	No data	No data	24	24
# of PMA agencies with Organizational Talent Index Scores over baseline**	No data	Baseline = 56%	14	14
# of PMA agencies with Employee Satisfaction/ Retention Index Scores over baseline**	No data	Baseline = 61%	17	17
# of PMA agencies with Management's Satisfaction with Recruitment Results Index Scores over baseline**	No data	Baseline = 45%	12	12
# of PMA agencies with Performance Culture Index Scores over baseline**	No data	Baseline = 51%	16	16
# of PMA agencies with Leadership Index Scores over baseline**	No data	Baseline = 55%	16	16

*Indicators have been revised to reflect more stringent standards used in the Human Capital initiative

**New indicator based on the 2004 Federal Human Capital Survey. For FY 2006 and beyond, these indicators will track the number of Federal agencies whose scores improve above the baseline.

HCLMSA Annual Performance Goal 2: Protect and promote the ideal of the civil service by ensuring that agencies conduct periodic accountability reviews and take corrective and improvement action based on findings and results.

Merit System Compliance

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
# 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	8	10
% of agencies with violations of veterans' preference laws, rules, and regulations	40	18	30*	30*
% agencies with severe problems in one or more DEUs that demonstrate improvement within 1 year following completion of an audit	79	58	80	80
% of classification and job-grading appeal decisions exceeding target time frames	12	11	9	9

* The FY 2005 results for this indicator appear to be an anomaly. The targets for FY 2006 and FY 2007 are based on historic trends (FY 2000 = 43%, FY 2002 = 58%, and FY 2004 = 40%) and represent an aggressive but reasonable performance level.

Federal Investigative Services Division

FISD Annual Performance Goal 1: Support an improved hiring process by performing suitability casework and other investigative services effectively.

Federal Investigative Services

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
% BIs closed within contract delivery date	17	27	60	80
% of pending BI cases exceeding 1 year in process	15	12	6	2
% of cases returned for correction	0.06	0.03	<1	<1
Full cost recovery for Investigations products & services	Yes	Yes	Yes	Yes
% customers satisfied with Investigations products & services	n/a	95	95	95
% applicant suitability determinations completed w/in contract time frames	92	88	95	95
% suitability determinations sustained when appealed to MSPB	99.9	100	>99	>99

Human Resources Products and Services Division

HRPS Annual Performance Goal 1: Help meet agencies' needs to recruit, retain, and manage the best talent through expert, high-value human resources consulting and support services.

Center for Talent Services (CTS)

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Full cost recovery maintained over a 3-year period for reimbursable services	Yes	Yes	Yes	Yes
Agency acceptance rate of TMA project deliverables (%)	99	99	99	99
Overall customer satisfaction with Talent's products and services*	84	85	86	86
CTS contribution to Government effectiveness (%)	94	98	≥96	≥96
Repurchase intention on CTS products and services (CSS #11) (%)	95	96	≥96	≥96
Customers satisfaction with USAJOBS Web site (ACSI score on Federal E-Gov index for OPM vs. all Federal)*	76	77	77	77
Customer satisfaction of USAJOBS users with Federal employment application process	56	65	≥65	≥65

* Data expressed as indices, rather than %

HRPS Annual Performance Goal 2: Demonstrate improvement in individual leaders' knowledge and expected/actual performance or that of their organization as a result of the training and developmental services.

Center for Leadership Capacity Services (CLCS)

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Evaluation ratings for MDC, FEI, PMF programs: Level 1	4.6	4.5	4.6	4.6
Evaluation ratings for PMF programs: Level 1 PMF	4.0	4.1	4.1	4.3
Evaluation ratings for MDC, FEI, CEL programs: Level 2	4.6	4.5	4.6	4.6
Evaluation ratings for FEI LDS programs: Level 2	4.3	4.6	4.6	4.7
Evaluation ratings for PMF programs: Level 2	n/a	3.9	4.1	4.1
# of training sessions	396	429	450	450
# of participants	12,071	12,476	12,500	12,500
# of participant training days	92,559	101,784	≥102,000	≥102,000
Full cost recovery for MDCs and FEI	Yes	Yes	Yes	Yes
# of eligible (registered) users of GoLearn site	261,154	242,108	1,000,000	1,200,000
# of GoLearn courses completed	314,942	1,116,,892	1,500,000	1,500,000

HRPS Annual Performance Goal 3: Determine Federal workforce retirement readiness while achieving 85% customer satisfaction with consulting services.

Retirement Program

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
% of Benefits Officers trained per year	No data	No data	Establish baseline	TBD*
% of customers who rate satisfaction with consulting services as very satisfactory or better	No data	85	85	85
% of training attendees who rate training as very good or higher	No data	83	85	85
Employee knowledge of benefits program index	No data	No data	Establish Baseline	TBD*
% of employees who are at the appropriate stage of retirement planning according to the Retirement Readiness Index	No data	No data	Establish Baseline	TBD*

* FY 2007 targets will be developed in late FY 2006 once baselines have been determined.

HRPS Annual Performance Goal 4: Process retirement claims in 30 days and enhance service delivery options while transitioning to a proven defined-benefit licensed technology solution through Retirement Systems Modernization.

Retirement Program

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Claims processing timeliness (days): Interim annuity payments	5	6	6	6
Claims processing timeliness (days): CSRS annuity payments	73	80	30*	30
Claims processing timeliness (days): FERS annuity payments	97	93	30*	30
CSRS survivor payments	28	29	28	28
Claims processing unit cost	$91.91	$109.30	$90.50[1]	$92.30[1]
Claims processing accuracy (%): CSRS annuity	89	90	93	94
Claims processing accuracy (%): FERS annuity	97	93	93	94
Improper payment rate (%)	0.38	0.28	0.28*	0.28
% of annuitants who received first payment before or when expected	80	81	82	82
Call handling rate (%)	97	91	92	92
Total customer service unit cost	$6.63	$7.36	$6.54[1]	$6.67[1]
% self-services	53	54	60	60
% of annuitants satisfied with overall retirement services	94	87	93	93

[1]Based on constant dollar analysis for FY 2005 CBJ Unit Cost Targets, 1.7% adjustment for FY 2006, and 2.0% adjustment for FY 2007

* Revised from FY2006 CBJ

HRPS Annual Performance Goal 5: Provide Federal employees, annuitants, their families, and other covered members with health plan options and services, while maintaining the timeliness and accuracy of medical claims processing and maintaining sound carrier administration of FEHB health plans.

Insurance Program

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
HB Claims processing timeliness (% within 30 working days)	95	98	>95*	>95*
HB Claims processing accuracy (%)	95	98	>95*	>95*
HB Improper Payment Rate (%)	0.32	0.67	TBD in FY 2006	TBD in FY 2006
Overall customer satisfaction scores for enrollees in FEHB plans meet or exceed industry standard (%)	FEHB: 70; industry: 62	FEHB: 73; industry: 64	FEHB≥ industry	FEHB≥ industry
% of accredited FEHB plans	74	78	>78	>78
Cholesterol management after acute cardiovascular event (%)**	76	79	79	79
Enrollee satisfaction with content and usability of OPM FEHB Open Season Web site (%)	n/a	76	76	76

* Target levels represent a high level of performance, i.e., greater than 95% timeliness and accuracy

** To be replaced later in FY 2006 by a more comprehensive health care quality measure(s)

HRPS Annual Performance Goal 6: Provide Federal employees, annuitants, their families, and other covered members with life insurance and long-term care insurance products and services and flexible spending accounts, while maintaining FEGLI claims timeliness better than industry standard and expanding participation in the LTC and FSAFEDS programs.

Insurance Program

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
FEGLI paid claims timeliness (days)	6.4	6.5	<10*	<10*
FEGLI paid claims accuracy (%)	99.6	99.7	99.5	>99
Improper Payment Rate (%)	0.22	0.17	0.25**	TBD in FY06**
% of FLTCIP service calls answered within 20 seconds	88	88	85*	85*
FLTCIP Service Call Center handling rate (%)	99	99	97*	97*
% of FLTCIP customers overall satisfied with customer service	95	98	90*	90*
New approved FLTCIP applications	11,023	8,543	7,500*	7,500*
Participation in FSAFEDS	125,300	163,115	190,000	205,000
% of "clean" FSAFEDS claims reimbursed within 5 business days (2005); within 4 business days (2006)	n/a	91	90*	90*

* Target based on contract requirement with program partner

** Annuitant only in FY06; Total Program for FY07

Human Resources Line of Business

HR LOB Annual Performance Goal 1: The objective of the HR LOB is to create a framework for a Governmentwide, modern, cost-effective, standardized, and interoperable human resources solution(s) that provide common core functionality and maximize automation of processes to support the strategic management of human capital.

HR LOB

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
# of Service Centers established	n/a	n/a	1	2
# of agencies completing migration to the Shared Service Center	n/a	n/a	3	TBD*

* dependent on actual migration plans submitted by agencies

HR LOB Annual Performance Goal 2: The objective of the Enterprise Human Resource Initiative (EHRI) is to transform the way Federal human resources specialists and managers access human resource information and the way all Federal employees access their personnel file information. As part of the initiative, EHRI provides a set of value-added products and services offered to customer agencies on a fee-for-service basis. When fully implemented, EHRI will replace the current Official Personnel Folder (OPF) with an electronic employee record for all executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment.

EHRI

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Total number of online electronic official personnel folders (e-OPFs)	n/a	67,000	305,000	625,000
Availability attained/Service Level Agreement std (%).	n/a	n/a	n/a	98.5%

Management Services Division

MSD Annual Performance Goal 1: Implement the common identification standard for all OPM employees and contractors and improve the agency's emergency-action readiness, while maintaining service levels from human capital, facilities, contracting, security and emergency actions, and information technology offices.

Management Services Division

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
% of time computer network available during agreed-upon service hours	99	99	99	99
% of hires within 45-day model	60	60	61	61
Cost savings that result from competitions	$2.1M	$0.5M	$3.5M	$3.5M

% of OPM employees trained to respond to emergencies	No data	No data	60	60

Office of the Chief Financial Officer

OCFO Annual Performance Goal 1: Improve financial management services to OPM programs and offices by cross-servicing with the Bureau of Public Debt (a Center of Excellence under the FM LOB initiative), strengthen internal controls over OPM business processes, continue to successfully implement the PMA, and expand OPM's program evaluation program in support of the PART process.

Office of the Chief Financial Officer

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Unqualified audit opinions	Unqualified	Unqualified	Unqualified	Unqualified
# of material weaknesses	1	0	0	0
# of reportable violations of the Anti-Deficiency Act	0	0	0	0

Office of the Inspector General

OIG Annual Performance Goal 1: Provide independent oversight of agency programs, functions, and activities.

OIG Carrier Audits

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Return on investment	$7	$8	$10	$10
Carrier audit cycle	2.9 years	3.0 years	3.0 years	3.5 years
FEHB Audit Recovery Rate	86.9%	95%	70–75%	75%
Positive financial impact	$95.2M	$121.7M	$130M	$115M
# of carriers not audited within 5- year retention period	34	36	40	40
Average FEHBP unaudited years	3.5 years	3.2 years	3.6 years	n/a

OIG Annual Performance Goal 2: Detect, investigate, and prevent fraud, waste, and abuse against OPM programs

OIG Investigations

Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
# of arrests	7	38	40	40
# of indictments	22	43	40	38
# of convictions	25	20	25	20
# of debarments and suspensions	3,797	2,279	1,300	1,500
# of administrative sanction actions based on investigative referrals	n/a	n/a	(125)	(150)
# E-debarments	n/a	n/a	(175)	(200)
# of administrative sanction actions based on HHS/action	n/a	n/a	(1,000)	(1,150)
# administrative sanction fact-finding hearings	n/a	n/a	n/a	3
# of debarment inquiry responses	3,731	5,037	4,700	5,000

Part 4
FY 2007
Performance Budget
(Annual Performance Plan)

Strategic Human Resources Policy Division

Funds

Salaries & Expenses, Trust Fund Annual, Long-Term Care Fund, Dental and Vision Fund.

Program Overview

American citizens demand and deserve a civil service that meets their highest expectations for commitment, performance, integrity, and accountability. In contributing to that end, the Division for Strategic Human Resources Policy (SHRP) leads the design, development, and implementation of innovative, flexible, merit-based human resources policies. Such human resources policies are then tied to strategies that enable the Federal Government and its agencies to turn the American citizens' high expectations into reality.

SHRP provides background information, historical perspective, and insight on human resources policy authorized by law, Executive order, or regulation. Our objective is to make sure Federal agencies understand human resources policy and correctly apply those policies to their family support, staffing, position classification, qualifications, compensation, performance management, merit promotion, employee development, employee and labor management relations, and information technology (IT) programs.

SHRP's organization is composed of seven centers:

Center for Employee and Family Support Policy (CEFSP). CEFSP staff design, develop, and promulgate policies and strategic guidance that Federal agencies use to keep their employees focused and functioning optimally despite the challenges of contemporary Federal service. To perform at their best, employees need to be healthy, free of excess anxiety, and confident that their loved ones are being supported, particularly when employees are working under demanding conditions. Policy areas include, but are not limited to, insurance, retirement, benefits, work/life issues, health promotion, employee assistance, violence prevention, and response to trauma. These policy areas represent the Federal Government's "social contract" with employees and are independent of rewards and discipline systems.

Center for Leadership and Executive Resources Policy (CLERP). CLERP staff design, develop, and promulgate merit-based systems, policies and programs to recruit, develop, motivate, and retain members of the Federal Government's Senior Executive Service, as well as related senior leadership systems. CLERP staff serve as the principal agent for leadership development policy, the expert for executive resources policy, and the focal point for the Presidential Rank Awards program. They are responsible for administering the SES/SL/ST biennial allocation process and out-of-cycle allocation requests and for adjudicating and making recommendations on waiver requests to the OPM Qualifications Review Board. CLERP staff develop policy options and recommendations for senior executives and senior professionals for legislative and regulatory modernization, track and publish U.S. Government Policy and Supporting Positions (commonly known as the "Plum Book"), and provide policy guidance and leadership for Schedule C (non-competitive) appointments.

Center for Human Resources Systems Requirements and Strategies (CHRSRS). CHRSRS staff design Governmentwide policies on the collection, data standardization, reporting, and release of human

resources and payroll information. They develop human resources and payroll information systems policy frameworks that enable data standardization and interoperability of systems. CHRSRS staff deliver flexible procedures to implement human resources and payroll systems and provide strategic advice on human resources and payroll systems. They also provide guidance, authority, or advice to implement human resources and payroll systems policy deviations. CHRSRS staff serve as the technical assistance authority for non-recurring/non-routine internal and external human resources and payroll requests. The staff consult and collaborate with other OPM organizations to develop policy documents and guidance. They make decisions on appeals from current Federal employees when agencies deny access to or amendment of personnel records. Finally, CHRSRS personnel serve as Privacy Act and Freedom of Information Act advisors on human resources and payroll data.

Center for Pay and Performance Policy (CPPP). CPPP staff design, develop, and promulgate merit-based pay and performance management systems, policies, and programs Federal agencies use to attract, motivate, and retain high quality employees from diverse backgrounds. These systems, policies, and programs give agencies the means to use pay and performance management as key tools in leveraging their strategic human capital investments. The Center maintains existing Governmentwide pay, leave, and performance management systems covering approximately 1.3 million civilian Federal employees and designs and develops new pay and performance management systems jointly or in consultation with other Federal agencies, as authorized by law. The Center staff support the President's Pay Agent (the Secretary of Labor and the Directors of the Office of Management and Budget and OPM), the Federal Salary Council, and the Federal Prevailing Rate Advisory Committee as they administer and/or provide advice regarding the administration of existing Governmentwide pay systems. The Center staff also approve, or prepare for approval, variations, waivers, and exceptions to established policies, rules, and regulations.

Center for Talent and Capacity Policy (CTCP). CTCP staff design, develop, and promulgate merit-based employment, development, and learning systems, policies, and programs which Federal agencies use to recruit, examine, hire, train, and develop high quality employees from diverse backgrounds. The Center staff approve, or prepare for approval, variations, waivers, and exceptions to established policies, rules, and regulations.

Center for Workforce Planning and Policy Analysis (CWPPA). CWPPA staff provides a range of statistical analyses to OPM program offices to facilitate policy design, development, and promulgation. They conduct statistical and analytical workforce/human resources studies and provide statistical and actuarial support for all OPM offices and other central management agencies.

Center for Workforce Relations and Accountability Policy (CWRAP). CWRAP staff facilitate consideration of Federal employee union interests in the development of OPM's strategic human resources policy and program objectives. They ensure the involvement of the national unions on issues affecting their members by serving as OPM's liaison to the unions through information-sharing, meetings, and informal discussions with key union staff. The staff also carries out OPM's Governmentwide responsibilities in the area of security and suitability policy. They design, develop, and promulgate systems, strategies, and policies to ensure employee accountability to standards of performance, conduct, and ethical behavior. The staff ensures third-party decisions are consistent with civil service laws, rules, and regulations by exercising formal intervention, reconsideration, or judicial review of decisions.

For FY 2007 priorities, SHRP staff will pursue an aggressive agenda of policy initiatives that are transforming the way human resources management is carried out in Federal agencies. Many of these initiatives will support national security efforts through the modernization of human resources management in the security-related agencies, such as DHS and DOD, as well as the intelligence agencies. OPM will continue through FY 2007 and beyond to work with DHS officials to fully implement that Department's new human resources management system, while also partnering with DOD to begin implementing its new system, the National Security Personnel System. OPM will leverage these experiences to expand human resources modernization to the remainder of the Federal civil service. At the same time OPM will work with other agencies engaged in Alternative Personnel Systems to assess the lessons learned from various modernization efforts

OPM's human resources policy activities will support the vitality of the current civil service. OPM will continue to be an active partner in maximizing human resources flexibilities and performance-based pay systems within a Governmentwide framework. In an effort to promote the Government's ability to attract and retain qualified employees, OPM is developing and implementing regulations and guidance for new dental and vision programs for Federal employees and undertaking other actions to ensure the on-going competitiveness of employee benefits programs financed through the Trust Fund appropriation. Also, OPM is modernizing its entry-level assessment tool and continues to manage the Senior Presidential Management Fellows and Federal Candidate Development programs.

OPM will assess the results of its strategic human resources policy activities by again administering the Federal Human Capital Survey and Federal Benefits Survey in 2006. In FY 2007, OPM will track and report the extent to which agencies use innovations such as hiring flexibilities, teleworking, and student loan repayments. These surveys will provide broad, Governmentwide data on the status of Federal human capital which will benefit lawmakers, managers, and employees—and enable OPM to assess its performance in terms of delivering new human resources policies and issuing ongoing policy guidance as needed.

Program 2007 New Activities

The 2007 budget level includes $1 million for laying the groundwork for market-based compensation and training to make market-based pay determinations.

Program 2007 Continuing Activities

OPM Objective 1: SHRP Goal 1

- We will develop and issue regulations and policy guidance on executive leadership/training regulations.

- For the SES we will produce criteria for the SES biennial allocation process, continue to certify agency applications for pay-for-performance systems, and bring online an SES mobility Web site.

OPM Objective 2: SHRP Goal 2

- SHRP staff will continue coordination activities with DHS, DOD, and intelligence community agencies on pay and performance, classification and qualifications, and employee and labor relations matters.

OPM Objective 3: SHRP Goal 3

- SHRP staff will develop and issue regulations and policy guidance on pay and performance, and set white- and blue-collar pay. We will conduct non-foreign area cost-of-living allowance (COLA) surveys and implement COLA rates and program changes.

- We will review all third-party decisions for potential formal intervention and conduct Governmentwide consultation with national unions.

OPM Objective 4: SHRP Goal 4

- We will continue to develop and issue regulations and policy guidance on staffing and recruitment, Governmentwide classification and qualifications standards, and issue statutorily required reports to Congress.

- We will continue support of the benefits programs by conducting actuarial analyses and determining program liabilities.

- We will continue to manage insurance and retirement benefits, dental/vision benefits, Telework, HealthierFeds, and other work/life programs.

- We will continue to provide Governmentwide personnel processing and record-keeping policies, establish payroll, human resources, and training-data elements for the Central Personnel Data File (CPDF) and Enterprise Human Resources Integration (EHRI) data warehouses, and conduct workforce statistical analyses and human resources studies.

Strategic Human Resources Policy
Salaries & Expenses
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$14,091,233	$14,616,553	$525,320
Personnel Benefits	$3,346,997	$3,422,173	$75,176
Travel and Transportation of Persons	$210,850	$283,684	72,834
Transportation of Things	–	–	–
Communications, Utilities and Rent	$121,742	$98,246	($23,496)
Printing and Reproduction	$266,828	$234,089	($32,739)
Other Services	$3,366,619	$2,296,045	($1,070,574)
Supplies and Materials	$105,167	$66,767	($38,400)
Equipment	$79,564	$57,443	(22,121)
Land and Structures	–	–	
Total	$21,589,000	$21,075,000	($514,000)
FTE	153	147	(6)

Details may not add due to rounding.

Strategic Human Resources Policy
Trust Fund
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$3,186,466	$3,098,766	($87,700)
Personnel Benefits	$742,744	$707,234	($35,510)
Travel and Transportation of Persons	$12,500	–	($12.500)
Transportation of Things	–	–	
Communications, Utilities and Rent	$5,032	–	($5,032)
Printing and Reproduction	$0	–	$0
Other Services	$150,008	–	($150,008)
Supplies and Materials	$7,250	–	($7,250)
Equipment	$4,000	–	($4,000)
Land and Structures	–	–	
Total	$4,108,000	$3,806,000	($302,000)
FTE	33	32.2	(0.8)

Details may not add due to rounding.

Annual Performance Goals and Indicators

The tables on the following pages show a distribution of funding and FTE by strategic goal and objectives. All dollar figures reflect the full cost associated with each goal and objective and include rent and centrally funded items.

Strategic Goal I: Federal agencies adopt human resources management systems that improve their ability to build successful, high-performance organizations.

SHRP Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Actual	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$27.256	$26.112	-$1.144	$25.424	-$0.688
FTE	142.0	153.0	11.0	147.0	-6.0
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$4.368	$4.435	$0.067	$4.166	($0.269)
FTE	31.0	33.0	2.0	32.0	(0.7)
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	***$31.624***	***$30.547***	***-$1.078***	***$29.590***	***($0.956)***
FTE	***173.0***	***186.0***	***13.0***	***179.0***	***-7.0***
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.300	$0.300	$0.000	$0.300	$0.000
FTE	1.0	2.0	1.0	2.0	0.4
TF Dental/Vision	$0.500	$0.300	-$0.200	$0.300	$0.000
FTE	1.0	3.0	2.0	3.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$32.424**	**$31.147**	**-$1.278**	**$30.190**	**($0.956)**
Total FTE	**175.0**	**191.0**	**16.0**	**184.0**	**-7.0**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

OPM Strategic Goal I: SHRP Objective 1

Agencies use OPM policy and guidance to develop and maintain the capacity of their workforce to continue to meet and improve their strategic performance targets.

SHRP Objective 1 Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Actual	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$2.667	$2.612	($0.055)	$2.489	($0.123)
FTE	13.0	13.2	0.2	11.0	-2.2
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No –Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	*$2.667*	*$2.612*	*($0.055)*	*$2.489*	*($0.123)*
FTE	*13.0*	*13.2*	*0.2*	*11.0*	*(2.2)*
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$2.667**	**$2.612**	**($0.055)**	**$2.489**	**($0.123)**
Total FTE	**13.0**	**13.2**	**0.2**	**11.0**	**(2.2)**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

SHRP Annual Performance Goal 1: Improve and expand succession planning and SES pay-for-performance systems across the Executive Agencies.

Means

- We will use SHRP's Center for Leadership and Executive Resources Policy (CLERP) staff to develop work plans for each initiative, consult and partner with stakeholders, work with the Chief Human Capital Officers Council (CHCOC), and use data from supporting automated systems (CPDF, EHRI). We plan to phase out CPDF by the end of FY 2007 and replace it with EHRI. Staff currently dedicated to CPDF will be realigned to support EHRI.

Strategies

- We will identify and develop best practices in leadership development, performance management, and recruitment and assessment, and issue appropriate regulations, policy guidance, and tools for agencies to use in increasing their leadership capacity. We will encourage the use of succession planning and candidate development programs to manage the effects of demographic changes on leadership capacity.

- We will convene symposia to share these identified best practices and facilitate dialogue among agency human resources professionals. We will brief the CHCOC as needed on new developments as they are identified.

Leadership Capacity

Activity	Output	Outcome	Performance Indicator	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Leadership and Executive Resources Policy Design, develop, and promulgate systems, regulations, policies, and programs, and propose legislative changes, to recruit, develop, and retain members of the Senior Executive Service.	Systems, regulations, policies, programs, and proposed legislation.	Improved agency management of SES recruitment, development, and retention.	% of PMA agencies with certified or provisionally certified SES pay-for-performance systems in place	No data	70	80	80
			% of PMA agencies whose executive resources points of contact are trained and informed on SES pay-for-performance systems	No data	No data	90	90
			Workforce morale index	65	66	67	67
			S&E	$2.602 M	$2.304 M	$2.221 M	$2.163 M
			FTE	21.0	16.0	13.2	11.0
			Rent/CFI	$0.177 M	$0.363 m	$0.391 M	$0.326 M

OPM Strategic Goal I: SHRP Objective 2

Provide expert advice and assistance in establishing and/or coordinating the implementation of Human Resources systems for the Departments of Homeland Security, Defense, and other Federal agencies to ensure their human capital needs are met.

SHRP Objective 2 Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$3.078	$1.408	(-$1.670)	$1.768	$0.360
FTE	16.0	6.5	(9.5)	5.0	(1.5)
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	*$3.078*	*$1.408*	*($1.670)*	*$1.768*	*$0.360*
FTE	*16.0*	*6.5*	*(9.5)*	*5.0*	*(1.5)*
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$3.078**	**$1.408**	**($1.670)**	**$1.768**	**$0.360**
Total FTE	**16.0**	**6.5**	**(9.5)**	**5.0**	**(1.5)**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

SHRP Annual Performance Goal 2: Identify policy needs in furtherance of establishing and implementing human resources systems for DHS, DOD, and other agencies; develop work plans for appropriate policies; and execute work plans in accordance with OPM and Administration priorities.

Means

- SHRP will call upon the expertise of staff from all of its Centers, particularly CPPP, CWRAP, and CTCP in bringing new human resources systems to fruition at DHS and DOD.

Strategies

- We will work with the Department of Homeland Security and the Department of Defense to implement their new human resources systems.

- As we complete the work on the new human resources systems, we will redirect resources to implement major reforms for the remainder of the Federal civil service.

Human Resources Systems

Program Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Design, develop, discuss, and evaluate market-sensitive and performance-based pay and performance management systems, policies and programs, for DOD and DHS, and other agencies as required.	Market-sensitive, performance-based pay and performance management systems.	Agency pay systems are market-sensitive, performance-based and support recruitment and retention of high-performing employees.	DHS implementation	Published joint proposed OPM/DHS regulations	Published joint final OPM/DHS regulations	Coordinate implementing issuances	Coordinate implementing issuances within 30 days of formal request
			NSPS implementation	No data	Published joint proposed OPM/DOD regulations	Publish joint final OPM/DOD regulations; Coordinate implementing issuances	Coordinate implementing issuances within 30 days of formal request
			Revised pay-banding criteria for IRS	No data	No data	Publish proposed regulations on revised IRS pay-banding criteria	Publish final regulations on revised IRS pay-banding criteria
			S&E	$2.192 M	$2.682 M	$1.224 M	$1.625 M
			FTE	16.0	20.0	6.5	5.0
			Rent/CFI	$0.217 M	$0.396 M	$0.184 M	$0.143 M

OPM Strategic Goal I: SHRP Objective 3

Provide the Federal Government with a modern compensation system that is performance-oriented, market-sensitive, and assists Federal agencies in meeting their strategic goals.

SHRP Objective 3 Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$7.171	$8.115	$0.944	$7.906	($0.209)
FTE	38.0	47.9	9.9	48.0	0.1
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	*$7.171*	*$8.115*	*$0.944*	*$7.906*	*($0.209)*
FTE	*38.0*	*47.9*	*9.9*	*48.0*	*0.1*
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$7.171**	**$8.115**	**$0.944**	**$7.906**	**($0.209)**
Total FTE	**38.0**	**47.9**	**9.9**	**48.0**	**0.1**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

SHRP Annual Performance Goal 3: Modernize Federal compensation programs to increase the focus on results and provide increased market sensitivity. Improve employee/labor relations through the development and promulgation of appropriate regulations and policy guidance.

Means

- CPPP staff will develop and issue appropriate policies, regulations, and guidance for new, improved, and current compensation systems.

- CWRAP staff will develop and issue appropriate policies, regulations, and guidance to improve employee and labor relations programs, maintain the Labor Agreement Information Retrieval

System (LAIRS), and review third-party decisions related to performance and conduct for possible formal intervention.

Strategies

- CPPP staff will consult with the affected agencies, the CHCOC, and other interest groups in developing new policies to ensure all affected stakeholders have a say in the final outcomes.

- We will facilitate consideration of Federal employee union interests in the development of OPM's strategic human resources policy and program objectives, and ensure the involvement of the national unions on issues affecting their members by serving as OPM's liaison to the unions through information-sharing, meetings, and informal discussions with key union staff. We will design, develop, and promulgate systems, strategies, and policies to insure employee accountability to standards of performance, conduct, and ethical behavior.

- We will develop options and recommendations for compensation reform based on demonstration project evaluation results and with a focus on market sensitivity and linking pay to results and performance.

Performance Culture

Program Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Center for Pay and Performance Policy Design, develop, promulgate, and evaluate market-sensitive and performance-based pay and performance management systems, policies and programs for DOD and DHS, and other agencies as required.	Market-sensitive, performance-based pay and performance management systems.	Agency pay systems are market-sensitive, performance-based and support recruitment and retention of high-performing employees.	Timeliness of statutory pay system pay tables issuance	Issued within 24 hours of EO being signed	Issued within 24 hours of EO being signed	Issue within 24 hours of EO being signed	Issue within 24 hours of EO being signed
			Pay Agent's report to the President on locality pay	Report issued	Report issued	Issue Pay Agent's report to the President on locality pay	Issue Pay Agent's report to the President on locality pay
			Appropriate regulations regarding Federal Wage System issues	No data	No data	Publish proposed or final regulations, as appropriate, regarding Federal Wage System issues	Publish proposed or final regulations, as appropriate, regarding Federal Wage System issues
			Develop proposed pay adjustment for President's budget	Proposed adjustment developed	Proposed adjustment developed	Proposed adjustment developed	Proposed adjustment developed
			Appropriate regulations regarding pay, leave, or performance management systems	No data	No data	Publish proposed or final regulations, regarding pay, leave, or performance management systems	Publish proposed or final regulations, regarding pay, leave, or performance management systems

Program Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
			S&E	$6.530 M	$4.507 M	$4.811 M	$4.520 M
			FTE	35.0	27.0	34.2	35.0
			Rent/CFI	$0.534 M	$0.753 M	$1.013 M	$1.037 M
Center for Workforce Relations and Account ability Policy Design, develop, and promulgate systems, regulations, policies, and programs, and propose legislative changes, with respect to employee relations, labor relations; and security and employment suitability.	Systems, regulations, policies, programs, and legislative proposals. Review of third- party decisions. Labor and employee relations case law analysis. LR information maintained in LAIRS (Labor Agreement Information Retrieval System).	Employee accountability and labor management relations systems, strategies, and policies are in accordance with OPM and Administration policies.	Number of Unfair Labor Practices upheld for failure to complete Governmentwide consultation.	0	0	0	0
			Accuracy of Information provided by Federal agencies in LAIRS (% accurate)	95% of information accurately entered into LAIRS	95% of information accurately entered into LAIRS	95% of information accurately entered into LAIRS	95% of information accurately entered into LAIRS
			Review of third-party decisions to allow for intervention as necessary	MSPB decisions reviewed within average of 14 calendar days	MSPB decisions reviewed within average of 14 calendar days	MSPB decisions reviewed within average of 14 calendar days	MSPB decisions reviewed within average of 14 calendar days
			S&E	$2.022 M	$1.604 M	$1.885 M	$1.964 M
			FTE	10.0	14.0	13.7	13.0
			Rent/CFI	$0.153 M	$0.307 M	$0.406 M	$0.385 M

OPM Strategic Goal I: SHRP Objective 4

Increase the effectiveness and efficiency of the Federal hiring process and make Federal employment attractive to high-quality applicants of diverse backgrounds.

SHRP Objective 4 Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$14.341	$13.977	($0.364)	$13.262	($0.716)
FTE	75.0	85.4	10.4	83.0	-2.4
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$4.368	$4.435	$0.067	$4.166	-$0.269
FTE	31.0	33.0	2.0	32.0	-1.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	*$18.709*	*$18.412*	*($0.297)*	*$17.428*	*($0.984)*
FTE	*106.0*	*118.4*	*12.4*	*115.0*	*(3.4)*
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.300	$0.300	$0.000	$0.300	$0.000
FTE	1.0	2.0	1.0	2.0	0.0
TF Dental/Vision	$0.500	$0.300	-$0.200	$0.300	$0.000
FTE	1.0	3.0	2.0	3.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$19.509**	**$19.012**	**($0.497)**	**$18.028**	**($0.984)**
Total FTE	**108.0**	**122.4**	**14.4**	**119.0**	**(3.4)**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

SHRP Annual Performance Goal 4: Improve the Federal hiring process, increase the quality of the Federal workforce, and improve workforce reshaping tools.

Means

- CTCP and HRSRS staff will develop and promulgate staffing policy and guidance, modernize classification standards, and develop new data standards.

- CEFS and WPPA staff will maintain current and develop new benefits systems, using contractor support as needed, and leverage E-technologies to enhance dissemination of benefits information to external audiences. We will publish proposed regulations, solicit comments, and engage stakeholders in a dialogue before issuing final regulations on benefits policies.

Strategies

- We will identify Governmentwide hiring solutions, rather than agency by agency, to increase transparency of applications to job seekers, and will reduce regulatory burdens that hamper Federal hiring.

- We will use the *Federal Register* to publish new regulations and guidance, solicit comments from stakeholders, and revise and promulgate new policy and data standards as necessary. We will follow up with agencies to ensure that the standards are being properly employed.

- We will encourage agencies to use flexibilities that will enhance health and welfare of employees. We will provide training opportunities for staff to develop new skills in new program areas, and thus enhance opportunities to explore new and more flexible benefits offerings.

Talent

Program Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Talent and Capacity Policy and Center for Employee and Family Support Policy Design, develop, promulgate, and evaluate merit-based recruitment systems, policies and programs.	Merit-based recruitment systems, policies and programs; classification and qualification material; and human resources policies and programs.	Agencies use recruitment and hiring flexibilities and improve the hiring process	Appropriate regulations regarding staffing and employee development issues.	No data	No data	Publish proposed or final regulations	Publish proposed or final regulations
			Appropriate classification and qualification standards.	No data	No data	Publish 2 standards	Publish 2 standards
			Percent of agency requests processed within established time frames.	No data	No data	80	80
			Percent of Federal employees who telecommute (%)	5.9	7.7	7.7*	7.7*
			S&E	$4.800 M	$7.387 M	$6.438 M	$5.940 M
			FTE	44.0	47.0	48.2	47.0
			Rent/CFI	$0.671 M	$1.311 M	$1.427M	$1.392 M
Center for Employee and Family Support Policy and Center for Workforce Planning and Policy Analysis Provide benefits policy guidance and support; provide actuarial analyses and	Policy guidance and regulations; responses to inquiries; actuarial analyses and liability calculations.	Federal employee benefits are competitive and support agencies' efforts to recruit and retain the workforce they need to meet their mission.	% of new hires who say retirement, HB, and LI benefits are competitive and important in their decision to accept a Federal job.	No data	69	69	69
			% of employees who say retirement, HB, and LI benefits are competitive	No data	70	70	70

Program Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
determine program liabilities.			and important in their decision to remain in a Federal job.				
			% of enrollees (Federal employees) satisfied with retirement benefits.	No data	65	66	66
			% of enrollees (Federal employees) satisfied with health insurance benefits.	No data	60	60	60
			% of enrollees (Federal employees) satisfied with life insurance benefits.	No data	62	62	62
			% of actuarial estimates accepted by auditors	100	100	100	100
			TFA	$3.152 M	$4.047 M	$4.108 M	$3.806 M
			FTE	33.0	33.0	33.0	32.3
			Rent/CFI	$0.305 M	$0.321 M	$0.327 M	$0.360 M
			Dental/Vision	$0.000 M	$0.500 M	$0.300 M	$0.300 M
			FTE	0.0	1.0	3.0	3.0
			LTC	$0.300 M	$0.300 M	$0.300 M	$0.300 M
			FTE	1.0	1.0	2.0	2.0
Center for Workforce Planning and Policy Analysis and Center for Human Resources Systems Requirements and Strategies		High-quality analytical reports available to inform the public and decision-makers about the Federal civilian workforce; Federal payroll data are standardized and systems are interoperable	% of customers satisfied with workforce information products and services.	n/a	80	83	85
			Timeliness of releasing new payroll data standards.	n/a	n/a	210 days	210 days
			Timeliness of releasing new systems requirements	n/a	n/a	9 new system requirements	100 days
			Federal Human Capital Survey	n/a	n/a	Develop and administer by end of 4th quarter	Release results by end of 1st quarter
			S&E	$4.500 M	$4.862 M	$5.010 M	$4.864 M
			FTE	28.0	28.0	37.2	36.0
			Rent/CFI	$0.427 M	$0.781 M	$1.102 M	$1.066 M

*A new methodology for counting telecommuters will be developed in FY 2006.

Human Capital Leadership and Merit System Accountability Division

Fund

Salaries & Expenses.

Program Overview

OPM's Division for Human Capital Leadership and Merit System Accountability leads the Governmentwide effort to transform human capital management so agencies are held accountable for managing their workforce effectively, efficiently, and in accordance with Merit System Principles. By improving agencies' human capital management, HCLMSA ensures accountability and improves the way the Government works for its citizens. HCLMSA accomplishes this mission through a comprehensive, strategy-driven set of programs and activities:

- It analyzes the human capital efforts of agencies and shares its insights and guidance with them to help them improve in all key areas of human capital management, particularly with regard to the three primary drivers of human capital: talent, leadership, and performance culture.
- It develops and provides agencies with tools and technical assistance.
- It refines the Human Capital Standards for Success as set under the Human Capital Assessment and Accountability Framework.
- It provides agencies with guidance by setting intermediate goals.
- It tangibly links improvements in human capital management to performance measures, and ensures agencies' compliance with Merit System Principles and personnel practices as required by law, executive order, and regulation.

HCLMSA carries out these responsibilities through five centers that are agency-based in design and two centers that are focused on cross-cutting implementation in the specific areas of measurement and outreach activities, and human resources statutory and delegation compliance.

In 2007, the budget level includes $30,758,000 and 240 FTE to support the following activities described below.

Program 2007 New Activities

Initiative 1—Performance Management Training

An increase of $1,129,000 is included for this initiative. HCLMSA will develop certification criteria, as well as a performance management training model and template for implementation by agencies. In addition, HCLMSA will provide this training for small agencies with 100 or fewer employees.

Program 2007 Continuing Activities

Objective 1

- **Human Capital Leadership**
  - Leads the strategic management of human capital initiative through the President's Management Agenda.

- Provides assistance and advice to all agencies (26 PMA agencies and over 100 small agencies, boards, and commissions) on the full range of human capital management issues including: strategic alignment, leadership, performance culture, talent, and accountability.
- Administers the delegated authorities vested to OPM in laws and regulations including: dual compensation waivers, VERA/VSIP, term-appointment approvals, selective service waivers, etc.

► **Inquiry Center** Responds to inquiries from agencies, the White House, members of Congress and elected officials, private citizens, current and former Federal Government employees—approximately 1,000 per month.

► **Executive Resources Group.** Administers the Qualifications Review Board program for certification of candidates for initial SES career appointments.

► **Human Capital Planning and Measurement Group.** Designs and develops programs, products, and partnerships for internal and external stakeholders to further the human capital transformation in the Federal Government.

► **Veteran Invitational Program (VIP)**

- Conducts seminars to assist veterans and military personnel who are transitioning to civilian life, through classes on veterans' preference, resume writing, interviewing skills, and navigating the USAJOBS website.
- Designs and develops informational brochures and other collateral materials.
- Provides technical assistance to agencies on veterans' preference, hiring authorities, and best practices.
- Liaisons with DOD on veterans' issues.

► **Federal Executive Boards**

- Provides technical assistance to Federal Executive Boards (FEBs) on emergency planning. Partners with FEMA to conduct emergency-planning training with the agencies through the FEBs.
- Provides training through the FEBs to agencies on a variety of initiatives, such as hiring flexibilities, diversity, etc.
- Conducts an annual conference with the Chairman and Executive Directors of the FEBs to discuss issues that are critical to the agencies in the field.

Resources for this program are aligned to meet the core activities of the Human Capital Leadership program and include compensation, contractual services to support outreach activities, and other miscellaneous business expenses.

These resources are important to the success of the program/agency/government and are expected to produce the following results:

PMA agencies are:

- Making progress toward aggressive hiring time frames; reducing skill gaps in leadership and mission-critical occupations; and demonstrating their performance appraisal systems and award system meet OPM standards.

- Processing agency-delegated authority requests in a timely manner.

- Assisting agencies in the Human Capital Systems, Standards, and Metrics Governmentwide.

Objective 2

- **Strengthen Agency Accountability Systems.** Civil Service Rule X requires agencies to maintain an accountability system for human capital management. OPM works cooperatively with agencies to strengthen their accountability systems, including providing them with guidance and tools to implement the system and participating in the conduct of that system on a continuous-engagement basis. This provides the agency, and OPM, continuous current information on human resources metrics; ensures compliance with law and regulation; and results in an annual report, issued by each agency, on the state of human capital management.

  For PMC agencies, a strengthened accountability system will monitor continuously so any issues will be addressed promptly. It also permits OPM to assess, on a current basis, the state of the merit system in an agency, and to intervene when and where necessary.

  For small agencies that may not have well-developed and resourced accountability systems, OPM conducts periodic Human Resources Operations Audits.

- **Problem-Oriented Reviews.** OPM conducts problem-oriented reviews at specific Federal installations. These reviews are in response to allegations of human resources issues from a variety of sources. (e.g. employee complaints, congressional inquiries, etc.). By leveraging agency accountability systems to monitor merit system compliance, OPM will increase its capacity to conduct problem-oriented reviews. This enables OPM to respond to known or suspected merit system issues promptly.

- **Special Studies.** Periodically, OPM conducts a review of a particular issue across agencies to obtain a Governmentwide perspective (e.g. special studies on veterans' issues, public notice of vacancies, poor performers, etc.).

- **Delegated Examining Unit (DEU) Audit Program and Newly Developed Automated Systems to Focus Resources.** DEUs at Federal agencies announce positions and certify candidates for selection for Federal appointments. Because this area requires vigilant oversight, OPM will continue an aggressive program of 125 audits per year and increase effectiveness by implementing a new Delegated Examining Information System (DEIS). The DEIS allows analysis of data from DEU data reports and focuses resources on areas of the greatest potential risk.

- **Personnel Security Appraisal Program to Continuously Monitor Agency Processing of Background Investigations and Security Clearance Procedures.** In addition to conducting periodic appraisals of agency personnel security programs, HCLMSA works with the Federal

Investigative Services Division to develop data monitoring and analysis by agency, focusing personnel security resources in areas of highest vulnerability.

Fiscal resources for this program are aligned to meet the core activities of the Accountability program. Fiscal resources included compensation, travel, employee training, contractual services, and other miscellaneous business expenses.

These resources are important to the success of the program/agency/Government, and are expected to produce the following results:

- Agencies fully implement a system of internal compliance with Merit System Principles and laws, rules, and regulations, in accordance with OPM standards
- Agencies are in compliance with veterans' preference laws, rules, and regulations
- Agencies demonstrate improvement in dealing with severe problems in DEUs
- Classification and job-grading appeals decisions are timely

Human Capital Leadership and Merit System Accountability
Salaries & Expenses
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$21,025,850	$21,542,260	$516,410
Personnel Benefits	$4,549,120	$4,921,140	$372,020
Travel and Transportation of Persons	$982,760	$952,760	($30,000)
Transportation of Things	$47,250	$47,250	0
Communications, Utilities and Rent	$136,770	$136,770	0
Printing and Reproduction	$69,310	$69,310	0
Other Services	$2,680,080	$2,734,350	$54,270
Supplies and Materials	$165,640	$165,640	0
Equipment	$209,220	$188,520	($20,700)
Land and Structures	–	–	0
Total	$29,866,000	$30,758,000	$892,000
FTE	245	240	(5)

Details may not add due to rounding.

Annual Performance Goals and Indicators

The tables on the following pages show a distribution of funding and FTE by strategic goal and objectives. All dollar figures reflect the full cost associated with each goal and objective and include rent and centrally funded items.

Strategic Goal II: Federal agencies use effective merit-based human capital strategies to create a rewarding work environment that accomplishes the mission.

HCLMSA Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$35.567	$38.003	$2.436	$38.765	$0.762
FTE	216.0	245.0	29.0	240.0	(5.0)
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	***$35.567***	***$38.003***	***$2.436***	***$38.765***	***$0.762***
FTE	***216.0***	***245.0***	***29.0***	***240.0***	***(5.0)***
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$35.567**	**$38.003**	**$2.436**	**$38.765**	**$0.762**
Total FTE	**216.0**	**245.0**	**29.0**	**240.0**	**(5.0)**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

OPM Strategic Goal II: HCLMSA Objective 1

Provide advice to agencies and promote best practices on solutions, actions, and strategies to meet their Human Capital Managements needs.

HCLMSA Objective 1 Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$18.880	$20.902	$2.022	$21.468	$0.566
FTE	114.0	129.0	15.0	127.0	(2.0)
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	***$18.880***	***$20.902***	***$2.022***	***$21.468***	***$0.566***
FTE	***114.0***	***129.0***	***15.0***	***127.0***	***(2.0)***
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$18.880**	**$20.902**	**$2.022**	**$21.468**	**$0.566**
Total FTE	**114.0**	**129.0**	**15.0**	**127.0**	**(2.0)**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

HCLMSA Annual Performance Goal 1: Maintain the progress achieved in the transformation of human capital through systems, standards, and metrics and implementation of core human capital program drivers—leadership and knowledge management, performance culture, and talent.

Means

- Providing tools and technical assistance in utilizing succession strategies to result in a leadership pool that closes competency gaps.
- Providing technical assistance to agencies to ensure supervisors, managers, and executives are held accountable for managing employee performance.

- Providing tools and technical assistance to agencies to ensure their performance-appraisal systems are assessed and meet OPM standards.

- Providing technical assistance to close competency gaps for mission-critical occupations, including select information technology occupations and human resources management occupations.

- Providing technical assistance to agencies to improve the hiring process and meet aggressive hiring-timeline goals

Strategies

- **Promote Public Trust in the Federal Workforce.** HCLMSA will: engage public service groups and congressional agencies; support human resources activities that contribute to national security and safety; and support effective outreach activities for America's veterans.

- **Provide Customers with the Highest Level of Service.** HCLMSA will: reach out to agencies and work to understand and identify their needs, promote and model OPM's value proposition; drive implementation of Human Capital Assessment and Accountability Framework principles; leverage innovative and best human capital practices; and provide policy and regulation guidance.

Human Capital Leadership

Activity	Output	Outcome	Performance Indicator	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Assist agencies in human capital transformation through the strategic management of human capital	Elimination of skill and competency gaps in mission-critical occupations; Performance appraisal plans that hold manager and employees accountable and are linked to mission; Agency succession strategies are in place.	Lead the call for talent to serve America; Build a Government-wide high-performance culture; Equip leadership to drive agency results.	# of the 26 PMA agencies that have a performance appraisal system that meets OPM standards*	No data	No data	23	23
			# of the 26 PMA agencies meeting targets for closing mission-critical occupation (MCO) gaps*	No data	No data	20	20
			# of the 26 PMA agencies meeting targets for closing leadership competency gaps*	No data	No data	12	12
			# of the 26 PMA agencies that have a process in place to account for Federal employees during an emergency	No data	No data	24	24
			# of the 26 PMA agencies with Organizational Talent Index Scores over baseline**	No data	Baseline = 56%	14	14
			# of the 26 PMA agencies with Employee Satisfaction/ Retention Index Scores over baseline**	No data	Baseline = 61%	17	17
			# of the 26 PMA agencies with Management's Satisfaction with Recruitment Results Index Scores over baseline**	No data	Baseline = 45%	12	12
			# of the 26 PMA agencies with Performance Culture Index Scores over baseline**	No data	Baseline = 51%	16	16
			# of the 26 PMA agencies with Leadership Index Scores over baseline**	No data	Baseline = 55%	16	16
			GFA (S&E)	$14.435 M	$15.285 M	$16.618 M	$17.231 M
			FTE	115.0	114.0	129.0	127.0
			Rent/CFI	$2.263 M	$3.595 M	$4.284 M	$4.237 M

* Indicators have been revised to reflect more stringent standards used in the Human Capital initiative

** New indicator based on the 2004 Federal Human Capital Survey. For FY 2006 and beyond, these indicators will track the number of Federal agencies whose scores improve above the baseline.

OPM Strategic Goal II: HCLMSA Objective 2

Monitor and assess agencies' effectiveness in implementing merit-based strategies that support their mission.

HCLMSA Objective 2 Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$16.687	$17.101	$0.414	$17.297	$0.196
FTE	102.0	116.0	14.0	113.0	(3.0)
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No–Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	***$16.687***	***$17.101***	***$0.414***	***$17.297***	***$0.196***
FTE	***102.0***	***116.0***	***14.0***	***113.0***	***(3.0)***
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$16.687**	**$17.101**	**$0.414**	**$17.297**	**$0.196**
Total FTE	**102.0**	**116.0**	**14.0**	**113.0**	**(3.0)**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

HCLMSA Annual Performance Goal 2: Protect and promote the ideal of the civil service by ensuring that agencies conduct periodic accountability reviews and take corrective and improvement action based on findings and results.

Means

- Provide technical assistance to agencies to ensure their accountability systems meet OPM standards.

Strategies

- **Promote Public Trust in the Federal Workforce.** HCLMSA will ensure adherence to Merit System Principles through agency accountability reviews.

Merit System Compliance

Activity	Output	Outcome	Performance Indicator	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
To ensure human resource programs are efficient, effective, and compliant with Merit System Principles	Conduct human resources/ human capital oversight audit Conduct Delegated Examining Unit (DEU) audits Adjudicate agency classification appeals	Ensure executive agencies exercise their delegated personnel management authorities in accordance with Merit System Principles, civil service laws and regulations, and OPM standards	# 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	8	10
			% of agencies with violations of veterans' preference laws, rules, and regulations	40	18	30*	30*
			% agencies with severe problems in one or more DEUs that demonstrate improvement within 1 year following completion of an audit	79	58	80	80
			% of classification and job-grading appeal decisions exceeding target timeframes	12	11	9	9
			GFA (S&E)	$12.907 M	$13.470 M	$13.248 M	$13.527M
			FTE	105.0	102.0	116.0	113.0
			Rent/CFI	$2.066 M	$3.217 M	$3.353 M	$3.770 M

* The FY 2005 results for this indicator appear to be an anomaly. The targets for FY 2006 and FY 2007 are based on historic trends (FY 2000 = 43%, FY 2002 = 58% and FY 2004 = 40%) and represent an aggressive but reasonable performance level.

Federal Investigative Services Division

Fund

Revolving Fund.

Program Overview

The Federal Investigative Services Division (FISD) provides Federal agencies personnel background investigative and employment suitability services on a reimbursable basis to ensure that Federal employees meet critical personnel security standards. FISD strives to provide these services within the timeframes mandated by the National Intelligence Directive.

The Division conducts more than 90 percent of the Federal Government's background investigations. Investigations are a critical step in the Federal hiring process, and can affect hiring or removal decisions based on the individual's suitability for employment. Agencies also issue security clearances and place individuals in positions of Public Trust based on information gathered in more extensive background investigations. Improvements in processing time may shorten the hiring process and the time required to place individuals in positions requiring a security clearance.

In FY 2007, the budget level includes $725,000,000 and 2,088 FTE to conduct background investigations and to ensure the fitness and suitability of applicants for and appointees to positions in the Federal service; 29 percent of these resources are allocated to personnel compensation, 57 percent to contracts, nine percent to other services such as agency overhead, rent, utilities, etc., and five percent to equipment and supplies. These resources are important to providing agencies with the information they need to make clearance decisions and also help them ensure that only properly investigated personnel hold positions of public trust.

Annual Performance Goals and Indicators

The tables on the following pages show a distribution of funding and FTE by strategic goal and objectives. All dollar figures reflect the full cost associated with each goal and objective and include rent and centrally funded items.

OPM Strategic Goal III: Meet the needs of Federal agencies, employees, and annuitants through the delivery of efficient and effective products and services.

OPM Strategic Goal III: FISD Objective 1

Provide direct human capital products and services that are cost effective, relevant, and useful to agencies.

FISD Objective 1 Resource Summary (Full Cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$2.805	$0.000	-(2.805)	$0.000	$0.000
FTE	45.0	0.0	-45.0	0.0	0.0
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	*$2.805*	*$0.000*	*$(2.805)*	*$0.000*	*$0.000*
FTE	*45.0*	*0.0*	*-45.0*	*0.0*	*0.0*
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$551.178	$705.000	$153.822	$725.000	**$20.000**
FTE	973.0	1,923.0	950.0	2,088.0	**165.0**
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$553.983**	**$705.000**	**$151.017**	**$725.000**	**$20.000**
Total FTE	**1,018.0**	**1,923.0**	**905.0**	**2,088.0**	**165.0**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

FISD Annual Performance Goal 1: Support an improved hiring process by performing suitability casework and other investigative services effectively.

Means

- FISD will continue to work to better meet the needs of its customers. FISD will enforce investigator performance standards and continue the use of additional background investigations contracts to increase total case production, improve case timeliness, and allow OPM to continue offering competitive case pricing to its customers.

- FISD will continue to close more cases than received to reduce the level of cases on hand.

- FISD will continue suitability product delivery, helping to ensure the fitness and suitability of Federal employees.

Strategies

- FISD will continue to ensure the combined Federal and contractor workforce allows OPM to meet the goal of the National Intelligence Directive (NID).

- FISD will continue to expand its support of the President's Management Agenda and address top management challenges by expanding electronic government through its E-Clearance initiatives.

- FISD will provide for uniform application of suitability guidelines, which facilitates agency security and suitability programs to focus their scarce resources on day-to-day security and suitability issues. FISD will continue to take action in the most egregious suitability cases involving material falsification.

- FISD will closely track our performance indicators to improve the timeliness of investigative case processing and determine how well we are meeting the needs of our customer agencies.

Federal Investigative Services

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Provide background investigations (BI) and provide suitability determinations	Background investigations and suitability determinations	Agencies have the information needed to make clearance decisions and place employees in positions involving the Public Trust and ensure only suitable applicants are hired and retained	% BIs closed within contract delivery date	17	27	60	80
			% of pending BI cases exceeding 1 year in process	15	12	6	2
			% of cases returned for correction	0.06	0.03	<1	<1
			Full cost recovery for Investigations products & services	Yes	Yes	Yes	Yes
			% customers satisfied with Investigations products & services	n/a	95	95	95
			% applicant suitability determinations completed w/in contract time-frames	92	88	95	95
			% suitability determinations sustained when appealed to MSPB	99.9	100	>99	>99
			GFA (S&E)	$2.455M	$2.805M	$0.000M	$0.000M
			FTE	45.0	45.0	0.0	0.0
			RF	$290.000 M	$551.178M	$705.000M	$725.000M
			FTE	136.0	973.0	1,923.0	2,088.0

Human Resources Products and Services Division

Funds

Trust Fund, Salaries & Expenses, and Revolving Fund.

Program Overview

The Division for Human Resources Products and Services (HRPS) provides essential services on a reimbursable basis and from Trust Fund resources to help maintain the Government's position as a competitive employer by assisting agencies, employees, and annuitants with staffing, selection, development, and retirement and insurance programs. Services include: human resources consulting services (applicant recruitment, screening, and selection; organizational and individual assessment systems and services; succession planning; etc.); executive and management training; retirement and insurance-claims processing and administration/oversight of Federal insurance carriers. In addition, HRPS is responsible for supporting the Department of Justice in ensuring voting rights for American citizens.

HRPS has three centers: Talent Services, Leadership Capacity Services, and Retirement and Insurance Services.

FY 2007 priorities are: improving retirement claims processing, retirement systems modernization, and, with the Department of Justice, ensuring voting rights.

Program 2007 Activities

Trust Fund Annual

In 2007, the total Trust Fund (TF Annual and TF No-Year) includes $83,951,000 and 576 FTE to support the Federal Retirement and Insurance Programs.

Trust Fund Annual ($57,221,000 and 556 FTE). For the Retirement Program, Trust Fund Annual resources will be dedicated to processing retirement claims, responding to retirement inquiries, and maintaining retirement accounts for 2.4 million retired Federal workers, survivors, and beneficiaries. Retirement payments total nearly $55 billion each year. For the Insurance Program, Trust Fund Annual resources will be dedicated to administering the contracts for the Federal Employees Health Benefits Program (279 participating health plan options) and the Federal Employees Group Life Insurance Program and to introduce and administer the new Dental and Vision Program. The Benefits Officers Training and Development Group provides guidance, training, and development and assistance to agency benefits officers, and established a training program for all Federal Government retirement counselors. OPM services millions of Federal employees, retirees, and their families (eight million in FEHBP and four million in FEGLI). Seventy-seven percent of this funding covers personnel compensation; 18 percent covers other services/contracts (including outsourced clerical and administrative support; four percent covers telecommunications/utilities; and less than one percent is allocated to travel.

Improving Retirement Claims Processing

The FY 2007 budget level for retirement claims processing reflects an increase of $1,551,320 in the *Trust Fund Annual*. OPM will direct resources as needed to sustain the 30-day processing time for new retirement claims while implementing the Retirement Systems Modernization. OPM will also strive to improve claims-processing accuracy for all retirement claims from 93 percent to 94 percent.

The following table provides a quantitative summary of the significant retirement program workloads. These data reflect a continuing high volume of retirement claims and related services expected through FY 2007.

Retirement Services Program Workloads (Receipts)

Workloads	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Projected*	FY 2007 Projected
CSRS Retirement Claims	64,940	71,896	65,428	66,387	65,325
CSRS Survivor Claims	73,105	74,098	73,144	73,020	75,211
FERS Retirement Claims	25,345	29,352	33,236	33,470	36,817
FERS Survivor Claims	6,270	6,824	7,519	7,491	7,753
Disability Claims	12,555	21,865	14,591	15,750	15,750
Refund Claims	16,301	16,767	13,229	16,320	17,600
Deposit Claims	12,931	12,217	13,759	12,210	11,200
Reconsideration & Appeal Requests	5,043	4,835	4,434	3,890	3,500
Telecommunication Services	1,702,628	1,897,471	1,890,504	1,945,000	1,970,000
E-mail and Written Correspondence	422,055	405,209	414,941	420,000	422,000
Insurance and Allotment Services	177,431	147,340	90,119	101,900	103,100
Tax and Court-Ordered Benefits	30,038	33,212	39,787	33,300	30,920
Inspection & Survey Service Retirement Inspection and Survey Services	64,192	43,309	57,554	52,700	53,300
Change of Address Requests	344,204	383,749	343,790	332,030	319,400
Post Adjudication Work	229,497	184,011	132,401	164,000	171,500
Retirement File Services	1,142,145	1,063,271	987,791	996,300	1,008,300
Total Workload	4,328,680	4,395,426	4,182,227	4,273,768	4,311,676

* Revised from FY 2006 CBJ Based on New Actuarial Data.

Retirement Systems Modernization

Trust Fund No-Year ($26,730,000 and 20 FTE). With the FY 2007 increase of $26,730,000 and 5 FTE, OPM will implement the Retirement Systems Modernization (RSM) effort. RSM is OPM's central information technology strategy to meet its long-term customer service, business, and financial management goals for the Retirement Program. RSM's two most critical components are (1) the licensing of a proven Defined Benefits Technology Solution (DBTS) to automate calculations, and (2) the availability of electronic retirement data. Initial operations of the DBTS will begin to process the first member and/or annuitant transaction. OPM will complete development of interfaces between the DBTS and government financial systems to allow initial DBTS implementation to be performed for major stakeholders, including OPM, other Federal agencies, current employees, and annuitants. OPM will begin converting historic paper records to electronic records and develop interfaces for recurring electronic data. The RSM program will continue to implement an Earned Value Management System to support program management.

As RSM is implemented, OPM will authorize new retirement benefits within five or fewer days (17 percent of all claims in FY 2008 and 49 percent in FY 2009) with no interim payments. This is an improvement from the FY 2004 baselines of 73 days (CSRS) and 97 days (FERS). The baseline includes five days for interim-payment processing, which RSM will abolish with few exceptions. RSM will also improve the accuracy of retirement claims from 90 percent (CSRS) and 93 percent (FERS) to between 95 and 97 percent combined. (NOTE: Improvements are directly related to the availability of electronic employee data and the ability to perform automated calculations.) DBTS implementation will be completed within 2 years after the contract is awarded and we will begin to see improvements at that time. Full benefits will be realized when all data for active employees and members are available in the system, estimated to take 3 years, when all active Federal employees retirement-related data has been converted to electronic data. The DBTS is the only solution that will enable OPM to provide the level of service to our entire customer base that they deserve.

Ninety percent of the Trust Fund No-Year funding covers contracts and 10 percent covers personnel compensation

Salaries & Expenses (S&E)

The $2,010,000 and 10.4 FTE Salaries & Expenses FY 2007 base budget level covers:

- $1,901,000 and 9.4 FTE to support the Department of Justice's Voting Rights Program by recruiting, training, and deploying observers to protect the voting rights of US citizens under Voting Rights Act of 1965. Sixty-five percent of resources fund personnel compensation, 30 percent fund travel, and five percent fund administrative management and training materials.

- $109,000 and 1 FTE to continue development and increase enrollments in the Flexible Spending Account (FSAFEDS) that allows for tax-sheltered contributions toward qualifying medical and dental care expenses for Federal employees. This funding is totally devoted to personnel compensation.

Ensuring Voting Rights

The Voting Rights Act of 1965 gives OPM responsibility for providing Federal observers to monitor the election process in areas designated by the U.S. Attorney General or through court orders and consent decrees. The Act is designed to prevent states and political subdivisions from employing any voting qualifications, prerequisites, standards, practices, and procedures that deny or abridge a U.S. Citizen's right to vote on account of race, color, or membership in a language-minority group.

The Voting Rights Program, a functional responsibility of HRPS/Center for Talent Services, is administered by five full-time employees, who manage the observers—a cadre of approximately 900 intermittent employees and detailees, many of whom are recruited for their particular language skills. In FY 2006, HRPS will continue to recruit, train, and deploy sufficient voting rights observers to meet Department of Justice requests, currently estimated at 871 observers for the fiscal year.

For FY 2007, the $1.9 million and 9.4 FTE will fund deployment of trained voting rights observers for 26 anticipated elections. Preliminary projections of elections and observer requirements are shown below.

- November 2006: General Election (12 states) – approximately 600 observers – 23 observation sites

- March 2007: Municipal Elections (2 states) – approximately 75 observers – 3 observation sites
- May 2007: Municipal & State Elections (3 states) – approximately 75 observers – 6 observation sites
- September 2007: Municipal & State Elections (4 states) – approximately 160 observers – 6 observation sites

Revolving Fund

Talent Services. The Center helps agencies meet their mission by providing human capital management services and systems at a reasonable cost. FY 2007 resources ($167 million and 561 FTE) fund the delivery of recruitment, staffing, individual and organizational assessment, and training and management assistance services. Twenty-two percent funds personnel compensation; 68 percent funds contracts—primarily training and management-assistance contracts which OPM competes and makes available to agencies for human capital management initiatives; two percent funds travel and eight percent funds all other services such as telecommunications, equipment, supplies, etc. These resources are important to continue to provide agencies with expert, specialized services aligned with Government principles and policies.

Leadership Capacity. The Center provides Government leaders with the tools–training in leadership, management, organization development, and strategic planning–to deliver measurable results. Course offerings are continually updated and customized to ensure they are flexible and responsive to the Administration's goals, current management issues, and agency needs.

The FY 2007 resource level includes $114 million and 105 FTE to meet agency needs for executive and management training. Nine percent of the funds are allocated to personnel compensation; 80 percent are allocated to contracts (primarily for speakers and online learning contracts) and facilities costs for residential training; two percent funds travel; and nine percent funds all other services, such as telecommunications, equipment, supplies, etc. These resources are important to continue to provide agencies with current and relevant training designed to improve individual leaders' knowledge and improve organizational results.

Human Resources Products and Services
Salaries & Expenses
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$1,675,000	$1,163,000	($512,000)
Personnel Benefits	$200,000	$157,000	($43,000)
Travel and Transportation of Persons	$855,000	$603,000	($252,000)
Transportation of Things	$0	$5,000	($5,000)
Communications, Utilities and Rent	$51,000	$0	$51,000
Printing and Reproduction	$14,000	$57,000	$43,000
Other Services	$4,000	$1,000	($3,000)
Supplies and Materials	$10,000	$24,000	($14,000)
Equipment	$0	$0	0
Land and Structures	–	–	0
Total	$2,809,000	$2,010,000	($799,000)
FTE	12	10.4	(1.6)

Details may not sum to totals because of rounding.

Human Resources Products and Services
Trust Fund
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$33,823,718	$35,423,000	$1,599,282
Personnel Benefits	$8,440,440	$8,797,000	$356,560
Travel and Transportation of Persons	$213,305	$310,000	$96,695
Transportation of Things	$93,000	$104,000	$11,000
Communications, Utilities and Rent	$2,735,826	$2,309,000	($426,826)
Printing and Reproduction	$362,500	$609,000	$246,500
Other Services	$9,255,091	$8,456,000	($799,091)
Supplies and Materials	$356,800	$468,000	$111,200
Equipment	$339,000	$745,000	$406,000
Land and Structures	$50,000	–	($50,000)
Total	$55,669,680	$57,221,000	$1,551,320
FTE	578	556	(22)

Details may not sum to totals because of rounding.

Human Resources Products and Services
Trust Fund – No-Year
Retirement Systems Modernization
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	0	$2,055,000	$2,055,000
Personnel Benefits	0	$477,000	$477,000
Travel and Transportation of Persons	–	–	–
Transportation of Things	–	–	–
Communications, Utilities and Rent	–	–	–
Printing and Reproduction	–	–	–
Other Services	–	$24,198,000	$24,198,000
Supplies and Materials	–	–	–
Equipment	–	–	–
Land and Structures	–	–	–
Total	0	$26,730,000	$26,730,000
FTE	15	20	5

Details may not sum to totals because of rounding.

Annual Program Performance Goals and Indicators

The tables on the following pages show a distribution of funding and FTE by strategic goal and objectives. All dollar figures reflect the full cost associated with each goal and objective and include rent and centrally funded items.

OPM Strategic Goal III: Meet the needs of Federal agencies, employees, and annuitants through the delivery of efficient and effective products and services.

HRPS Resource Summary (Full cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$5.542	$4.554	($0.988)	$3.740	($0.814)
FTE	28.0	12.0	(16.0)	10.4	(1.6)
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$67.117	$64.584	($2.533)	$67.051	$2.467
FTE	637.0	560.0	(77.0)	556.0	(4.0)
Trust Fund No-Year	$10.539	$0.000	($10.539)	$26.730	$26.730
FTE	10.0	15.0	5.0	20.0	5.0
Total Requested	***$83.198***	***$69.138***	***($14.059)***	***$97.521***	***$28.383***
FTE	***675.0***	***587.0***	***(88.0)***	***586.4***	***(0.6)***
TF Title V/FERCCA	$27.580	$30.707	$3.127	$30.707	$0.000
FTE	226.0	299.0	73.0	299.0	0.0
TF LTC	$0.455	$0.700	$0.245	$0.700	$0.000
FTE	2.0	3.0	1.0	4.0	1.0
TF Dental/Vision	$0.212	$0.700	$0.488	$0.834	$0.134
FTE	0.2	3.0	2.8	3.0	0.0
Revolving Fund	$239.008	$258.471	$19.463	$281.215	$22.744
FTE	577.0	662.0	85.0	666.0	4.0
Advances & Reimbursements	$0.656	$0.000	(-$0.656)	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$351.109**	**$359.474**	**$8.365**	**$410.802**	**$51.328**
Total FTE	**1,480.2**	**1,554.0**	**73.8**	**1,558.4**	**4.4**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

OPM Strategic Goal III: HRPS Objective 1

Provide direct human capital products and services that are cost effective, relevant, and useful to agencies.

HRPS Objective 1 Resource Summary (Full cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$4.691	$4.300	($0.391)	$3.465	($0.835)
FTE	27.0	11.0	(16.0)	9.4	(1.6)
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	***$4.691***	***$4.300***	***($0.391)***	***$3.465***	***($0.835)***
FTE	***27.0***	***11.0***	***(16.0)***	***9.4***	***(1.6)***
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$239.008	$258.471	$19.463	$281.215	$22.744
FTE	577.0	662.0	85.0	666.0	4.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$243.699**	**$262.549**	**$18.850**	**$284.521**	**$21.973**
Total FTE	**604.0**	**673.0**	**69.0**	**675.4**	**2.4**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

HRPS Annual Performance Goal 1: Help meet agencies' needs to recruit, retain, and manage the best talent through expert, high–value human resources consulting and support services.

Means

- Deliver cost-effective human resources consulting services to help agencies meet their human capital management challenges.
- Deliver high-quality, innovative, organizational and outcome assessment and evaluation services to help agencies become high-performing organizations as well as maximize their return on investment on human capital.

- Provide strategic human capital and training solutions to Government agencies through an expedited contracting process that includes project management, contract administration, and human resources consulting support to client agencies.

- Manage the design, development, sales, marketing, delivery, and support of automated human resources systems that provide direct services to agency customer.

- Manage the USAJOBS Federal Employment Information Program and System to provide public notice of Federal job opportunities and transform online recruitment for job seekers and agencies.

- Provide management oversight and support (through appropriated funding) to the Department of Justice to enforce the Voting Rights Act of 1965 by ensuring U.S. citizens' voter rights are protected during voting activities.

Strategies

- Promote innovative services and cost-effective solutions that support the Administration's human capital initiatives such as fixing the hiring system, supporting implementation of performance-based pay, improving metrics for human resources accountability, and enhancing knowledge, management, and learning.

- Enhance USAJOBS program and system to continue to improve agency and job seekers' access to efficient and effective online recruitment, technology, and services.

- Increase utilization of USAJOBS by job seekers through strategic advertising and partnering with key candidate sources, including college and university communities, and optimize technology for top placement and Internet search engine results

- Continue to build and maintain a bilingual, bi-cultural cadre of observers to address instances of allegations of discrimination based on race, ethnicity, or minority language.

- Continue to reshape the CTS workforce to ensure necessary capacity is available in the areas of human capital management, consulting, project management, and contract management so that OPM is best equipped to respond to the evolving needs of customer agencies

- Continue to monitor the business environment to identify new business opportunities, phase out products and services that have completed their life cycle, assess distribution channels, and better understand the customer base through a systematic market analysis.

Center for Talent Services (CTS)

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Provide recruitment, staffing, individual and organizational assessment, as well as training and management assistance	Job announcements, recruitment brochures, certificates of eligibles, tests administered and scored, competency-based assessment tools, job analysis, survey instruments, human capital succession plans, training and management assistance contracts & products	Effective and efficient staffing, training, assessment, and other human resources services that contribute to successful, high-performance organizations; Satisfied customers; Full cost recovery for all reimbursable services	Full cost recovery maintained over a 3-year period for reimbursable services	Yes	Yes	Yes	Yes
			Agency acceptance rate of TMA project deliverables (%)	99	99	99	99
			Overall customer satisfaction with Talent's products and services*	84	85	86	86
			CTS contribution to Government effectiveness (%)	94	98	≥96	≥96
			Repurchase intention on CTS products and services (CSS #11) (%)	95	96	≥96	≥96
			RF	$144.300M	$152.522M	$150.600M	$158.000M
			FTE	478.0	478.0	550.0	550.0
Oversee and execute OPM's USAJOBS Federal Employment Information Program	Maintenance of USAJOBS portal; Implementation of needed software improvements/ enhancements to portal; Ongoing Help Desk and support services	Increase the effectiveness and efficiency of Federal hiring by simplifying the process of locating and applying for Federal jobs	Customers satisfaction with USAJOBS Web site (ACSI score on Federal E-Gov index for OPM vs. all Federal vs. industry)*	76	77	77	77
			Customer satisfaction of USAJOBS users with Federal employment application process (%)	56	65	≥65	≥65
			RF	$3.700 M	$3.900 M	$8.000 M	$9.000 M
			FTE	11.0	11.0	11.0	11.0
Voting Rights			GFA (S&E)	$2.300 M	$3.299 M	$2.700 M	$1.901 M
			FTE	11.0	27.0	11.0	9.4
			Rent/CFI	$0.784 M	$1.392 M	$1.600 M	$1.584 M

* Data expressed as indices, rather than %

HRPS Annual Performance Goal 2: Demonstrate improvement in individual leaders' knowledge and expected/actual performance or that of their organization as a result of the training and developmental services.

Means

- Improve the effectiveness and expand the reach of Governmentwide training and succession planning programs to assist executives and managers with reaching their full potential.
- Update the core executive development curriculum.
- Offer more traditional residential programs "on the road" to attract higher participation.
- Increase the number of partnerships with agencies and incorporate their needs through the delivery of customized programs.

Strategies

- Continually update course offerings to assure they are responsive to Administration goals, current management issues, and agency needs.
- Conduct outreach with agencies to identify competency gaps, share best practices, and establish the optimum mix of delivery methods.

Center for Leadership Capacity Services (CLCS)

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Provide leadership and executive development, and succession planning programs and services	Federal Executive Institute and Management Development Center sessions;	Leadership capacity of Federal managers and executives is improved and sustained	Evaluation ratings Level 1: All Programs	4.6	4.5	4.6	4.6
			Evaluation ratings Level 1 PMF	4.0	4.1	4.1	4.3
	Custom Development Programs and PMF programs		Evaluation ratings Level 2 MDC/FEI CEL	4.6	4.5	4.6	4.6
			Evaluation ratings Level 2 FEI LDS	4.3	4.6	4.6	4.7
	Interagency Residential Programs;		Evaluation ratings Level 2 PMF	n/a	3.9	4.1	4.1
			# of training sessions	396	429	450	450
	Succession planning & SES development strategy, PMA implementation, ROI studies		# of participants	12,071	12,476	12,500	12,500
			# of participant training days	92,559	101,784	≥102,000	≥102,000
			Full cost recovery for MDCs and FEI	Yes	Yes	Yes	Yes
			RF	$45.000M	$50.914M	$51.621 M	$54.215 M
			FTE	83.0	96.0	99.0	103.0

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Oversee and execute OPM's e-Training HR LOB project	Continue to migrate agencies to the GoLearn site	Support career development for the Federal workforce by increasing return on training investments	# of eligible (registered) users of GoLearn site	261,154	242,108	1,000,000	1,200,000
			# of GoLearn courses completed	314,942	1,116,,892	1,500,000	1,500,000
			RF	$0.000 M	$31.655 M	$48.250 M	$60.000 M
			FTE	0.0	2.0	2.0	2.0

OPM Strategic Goal III: HRPS Objective 2

Facilitate retirement income security for Federal employees by making the transition from active employment to retirement seamless and expeditious.

HRPS Objective 2 Resource Summary (Full cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$57.617	$55.488	-$2.129	$57.864	$2.375
FTE	543.0	475.0	-68.0	471.0	(4.0)
Trust Fund No-Year	$10.539	$0.000	-$10.539	$26.730	$26.730
FTE	10.0	15.0	5.0	20.0	5.0
Total Requested	***$68.156***	***$55.488***	***($12.668)***	***$84.594***	***$29.105***
FTE	***553.0***	***490.0***	***(63.0)***	***491.0***	***1.0***
TF Title V/FERCCA	$27.580	$30.707	$3.127	$30.707	$0.000
FTE	226.0	299.0	73.0	299.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.656	$0.000	($0.656)	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$96.392**	**$86.195**	**($10.197)**	**$115.301**	**$29.105**
Total FTE	**779.0**	**789.0**	**10.0**	**790.0**	**1.0**

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HRPS Annual Performance Goal 3: Determine Federal workforce retirement readiness while achieving 85 percent customer satisfaction with consulting services.

Means

- Improve the ability of Agency Benefits Officers to provide accurate and timely information on benefits to employees.

Strategies

- Implement the Federal Retirement Financial Education Strategy.
- Assess results of independent program evaluation of benefits programs.

- Develop and deliver Benefits Officers training and development through Governmentwide forums and website guidance and tools.

- Benefits Officers Training and Development.

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Engage agencies to ensure employees see the importance of benefits as part of their total compensation	Training courses and guidance to Federal Benefits Officers	Quality and timely instruction to Federal Benefits Officers to ensure employees have the tools for making benefits choices and retirement planning	% of Benefits Officers trained per year	No data	No data	Establish baseline	TBD*
			% of customers who rate satisfaction with consulting services as very satisfactory or better	No data	85	85	85
			% of training attendees who rate training as very good or higher	No data	83	85	85
			Employee knowledge of benefits program index	No data	No data	Establish Baseline *	TBD*
			% of employees who are at the appropriate stage of retirement planning according to the Retirement Readiness Index	No data	No data	Establish Baseline *	TBD*
			TFA	$0.630 M	$0.874 M	$0.624 M	$0.578 M
			FTE	6.0	6.0	5.0	5.0
			FERCCA	$0.799 M	$0.516 M	$0.500 M	$0.500 M
			FTE	4.0	4.0	4.0	4.0
			Advances & Reimbursements	$0.000 M	$0.656 M	$0.000 M	$0.000 M

* FY 2006 baselines are under development. FY 2007 targets will be set in late FY 2006 once baselines have been determined.

HRPS Annual Performance Goal 4: Process retirement claims in 30 days and enhance service delivery options while transitioning to a proven defined-benefit licensed technology solution through Retirement Systems Modernization.

Means

- Process the expected volume of retirement and survivor benefit claims, disability claims, refund and deposit claims, and reconsideration and appeal claims.

- Maintain the Federal Annuity Claims Expert System (FACES) to support processing CSRS and FERS retirement claims.

- Maintain telephone service to achieve aggressive response times for customers.

- Maximize self-servicing options for our customers through Interactive Voice Response (IVR) and Web-enabled technologies.

Strategies

- Begin to reassign highly trained Legal Administrative Specialists to the RSM project to provide program expertise for solution deployment and business transformation activities as OPM prepares to launch the implementation of the new retirement system.
- Use budgetary resources to maintain FACES and strive to improve productivity, processing times, accuracy, and customer satisfaction with claims processing services.
- Redirect resources during peak periods or seasonal workloads to focus on customer service activities.
- Continue to utilize private sector contractors to support improvement initiatives.
- Implement factors identified by an independent program evaluation project to develop new performance measures and high quality delivery of services to maintain and enhance Federal workforce recruitment and retention.

Retirement Services Program (RSP)

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Process claims and authorize benefit payments; Process other claims:	Benefit Payments	Benefits payments are timely, accurate, and delivered efficiently; Annuitants are satisfied	Claims processing timeliness (days): Interim annuity payments	5	6	6	6
			Claims processing timeliness (days): CSRS annuity payments	73	80	30*	30
			Claims processing timeliness (days): FERS annuity payments	97	93	30*	30
			CSRS survivor payments	28	29	28	28
			Claims processing unit cost	$91.91	$109.30	$90.50[1]	$92.30[1]
			Claims processing accuracy (%): CSRS annuity	89	90	93	94
			Claims processing accuracy (%): FERS annuity	97	93	93	94
			Improper payment rate (%)	0.38	0.28	0.28*	0.28
			% of annuitants who received first payment before or when expected	80	81	82	82

			TFA	$26.708 M	$27.813 M	$26.709 M	$27.619 M
			FTE	230.0	241.0	225.0	226.0
			Rent/CFI	$3.832 M	$3.961 M	$4.128 M	$4.604 M
			TF No-Year	$23.169 M	$7.184 M	$0.000 M	$17.107 M
			FTE	6.0	6.0	8.0	12.0
			Title V	$11.462 M	$11.665 M	$13.565 M	$13.565 M
			FTE	127.0	127.0	159.0	159.0
			FERCCA	$1.467 M	$2.002 M	$5.128 M	$5.128 M
			FTE	7.0	7.0	10.0	10.0
Respond to customer inquiries	Responses and customer services	Responses delivered efficiently	Call handling rate (%)	97	91	92	92
			TFA	$8.434 M	$8.704 M	**$8.358 M**	**$8.646 M**
			FTE	119.0	127.0	**110.0**	**110.0**
			Rent/CFI	$1.719 M	$1.778 M	$1.725 M	$1.912 M
			TF No-Year	$1.542 M	$0.366 M	**$0.00 M**	**$1.069 M**
			FTE	1.0	1.0	**2.0**	**3.0**
			Title V	$3.636 M	$6.388 M	**$4.283 M**	**$4.283 M**
			FTE	44.0	40.0	**53.0**	**53.0**
			FERCCA	$1.158 M	$1.917 M	**$1.282 M**	**$1.282 M**
			FTE	2.0	3.0	3.0	3.0
Provide pre- and post-retirement services and maintain benefit payment rolls	Customer service	Services delivered efficiently; Annuitant rolls are accurate and current; Annuitants are satisfied	Total customer service unit cost	$6.63	$7.36	$6.54[1]	$6.67[1]
			% self-services	53	54	60	60
			% of annuitants satisfied with overall retirement services	94	87	93	93
			TFA	$11.714 M	$12.273 M	$11.787 M	$12.186 M
			FTE	146.0	165.0	135.0	130.0
			Rent/CFI	$2.185 M	$2.214 M	$2.157 M	$2.319 M
			TF No-Year	$11.772 M	$2.989 M	$0.00 M	$8.554 M
			FTE	3.0	3.0	5.0	5.0
			Title V	$11.251 M	$5.092 M	$5.949 M	$5.949 M
			FTE	45.0	45.0	70.0	70.0

[1]Based on constant dollar analysis for FY 2005 CBJ Unit Cost Targets, 1.7% adjustment for FY 2006, and 2.0% adjustment for FY 2007

*Revised from FY2006 CBJ

OPM Strategic Goal III: HRPS Objective 3

Federal employees, annuitants, and their families can choose from among quality and fiscally responsible carriers to address their specific insurance needs.

HRPS Objective 3 Resource Summary (Full cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$0.852	$0.254	($0.597)	$0.275	$0.021
FTE	1.0	1.0	0.0	1.0	0.0
GF No Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$9.499	$9.096	($0.404)	$9.187	$0.092
FTE	94.0	85.0	(9.0)	85.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	***$10.351***	***$9.350***	***($1.001)***	***$9.463***	***$0.113***
FTE	***95.0***	***86.0***	***(9.0)***	***86.0***	***0.0***
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.455	$0.700	$0.245	$0.700	$0.000
FTE	2.0	3.0	1.0	4.0	1.0
TF Dental/Vision	$0.212	$0.700	$0.488	$0.834	$0.134
FTE	0.2	3.0	2.8	3.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$11.018**	**$10.750**	**($0.268)**	**$10.997**	**$0.247**
Total FTE	**97.2**	**92.0**	**(5.2)**	**93.0**	**1.0**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

HRPS Annual Performance Goal 5: Provide Federal employees, annuitants, their families and other covered members with health plan options and services, while maintaining the timeliness and accuracy of medical claims processing and maintaining sound carrier administration of FEHB health plans.

Means

- Negotiate and administer the FEHB contracts and develop publications and other materials for the annual health benefits open season.
- Resolve issues identified by the Office of the Inspector General during its audits of the plans participating in the FEHB.

- Maintain strategic alliances within the health care industry.
- Review and resolve disputed claims from program customers.
- Administer the new Dental and Vision Insurance Program

Strategies

- Collect and analyze performance measurement data to ensure continuous quality improvement and develop improved data sources to support tracking and reporting program performance indicators.
- Mitigate premium increases and maintain quality in the health benefits program by ensuring FEHB members have the information they need when they need it, they understand it, and they make choices based upon that information.
- Monitor carrier performance to ensure that products and services provided to customers are both first-rate and cost-effective.
- Implement factors identified by an independent program evaluation project to develop new FEHBP performance measures and delivery of high-quality health benefits care to maintain and enhance Federal workforce recruitment and retention.
- Explore new insurance benefit offerings to serve Federal employees and their dependents.
- Collaborate with established independent organizations that develop measures of health care quality and patient safety. Support implementation of standards and measures of health care quality agreed upon by consensus organizations such as the National Quality Forum. Provide information on quality factors as part of a consumer education program.
- Promote enrollment in the new Federal Employees Dental and Vision Insurance Program (FEDVIP).

Insurance Services Program

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Administer health benefit insurance contracts; Develop Health Benefits Program Open Season materials and guidance; Provide annual Health Benefits Program Open Season	Information, including FEHB Web site, HB Open Season materials, and guidance; Executed contracts	Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs; Provide high-quality and efficient health care services; Provide tools to make sound judgments on plan choice	HB claims processing timeliness (% within 30 working days)	95	98	>95*	>95*
			HB Claims processing accuracy (%)	95	98	>95*	>95*
			HB Improper Payment Rate (%)	0.32	0.67	TBD in FY 2006	TBD in FY 2006
			Overall customer satisfaction scores for enrollees in FEHB plans meet or exceed industry standard (%)	FEHB: 70; industry: 62	FEHB: 73; industry: 64	FEHB≥ industry	FEHB≥ industry
			% of accredited FEHB plans	74	78	>78	>78
			Cholesterol management after acute cardiovascular event (%)**	76	79	79	79
			Enrollee satisfaction with content and usability of OPM FEHB Open Season Web site (&)	n/a	76	76	76
			TFA	$8.389 M	$8.083 M	$7.770 M	$7.770 M
			FTE	90.0	90.0	82.0	82.0
			Dental/Vision	$0.000 M	$0.212 M	$0.700 M	$0.834 M
			FTE	0.0	2.0	3.0	3.0
			Rent/CFI (TFA)	$0.932 M	$0.938 M	$0.873 M	$0.962 M

* Target levels represent a high level of performance, i.e., greater than 95% timeliness and accuracy

** To be replaced later in FY 2006 by a more comprehensive health care quality measure(s)

HRPS Annual Performance Goal 6: Provide Federal employees, annuitants, their families and other covered members with life insurance and long-term care insurance products and services and flexible spending accounts, while maintaining FEGLI claims timeliness below industry standard and expanding participation in the LTC and FSAFEDS programs.

Means

- Negotiate and administer the FEGLI, FLTCIP, and FSAFEDS programs and ensure that current information is available to our customers on an ongoing basis.

- Promote the availability of information through OPM's Web site.

Strategies

- Maintain FEGLI paid claims timeliness
- Continue to promote enrollment in the FLTCIP
- Continue to develop and increase enrollment in the FSAFEDS
- Increase customer satisfaction with the programs

Insurance Services Program

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Administer FEGLI Program	Information, including FEGLI Web site; Guidance materials to agencies	Federal employees have opportunity to purchase group term life insurance that provides financial protection to beneficiaries	FEGLI paid claims timeliness (days)	6.4	6.5	<10*	<10*
			FEGLI paid claims accuracy (%)	99.6	99.7	99.5	>99
			Improper Payment Rate (%)	0.22	0.17	0.25**	TBD in FY06**
			TFA	$0.383 M	$0.437 M	**$0.422 M**	**$0.422 M**
			FTE	4.0	4.0	**3.0**	**3.0**
			Rent/CFI	$0.041 M	$0.042 M	$0.031 M	$0.034 M
Administer FLTCIP	Information, including FLTCIP Web sites; Guidance to agencies	Enrollees and their families have the opportunity to protect their lifetime savings and independence against the high costs of long- term care	% of FLTCIP service calls answered within 20 seconds	88	88	85*	85*
			FLTCIP Service Call Center handling rate (%)	99	99	97*	97*
			% of FLTCIP customers overall satisfied with customer service	95	98	90*	90*
			New approved FLTCIP applications	11,023	8,543	7,500*	7,500*
			LTC	$0.247 M	$0.455 M	$0.700 M	$0.700 M
			FTE	2.0	2.0	3.0	4.0

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Administer Flexible Spending Accounts (FSAFEDS) Program	Information, including FSAFEDS Web site; Guidance materials to agencies	FSAFEDS enrollees reduce their out-of-pocket costs for health and dependent care; Claimants are paid in a timely and accurate manner	Participation in FSAFEDS	125,300	163,115	190,000	205,000
			% of "clean" FSAFEDS claims reimbursed within 5 business days (2005); within 4 business days (2006)	n/a	91	90*	90*
			TFA (S&E)	$0.048 M	$0.800 M	$0.109 M	$0.109 M
			FTE	1.0	1.0	1.0	1.0
			Rent/CFI	$0.071 M	$0.052 M	$0.145 M	$0.166 M

* Target based on contract requirement with program partner

** Annuitant only in FY06; Total Program for FY07

Human Resources Line of Business

Funds

No-Year Salaries & Expenses and Revolving Funds.

Program Overview

Human Resources Line of Business No-Year S&E and Revolving Fund

The budget level includes $1,435,500 in no-year S&E funding for HRLOB. The objective of the Human Resources Line of Business (HR LOB) is to create a framework for a Governmentwide, modern, cost effective, standardized, and interoperable human resources solution(s) that provides common core functionality and maximizes automation of processes to support the strategic management of human capital.

These solutions will enable the Federal Government to standardize human resources business functions and processes as well as the systems that support them. The HR LOB common solution will enable a shift in emphasis within the agencies from administrative processing to customer service and strategic planning. The HR LOB common solution(s) takes a phased approach to delivering human resources services through shared service centers (SSCs) that are based on a common, reusable architecture.

Enterprise Human Resources Integration

- **Data Warehouse – No-Year Salaries & Expenses.** The budget level includes $6,913,170 in no-year S&E funding. Enterprise Human Resources Integration (EHRI) is a comprehensive electronic personnel record-keeping and analysis system that supports human resources management across the Federal Government. This system spans the career of 1.8 million Federal employees—from hiring to retiring, and will provide employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge-management, workforce analysis, forecasting, and reporting Governmentwide in support of the strategic management of human capital.

- **Electronic Official Personnel Folder (OPF) and Analytic Tools – Revolving Fund.** When fully implemented, EHRI will replace the current Official Personnel Folder (OPF) with an electronic employee record for all executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment. In addition to streamlining personnel management actions, EHRI will provide human resources managers and specialists with powerful workforce analytic and planning capabilities.

Program 2007 Continuing Activities

HR LOB Strategies for FY 2007

In FY 2007 the HR LOB will continue to work towards the establishment of Federal and private sector SSCs. The HR LOB will continue to identify and document common functional, technical, and data requirements consistent with Federal human resources policies. The HR LOB will work with the SSCs to meet those requirements. We will develop and establish performance criteria, metrics, and measures for the SSCs, and develop and establish service level agreements between SSCs and the migrating agencies.

In addition, the HR LOB will support agency consolidation and migrations to the SSCs. We will hold forums to facilitate information exchange between SSCs and agencies. The HR LOB will assist agencies in selecting their SSCs and work with the SSCs and agencies to perform gap analyses, establish migration plans, resolve issues, and monitor progress. Three agencies migrate in FY 2006; additional migrations will be identified through the FY 2007 budget process.

The HR LOB will lead Federal human resources system modernization and standardization. It will standardize Federal human resources systems and service delivery in line with the Federal Enterprise Architecture (FEA) and continuously update and improve the HR LOB architectural reference models in accordance with FEA guidance. In FY 2007 the HR LOB will develop the Service Component Reference Model. Ultimately, this will result in the identification and evaluation of best-of-breed Federal human resources solutions.

Agency contributions through the Revolving Fund for HR LOB in FY 2007 are expected to be approximately $3 million. These funds will be used to further develop the HR Line of Business including enterprise architecture and requirements development, planning and governance support and assistance with the set-up and operation of Shared Service Centers and agency migration to established centers.

EHRI Strategies for FY 2007

Data Warehouse. Fulfills OPM's core mission to collect and provide workforce data and, in the future, to provide data to the Retirement Systems Modernization effort.

- The data warehouse will be in a steady state of operations. EHRI will continue to maintain and operate the data warehouse, including data warehouse hosting services.
- EHRI will ensure ongoing security and protection of Federal personnel data and will meet critical e-Authentication requirements.
- EHRI will interface with other related critical initiatives such as the HR LOB and RSM.
- These resources are important to the success of the program/agency/government and are expected to produce the following results:

Electronic Official Personnel Folder (OPF) and Analytic Tools. In 2007 the estimated revolving fund obligations are $29,800,000 to support the following continuing activity:

- Conversion of paper personnel folders to electronic images.
- Support for agencies' online personnel folders.
- Maintenance and support for workforce analysis and other analytical tools.
- EHRI is expected to achieve 320,000 additional system users on the e-OPF system by year-end FY 2007.

The success of EHRI's fee-for-service component depends on the continuation of incoming funds through existing and new partner agencies subscribing to EHRI services. These services include support for

agencies' online personnel folders as well as maintenance and support for workforce analysis and other analytical tools.

HR LOB
Salaries & Expenses
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$909,307	$1,098,000	$188,693
Personnel Benefits	$244,456	$298,000	$53,544
Travel and Transportation of Persons	$54,400	$25,000	($29,400)
Transportation of Things	–	–	0
Communications, Utilities and Rent	$284,500	$169,000	($115,500)
Printing and Reproduction	$10,800	$5,000	($5,800)
Other Services	$9,056,570	$6,578,000	($2,578,570)
Supplies and Materials	$35,467	$42,000	$6,533
Equipment	$128,500	$134,000	$5,500
Land and Structures	–	–	0
Total 1/	$10,724,000	$8,349,000	($2,375,000)
FTE	11	13	0

Details may not sum due to rounding.
1/ FY2006 total includes $482,000 in Salaries and Expenses funds.

Annual Program Performance Goals and Indicators

The tables on the following pages show a distribution of funding and FTE by strategic goal and objectives. All dollar figures reflect the full cost associated with each goal and objective and include rent and centrally funded items.

HR LOB Resource Summary (Full cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$4.733	$0.482	($4.251)	$0.000	($0.482)
FTE	0.0	0.0	0.0	0.0	0.0
GF No-Year/Multiyear	$8.037	$10.241	$2.204	$8.349	($1.892)
FTE	14.0	11.0	0.0	13.0	2.0
Trust Fund Annual	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund No-Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	*$12.770*	*$10.723*	*($2.047)*	*$8.349*	*($2.374)*
FTE	*14.0*	*11.0*	*(3.0)*	*13.0*	*0.0*
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$31.000	$28.000	-$3.000	$32.801	$1.801
FTE	0.0	4.0	4.0	5.0	1.0
Advances & Reimbursements	$2.100	$2.100	$0.000	$0.000	($2.100)
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$45.870**	**$40.823**	**-$5.047**	**$41.150**	**$0.327**
Total FTE	**14.0**	**15.0**	**1.0**	**18.0**	**3.0**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

HR LOB Annual Performance Goal 1: The objective of the HR LOB is to create a framework for a Governmentwide, modern, cost effective, standardized, and interoperable human resources solution(s) that provides common core functionality and maximizes automation of processes to support the strategic management of human capital.

HR LOB Supporting Means and Strategies

In FY 2007 the HR LOB will:

- Work towards the establishment of Federal and private sector SSCs.
- Lead Federal human resources system modernization and standardization by continuing to identify and document common functional, technical, and data requirements consistent with Federal human resources policies.

- Establish performance criteria, metrics, and measures for the SSCs and develop and establish service level agreements between the SSCs and the migrating agencies.
- Support agency consolidation and migrations to the SSCs by assisting agencies in selecting their SSC and working with agencies to perform gap analyses, establish migration plans, resolve issues, and monitor progress.

HR LOB

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Implement and oversee the HR LOB	Service Centers established	Improve the Governmentwide strategic management of human capital; Achieve or increase operational efficiencies in the acquisition, development, implementation, and operation of human resources management systems; Achieve or increase cost savings/avoidance from human resources solution activities	# of Service Centers established	n/a	n/a	1	2
			# of agencies completing migration to the Shared Service Center	n/a	n/a	3	TBD*
			GFA (S&E)	$4.473	$4.733	$0.482	$0.000
			FTE	0.0	0.0	0.0	0.0
			S&E No-Year/ Multiyear	$2.336	$2.002	$3.170	$1.267
			FTE	10.0	10.0	10.0	10.0
			Rent/CFI	$0.079	$1.424	$0.159	$0.169
			A&R	$0.000	$2.100	$2.100	$0.000
			RF	$0.000	$0.000	$0.000	$3.000

* Dependent on actual migration plans submitted by agencies to OMB

HR LOB Annual Performance Goal 2: The objective of the Enterprise Human Resource Initiative (EHRI) is to transform the way Federal human resources specialists and managers access human resource information and the way all Federal employees access their personnel file information. As part of the initiative, EHRI provides a set of value-added products and services offered to customer agencies on a fee-for-service basis. When fully implemented, EHRI will replace the current Official Personnel Folder (OPF) with an electronic employee record for all executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment.

EHRI Supporting Means and Strategies

In FY 2007, EHRI will maintain the data warehouse as a modern IT system to include the overall hosting and operations and maintenance (O&M), ongoing security, and protection of Federal personnel data, critical e-Authentication requirements, programmatic support to interface with other related critical initiatives to include HR LOB, and the associated iterative data definition, analysis and updates, and general program management office support and oversight. In addition, as EHRI replaces the Central Personnel Data File (CPDF), EHRI becomes a component of the Federal Critical Infrastructure. EHRI will implement and maintain its critical infrastructure protection plan and ensure its ability to recover within 12 hours of a national disaster.

EHRI's fee-for-service activities will include support for numerous agencies' online personnel folders as well as maintenance and support for workforce analysis and other analytical tools. EHRI will replace the current Official Personnel Folder with an electronic employee record for executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment

EHRI

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Conversion of paper personnel folders into electronic personnel folders	Online personnel folders securely accessible by Federal employees via EHRI's portal	Federal employees have online access to their employment folders.	Total number of online electronic official personnel folders	n/a	67,000	305,000	625,000
			RF	$0.000	$31.000	$28.000	$29.801
			FTE	0.0	0.0	4.0	5.0
Data Warehouse operations and maintenance (steady state)	Availability of Data Warehouse	Availability of Data Warehouse meets needs of Federal human resources specialists and managers for accessing human resource information	Availability attained/Service Level Agreement std (%).	n/a	n/a	n/a	98.5%
			S&E No Year	$1.988	$4.611	$6.912	$6.913
			FTE	3.0	4.0	1.0	3.0

Management Functions

Funds

Salaries & Expenses, Trust Fund Annual, and Revolving Funds.

Divisions/Offices

Management Services Division, Office of the Chief Financial Officer, Executive Offices, Rent and Centrally Funded Items (which includes GSA rent, workers' compensation and unemployment compensation for Federal employees).

Program Overview

OPM's Management Functions create an environment that fosters the delivery of services to its customers and employees through effective communication and management of human capital, technology, financial resources, and business processes.

The Executive Services offices provide leadership, direction, and oversight to all OPM offices as they carry out the agency's mission as required by statute and/or executive order. These offices are the Office of the Director, the Office of Congressional Relations, the Office of the General Counsel, the Office of Communications and Public Liaison, the President's Commission on White House Fellowships, the Federal Prevailing Rate Advisory Committee, and the Combined Federal Campaign. These offices are financed through the General Fund (Salaries & Expenses).

To better serve the Director and offices within OPM, the agency's management support activities are integrated into two organization**s;** the Management Services Division (MSD) and the Office of the Chief Financial Officer (OCFO). OCFO provides budgetary, financial management, internal control and risk management for the agency and provides analysis and recommendations concerning administrative issues of significant sensitivity and Governmentwide impact, relationships with internal and external stakeholders, strategies for achieving OPM objectives, and systematic measurement and evaluation of program performance. In addition, OCFO works closely with OPM's other divisions to implement the President's Management Agenda for Strategic Management of Human Capital, competitive sourcing programs, e-Government projects, integration of budget and performance, and improved financial performance in order to reflect corporate responsibility for management improvements.

MSD activities include providing agency-wide services for security and emergency actions, human capital management, contracting and facilities maintenance, and information technology.

These services are financed through a mix of appropriated general (Salaries & Expenses) and trust fund resources, and are delivered through Service Centers, each of which is led by a Deputy Associate Director reporting to the MSD Associate Director or the Chief Financial Officer.

Our priorities for 2007 are to implement Homeland Security Presidential Directive 12 (HSPD-12), perform security upgrades to our field offices, continue competitive sourcing, conduct No Fear Act training, maintain a reliable and secure computing environment, and implement OPM's HR LOB initiatives internally. In 2007, we will also conduct performance measurement, program evaluations and

research projects; complete financial management systems and services transition to the Bureau of Public Debt and improve/maintain OPM's PMA scorecard status. The Executive Offices will continue to provide executive direction.

Executive Offices, MSD, OCFO, Rent and CFI
Salaries & Expenses/Common Services
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$37,064,269	$38, 332,420	$1,268,151
Personnel Benefits	$9,252,904	$9,675,621	$422,717
Travel and Transportation of Persons	$765,212	$704,588	($60,624)
Transportation of Things	$63,239	$75,393	$12,154
Communications, Utilities and Rent	$21,442,119	$21,597,509	$155,390
Printing and Reproduction	$612,430	$471,444	($140,986)
Other Services	$37,264,640	$26,227,377	($11,037,263)
Supplies and Materials	$701,576	$633,517	($68,059)
Equipment	$2,462,611	$2,627,131	$164,520
Land and Structures	–	–	$0
Total	$109,629,000	$100,345,000	($9,284,000)
Internal A&R	(39,426,000)	(39,426,000)	$0
Total Appropriated	$70,203,000	$60,919,000	($9,284,000)
FTE	435	435.8	.8

Details may not add due to rounding. Totals include Rent and Centrally funded items.

MSD (IT), OCFO (TF Accounting), Rent and CFI Transfer
Trust Fund
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$6,773,764	$7,106,480	$332,716
Personnel Benefits	$1,736,068	$2,036,305	$300,237
Travel and Transportation of Persons	$10,700	$10,700	$0
Transportation of Things	$3,000	$3,000	$0
Communications, Utilities and Rent	$10,155,000	$10,937,000	$782,000
Printing and Reproduction	$0	$0	$0
Other Services	$6,249,012	$4,749,528	($1,499,484)
Supplies and Materials	$70,456	$67,987	($2,469)
Equipment	$11,000	$11,000	$0
Land and Structures	–	–	$0
Total Appropriated	$25,009,000	$24,922,000	($87,000)
FTE	95	89	(6)

Details may not add due to rounding. Totals include Rent and Centrally Funded items.

Annual Performance Goals and Indicators

Management Strategy: OPM creates an environment that fosters the delivery of services to our customers and employees through effective communication and management of human capital, technology, financial resources, and business processes.

MSD Annual Performance Goal 1: Implement the common identification standard for all OPM employees and contractors and improve the agency's emergency action readiness, while maintaining service levels from human capital, facilities, contracting, security and emergency actions, and information technology offices.

Means

- **Center for Security and Emergency Actions.** Use $1 million to implement the HSPD-12 Presidential mandate regarding a common identification standard for Federal employees and contractors.

  Use $500,000 to address security and emergency action weaknesses in OPM field offices identified during reviews conducted by OPM's Center for Security and Emergency Action.

  The Center for Security and Emergency Actions will continue to improve service to OPM's activities through a comprehensive strategy for enhanced emergency actions planning, communications, and intelligence support. We are now responsible for approximately 36 additional facilities, nearly 1600 new employees, and the consolidation of approximately 95 percent of all background investigations throughout Government. Specific activities undertaken in pursuit of these goals are in the areas of Continuity of Operations, Continuity of Government, Occupant Emergency Planning, Life/Safety issues, and intelligence dissemination. The personnel security cleanup project has entered its final phase. We have established a personnel security database that provides tools for tracking and ensuring investigative requirements for employees and contractors are met. This database also contains a position- description tracking system that reflects specific position-sensitivity risk-level data for each active OPM position description.

  In FY 2007 CSEA will focus its resources on continuing the development and fielding of a new "Smart-Card" system for all OPM facilities nationwide; an aggressive Security Assessment Program to mitigate risks at all OPM facilities; forward-leaning Security Education and Awareness programs that integrate Domestic Violence, Suicide, and Workplace Violence Prevention for all OPM employees and contractors. Funds will also be used to support interagency security and emergency operations, including operations and tests and exercises.

- **Center for Information Systems/Chief Information Officer.** Ensure a stable, secure, and reliable computing environment for OPM system users. OPM has a fully implemented and institutionalized information security program. This contributed to OPM achieving "green" on the E-Government element of the President's Management Agenda Scorecard. For the past 2 years, OPM has maintained certifications and accreditations on more than 90 percent of its systems.

- **Center for Contracting, Facilities, and Administrative Services.** Review remaining commercial activities to determine which are appropriate for competition. Conduct streamlined or standard A-76 competitions on those commercial activities determined to be appropriate to compete. Conduct performance and cost reviews of completed competitions to ensure performance is at an acceptable level and cost savings are realized.

- **Center for Human Capital Management Services.** Continue to improve operational services, technical and advisory services, and policy/program implementation to support the strategic management of OPM's human capital in line with the *Plan for the Strategic Management of OPM's Human Capital*. Continue to make improvements in the hiring process to ensure the 30- and 45-day hiring cycle timelines are met. Use existing tracking systems; closely monitor CHCMS and organizational timelines, following up with appropriate staff and managers when necessary. Introduce new tracking and metrics systems to track the hiring process from beginning to end. Implement the e-OPF system agency-wide to streamline the filing process and allow for immediate electronic access to information. Automate staffing processes to allow for paperless submissions of personnel actions from managers and paperless issuance of certificates from CHCMS. Implement approved recommendations/improvement strategies for the agency's performance management system.

- **Center for Equal Employment Opportunity.** Provide timely and excellent-quality complaints adjudication, including timely and excellent-quality EEO counseling, EEO investigations, and adjudications of EEO complaints. Develop appropriate and effective outreach and recruitment plans to promote workforce diversity.

Strategies

- **Center for Security and Emergency Actions.** The Center for Security and Emergency Actions will focus on developing the protocols and procedures for delivering services with the best possible customer service. This will include outreach to all stakeholder groups to ensure an understanding of customer requirements and a continued emphasis on customer service. We will update the OPM COOP Plan, update the Occupant Emergency Plan (OEP), and improve service to OPM's field activities through greater C3I support. We will utilize the results from OPM's participation in Forward Challenge 2006 as a tool to improve COOP operations. CSEA will provide updated planning guidance for COOP and OEP plans to all OPM field activities. We will coordinate assistance for the Federal Government disaster response activities. Throughout the fiscal year, we will look for opportunities to reduce overall costs of OPM's security and emergency actions programs while maintaining the high level of effectiveness that currently exists.

- **Center for Information Systems/Chief Information Officer.** The Center for Information Services ensures OPM compliance with information technology management laws and regulations, and tracks operational performance against defined metrics.

- **Center for Contracting, Facilities, and Administrative Services.** Update the "green" competition plan identifying additional FTE for competition during FY 2007.

- **Center for Human Capital Management Services.** Direct and oversee the delivery of the full range of human capital programs and services to internal OPM customers. Provide advice and

assistance to OPM managers and employees and create strategic and operational plans to meet OPM's annual goals and objectives, OPM strategic workforce planning and the requirements of OMB. Support the development and implementation of human capital policies that provide managers with the tools and mechanisms they need to manage the OPM workforce effectively. Continue to identify business processes efficiencies and appropriate technologies that can help streamline and automate staffing processes to fill jobs quickly

- **Center for Equal Employment Opportunity.** Identify barriers that create underrepresentation of women and minorities in the OPM workforce and specifics as required by Management Directive 715 and the No Fear Act. The overall strategies will be focused on the identification of those existing barriers and the development of means to create proactive measures for preventing discrimination within OPM. The CEEO will maintain a constant presence within OPM's management communities to ensure the visibility and viability of the EEO program. The CEEO will consistently attempt to achieve conflict resolution at the lowest possible level and reduce EEO complaint processing time to within established time requirements.

Management Services Division

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Provide OPM with information, human capital, diversity/EEO, competitive sourcing, contracting, facilities, administrative, and security & emergency planning services	Network support and infrastructure Enterprise-wide IT systems External IT compliance reports Recruitment and selection support Personnel transactions EEO decisions and diversity reports FAIR Inventory Report Standard and streamlined A-76 competitions Contracting, facilities, and administrative services COOP seminars and readiness exercises	Reliable and secure computing environment for OPM system users; Vacancies are filled in a timely manner; Identify and eradicate systemic barriers to EEO; Reduced administrative costs; Improved support services; OPM is prepared to respond to emergencies	% of time computer network available during agreed-upon service hours	99	99	99	99
			% of hires within 45-day model	60	60	61	61
			Cost savings that result from competitions	$2.1M	$0.5M	$3.5M	$3.5M
			% of OPM employees trained to respond to emergencies	No data	No data	60	60
			GFA (S&E)	$0.000 M	$0.000 M	$0.000 M	$0.000 M
			Common Svcs	$21.356 M	$23.193 M	$23.002 M	$19.174 M
			FTE	248.0	257.0	251.0	251.0
			Title V	$1.000 M	$0.958 M	$1.000 M	$1.000 M
			FTE	3.0	3.0	3.0	3.0
			TFA	$7.322 M	$7.463 M	$7.425 M	$6.879 M
			FTE	46.0	46.0	42.0	35.0
			RF-DSS	$0.000 M	$0.000 M	$31.000 M	$21.000 M
			FTE	0.0	0.0	14.4	17.2
			Rent/CFI	$0.402 M	$0.424 M	$0.431 M	$0.474 M

OCFO Annual Performance Goal 1: Improve financial management services to OPM programs and offices by cross-servicing with the Bureau of Public Debt (a Center of Excellence under the FM LOB

initiative), strengthen internal controls over OPM business processes, continue to successfully implement the PMA, and expand OPM's program evaluation program in support of the PART process.

Means

Cover the effects of increases in employee pay and other costs to maintain performance at current levels.

- **Center for Internal Control and Risk Management (CICRM).** Design and conduct tests of key or high-risk operations, evaluate controls and risk management, and recommend improvements. Focus CICRM activities on OPM's financial system. Validate that OPM has implemented viable controls and processes such as strong contractor oversight and management, requirements management, change management, and quality assurance; and recommend improvements as needed.

  Maintain routine alert and notification processes to inform the Director, Chief Financial Officer, and other OPM top managers of emerging risk and internal control problems, and a comprehensive tracking and management notification system of all audits and reviews to ensure effective and timely corrective actions are taken in compliance with all governing laws and regulations and to improve OPM operations generally.

- **Center for Financial Services and Financial Modernization Project.** Improve controls and processes (such as strong contractor oversight and management, requirements management, change management, and "IV&V"). This will allow OPM to maintain a clean audit opinion and to comply with various Federal financial management statutes.

- **Center for Strategic Planning, Budget, and the PMA Scorecard.** Use $970,000 to conduct performance measurement, program evaluation, and research projects. Ensure the timely and accurate publication of the *Congressional Budget Justification* and the *Performance and Accountability Report*.

Strategies

- **Center for Internal Control and Risk Management.** Interact extensively with OPM executives, managers, and employees to understand OPM processes, resources, and program requirements to determine the need for new or revised internal controls, and provide early warning of emerging risk management and internal control problems.

  Closely monitor and fully understand the Administration's initiatives and policies such as the President's Management Agenda to help ensure OPM achieves its goals and objectives. Continuously and thoroughly apply Governmentwide regulations and policy as criteria in evaluations of OPM operations to ensure compliance and improve the public trust of OPM's activities.

- **Center for Financial Services and Financial Modernization Project.** Complete implementation of cross-servicing OPM's financial management system and services to the Bureau of Public Debt.

  Pursue extensive dealings with OMB and agencies to determine the need for new/revised guidance, regulations, and statutory adjustments. Provide briefings for agency representatives and external stakeholder groups.

► **Center for Strategic Planning, Budget, and the PMA Scorecard.** Improve/maintain the President's Management Agenda scorecard status for scorecard item(s)–and maintain green progress on all items–through careful management of the scorecard review process.

Maintain and improve the quarterly review process to ensure financial integrity and link budget and performance processes.

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Provide internal control and risk management services; financial management services; and strategic planning, budget, and program evaluation & measurement services	Internal control & risk management policies, procedures, reviews, and analyses; Recommendations to improve agency operations; Financial transactions; Financial statements; Financial reports; Budget submissions; Performance reports; PMA deliverables	Effective administrative and accounting controls; Financial transactions are completed in a timely manner and accounts are balanced. OPM programs are not anti-deficient.	Unqualified audit opinions	Unqualified	Unqualified	Unqualified	Unqualified
			# of material weaknesses	1	0	0	0
			# of reportable violations of the Anti-Deficiency Act	0	0	0	0
			GFA (S&E)	$0.639 M	$3.662 M	$3.195 M	$0.970 M
			Common Svcs	$11.849 M	$13.690 M	$15.648 M	$14.508 M
			FTE	89.0	89.0	88.1	89.0
			TFA	$8.177 M	$6.919 M	$7.726 M	$7.158 M
			FTE	77.0	77.0	59.9	54.0
			RF (DSS)	$0.000 M	$1.424 M	$1.808 M	$1.575 M
			FTE	0.0	10.0	9.6	10.0
			Rent/CFI	$0.402 M	$0.424 M	$0.431 M	$0.474 M

Office of the Inspector General

Funds

Transfers from Trust Funds and Salaries & Expenses Combined.

Program Overview

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

The IG Act requires that each OIG:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

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

Specific activities include:

Audits

- **Experience-Rated Federal Employees Health Benefits Program (FEHBP) Audits.** Conduct audits of experience-rated health plans (fee-for-service, with the most popular being the various Blue Cross and Blue Shield plans) participating in the FEHBP. The universe of experience-rated plans currently consists of approximately 100 audit sites. When auditing these plans, focus is generally on three key areas: (1) legitimacy of contract charges and the recovery of appropriate credits, including refund; (2) effectiveness of carriers' claims processing, financial, and cost accounting systems; and (3) adequacy of internal controls to ensure proper contract charges and benefit payments.
- **Community-Rated FEHBP Audits.** Conduct audits of community-rated health plans (comprehensive medical plans commonly referred to as health maintenance organizations) participating in the FEHBP. The community-rated HMO audit universe covers approximately 180 rating areas. Audits of these plans are designed to ensure the plans assess the appropriate premium rates in accordance with their respective FEHBP contracts and applicable Federal regulations.

- **Pharmacy Benefit Manager (PBM) Audits.** Pharmaceutical-related expenditures comprise over one quarter of all FEHBP costs, most of them handled through third-party PBMs. The OIG has initiated a series of audits that, for the first time, deal, directly with PBMs. Based on experiences to date, it is believed that these audits will identify large findings related to handling of the complex series of refunds, rebates, credits, and incentives that characterize the relationships among pharmaceutical manufacturers, PBMs, health insurance carriers, and the FEHBP.

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

- **Performance Audits.** Performance audits provide an independent assessment of how well OIG operates its various programs and activities. TWO types of performance audits are conducted: (1) economy and efficiency audits; and (2) program audits. Economy and efficiency audits determine whether the agency is acquiring and managing resources prudently and proficiently, and whether the agency has complied with laws and regulations relating to its operations. Program audits determine the extent to which the desired results or benefits established by the Congress or other authorizing body are being achieved; the effectiveness of organizations, programs, activities, or functions; and the agency's compliance with significant laws and regulations.

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

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

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

Investigations

- **FEHBP Investigations.** OIG investigates potential fraud committed against the Federal Employees Health Benefits Program (FEHBP). Much of this work is coordinated with the Department of Justice, the Federal Bureau of Investigation, and other Federal, state, and local law enforcement agencies. In addition, OIG special agents also work closely with the numerous health insurance carriers participating in the FEHBP, providing an effective means for reporting instances of possible fraud by FEHBP health care providers and subscribers.

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

- **Other Investigations.** Investigations of potential instances of fraud against OPM's non-trust fund program activities, along with employee misconduct and other wrongdoing are also investigated.

Administrative Sanctions

Under authority delegated from the agency head, the OIG debars and suspends health care providers whose actions indicate that they present a threat to the integrity of the FEHBP. This is accomplished through authorities established by Public Law 105-266, the Federal Employees Health Care Protection Act of 1998. This legislation gives the OIG the ability to issue sanctions, including suspensions, debarment, and financial assessments of health care providers for violations committed against the FEHBP, even if there is no indication that offenses occurred in other Federal health care programs.

Program 2007 Continuing Activities

In FY 2007 the budget level includes **$12.381 million and 90 FTE** *to provide independent oversight of agency programs, functions, and activities*. This activity is accomplished primarily through the OIG audit program, previously described.

The projected impact of this program is best identified through its long-standing, well-established performance measures. Among them are positive financial impact, return on investment, and the FEHBP carrier audit cycle. Specific projected impacts are identified in the attached logic model.

In FY 2007 the budget level includes **$5.383 million and 37 FTE** to *detect, investigate, and prevent fraud, waste, and abuse against OPM programs.* This activity is accomplished primarily through the OIG investigation and administrative sanction programs.

The projected impact of this program is best identified through its long-standing, well-established performance measures. Among them are number of arrests, indictments, convictions, and administrative sanctions. Specific projected impacts are identified in the attached logic model.

Office of the Inspector General
Salaries & Expenses
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$1,027,000	$1,226,000	$979,000	($247,000)
Personnel Benefits	$257,000	$368,000	$293,000	($75,000)
Travel and Transportation of Persons	$80,000	$135,000	$50,000	($85,000)
Transportation of Things	–	–	–	0
Communications, Utilities and Rent	$118,000	$196,000	$176,000	($20,000)
Printing and Reproduction	–	–	–	0
Other Services	$96,984	$96,000	$71,000	($25,000)
Supplies and Materials	$20,000	$19,000	$19,000	0
Equipment	$15,000	$10,000	$10,000	0
Land and Structures	–	–	–	0
Total	$1,613,984	$2,050,000	$1,598,000	($452,000)
FTE	18	20	14	(6)

Details may not sum to totals because of rounding.

Office of the Inspector General
Trust Funds
OBLIGATIONS BY OBJECT CLASS

Object Class	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Request	FY 2006–07 Variance
Personnel Compensation	$10,129,389	$9,670,000	$9,757,000	$87,000
Personnel Benefits	$2,533,000	$2,902,000	$2,928,000	$26,000
Travel and Transportation of Persons	$1,128,000	$1,068,000	$955,000	($113,000)
Transportation of Things	$30,000	$0	$0	–
Communications, Utilities and Rent	$1,072,000	$1,543,000	$1,543,000	–
Printing and Reproduction	$26,000	$0	$0	–
Other Services	$911,000	$756,000	$756,000	–
Supplies and Materials	$300,000	$197,000	$197,000	–
Equipment	$200,000	$30,000	$30,000	–
Land and Structures	–	–	–	–
Total	$16,329,389	$16,166,000	$16,166,000	–
FTE	117	116	113	(3)

Details may not sum to totals because of rounding.

Annual Program Performance Goals and Indicators

The tables on the following pages show a distribution of funding and FTE by strategic goal and objectives. All dollar figures reflect the full cost associated with each goal and objective and include rent and centrally funded items.

Management Strategy: OPM creates an environment that fosters the delivery of services to our customers and employees through effective communication and management of human capital, technology, financial resources, and business processes.

OIG Resource Summary (Full cost in millions)

	FY 2005 Actual	FY 2006 Enacted	Change from FY05	FY 2007 Request	Change from FY06
General Fund (S&E)	$1.564	$2.050	$0.485	$1.598	($0.452)
FTE	11.0	20.0	9.0	14.0	(6.0)
GF No-Year/Multiyear	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Trust Fund Annual	$16.379	$16.166	-$0.212	$16.166	$0.000
FTE	113.0	116.0	3.0	113.0	(3.0)
Trust Fund No –Year	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Requested	***$17.943***	***$18.216***	***$0.273***	***$17.764***	***($0.452)***
FTE	***124.0***	***136.0***	***12.0***	***127.0***	***(9.0)***
TF Title V/FERCCA	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF LTC	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
TF Dental/Vision	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Revolving Fund	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Advances & Reimbursements	$0.000	$0.000	$0.000	$0.000	$0.000
FTE	0.0	0.0	0.0	0.0	0.0
Total Resources	**$17.943**	**$18.216**	**$0.273**	**$17.764**	**($0.452)**
Total FTE	**124.0**	**136.0**	**12.0**	**127.0**	**(9.0)**

All dollar figures are fully loaded to include rent and other centrally funded items. Figures for FY 2005 and FY 2006 are restated from those shown in OPM's FY 2006 Congressional Budget Justification due to improvements to how rent and centrally funded items are distributed to program activities. Details may not sum to totals because of rounding.

OIG Annual Performance Goal 1: Provide independent oversight of agency programs, functions, and activities.

Means

- Ensure Federal Employees Health Benefits and Federal Employees Group Life Insurance contract compliance through financial and performance audits and quality-assurance standards. The vast majority of financial recoveries are associated with these activities. Historically, this positive financial impact has been approximately $10 per direct program dollar spent.

- Conduct audits of pharmacy benefit managers (PBMs) participating in the FEHBP. It is estimated that $6 billion was paid during 2004 in prescription drug premiums by OPM and Federal employees. This represents approximately 26 percent of the total premiums paid for health benefit coverage for Federal employees and annuitants. The premiums paid for prescription drug coverage have risen substantially over the last 10 years. By performing these audits, the OIG will help the FEHBP recover inappropriate costs charged to it in previous years, negotiate more favorable contracts, and positively affect the future costs and benefits provided to program enrollees.

- Further develop computer-assisted audit techniques (CAAT) and tools for FEHBP audits, especially those necessary for the data warehouse and data-mining capabilities. A data warehouse offers the best opportunity for detecting incorrect health benefit payment transactions by medical providers, insurance carriers, and subscribers by accumulating all benefit claims for all fee-for-service insurance carriers in a single data repository. This results in more efficient audits by enabling the OIG to globally audit specific items common to groups of carriers.

- Arrange for the audit of all OPM financial statements to express an opinion on the fair presentation of the statements, consider the internal controls over financial reporting, and test compliance with applicable laws and regulations.

- Monitor the use of independent public accountants who perform the Trust Fund financial statement audits. Conduct performance audits of OPM programs and operations.

- Provide a minimal level of oversight of the Combined Federal Campaign program in order to create a broad sentinel effect on all local CFCs.

Strategies

- Identify and monitor sensitive, significant, or costly agency initiatives.

- Recruit and retain a highly skilled, proficient, and technically competent audit staff based on available budget resources.

- Provide necessary training to ensure staff has the proper skills to perform audit oversight activities. Ensure all audit staff receive sufficient training to fulfill the requirements of the General Accounting Office Yellowbook Auditing Standards.

- Obtain input from OIG customers to determine their satisfaction with OIG work. Measure timeliness of OIG reports, effectiveness of OIG recommendations, and the relevance and impact of OIG reviews. Gather this information through survey questionnaires.

- Conduct audits based on risk assessments that project the potential for fraud, waste, and abuse in OPM programs. Utilize an objective methodology to determine risks on dollars, FTEs, strategic alliances, information systems, management systems, personnel changes, laws and regulations, and the control environment.

- Continue to use the Program Assessment and Rating Tool for the FEHBP integrity program. This tool continues to be an important factor in developing the OIG's FY 2006 and FY 2007 budget requests and performance plans.

- Participate in Quality Improvement Teams. The OIG continues to place a high level of emphasis on working with OPM program offices to resolve problems that it identifies, while maintaining the high level of independence necessary to carry out its mission objectively.

OIG Carrier Audits

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Conduct audits of health benefits carrier contracts; Conduct audits of Annual Financial Statements, program and performance-related information, pre- and post-award contracts, Combined Federal Campaign, and Information Systems	Audit reports from FEHB carrier audits, financial and performance audits, pre-award contract and CFC audits; Semi-annual Reports	Ensure FEHB and FEGLI contract compliance through financial audits and quality assurance standards	Return on investment	$7	$8	$10	$10
			Carrier audit cycle	2.9 years	3.0 years	3.0 years	3.5 years
			FEHB Audit Recovery Rate	86.9%	95%	70–75%	75%
			Positive financial impact	$95.2M	$121.7M	$130M	$115M
			# of carriers not audited within 5-year retention period	34	36	40	40
			Average FEHBP unaudited years	3.5 years	3.2 years	3.6 years	n/a
			TFA	$9.889 M	$11.524M	$10.896M	$10.894M
			FTE	74.0	83.0	80.0	77.0
			GFA (S&E)	$1.078 M	$1.117 M	$1.635M	$1.486M
			FTE	7.0	9.0	16.0	13.0

OIG Annual Performance Goal 2: Detect, investigate, and prevent fraud, waste, and abuse against OPM programs.

Means

- Conduct objective, aggressive, thorough, and timely investigations of all OPM programs where fraud and abuse are suspected.

- Further refine the OIG criminal investigative field structure. Without a sufficient investigative presence in the areas where benefits are provided, the OPM-administered Trust Fund programs are exposed to potentially serious financial, health, and safety problems.

- Publicize offender convictions for deterrent effect. The OIG has provided the National Health Care Antifraud Association (and similar organizations) with press releases regarding investigative efforts.

- Promote and protect the integrity of the FEHBP through debarment and suspension of untrustworthy health care providers.

- Fully utilize all phases of Section 2 of Public Law 105-266, the Federal Employees Health Care Protection Act of 1998. These phases include mandatory debarments, permissive debarments, and civil monetary penalties.

- Impose civil monetary penalties in every case meeting statutory or regulatory guidelines where there is reasonable opportunity to recover funds.

- Negotiate agreed-upon payment schedules concurrently with imposition of civil monetary penalties.

- Obtain and implement a system for storing records on debarred/suspended providers in an electronic format. Only a relatively small number of our debarred provider files ever become inactive through termination of the providers' debarments. In fact, 90 percent of the 33,000 debarments and suspensions we have issued over the past 12 years are still in effect.

- Maintain investigative hotlines as a means of receiving information regarding fraud and abuse against OPM programs.

Strategies

- Recruit and retain highly skilled, proficient, and technically competent special agent criminal investigators based on available budget resources, and locate them in areas of the country where FEHBP and retirement benefits are provided. Given this, a number of the OIG's current criminal investigators have been located in the field where current federal employees and annuitants reside. Experience has shown that investigators located in remote locations often work in cooperation with other law enforcement entities similarly located.

- Provide necessary training to ensure new criminal investigators are fully qualified to conduct criminal investigations.

- Fully participate in U.S. Attorney-sponsored heath care fraud task forces throughout the country to provide an opportunity to share investigative information common to local and national law enforcement organizations.

- Work with other Federal law enforcement organizations and health carrier special-investigations units to detect, prevent, and prosecute fraud and abuse.

- Focus administrative sanction efforts on OIG investigative initiated cases, E-debarment research cases, and HHS referrals that have a nexus with the FEHBP. Previously, a large percentage of debarments were based on HHS action. However, HHS has directed its efforts to nursing facilities which do not necessarily impact the FEHBP.

- Work with program managers and legislators to improve the legal tools needed to protect OPM programs from fraud and other illegal acts or abuse.

OIG Investigations

Activity	Output	Outcome	Performance Indicators	FY 2004 Actual	FY 2005 Actual	FY 2006 Targets	FY 2007 Targets
Conduct criminal investigations of health care providers and persons receiving benefits; Issue administrative sanctions to health care providers who commit violations identified by statute or regulations	Investigations, arrests, indictments, and convictions	Detect, investigate, and prevent fraud, waste, and abuse against OPM programs	# of arrests	7	38	40 *	40 *
			# of indictments	22	43	40 *	38 *
			# of convictions	25	20	25 *	20 *
			# of debarments and suspensions	3,797	2,279	1,300 *	1,500 *
			# of administrative sanction actions based on investigative referrals **	n/a	n/a	(125)	(150)
			# E-debarments **	n/a	n/a	(175)	(200)
			# of administrative sanction actions based on HHS/action **	n/a	n/a	(1,000)	(1,150)
			# administrative sanction fact-finding hearings **	n/a	n/a	n/a	3
			# of debarment inquiry responses	3,731	5,037	4,700	5,000
			TFA	$3.570 M	$4.850 M	$5.271 M	$5.271 M
			FTE	30.0	30.0	36.0	36.0
			GFA (S&E)	$0.411 M	$0.471 M	$0.415 M	$0.112 M
			FTE	2.0	2.0	4.0	1.0

* Targets have been adjusted to reflect changes in OIG work processes. Previously, a large percentage of debarments were based on HHS action. However, HHS has directed its efforts to nursing facilities which do not necessarily impact the FEHBP
** New indicators established for FY 2006 and future reporting.

Part 5
Payment Accounts

Payment Accounts

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

Please Note: The annual performance goals, means, and indicators applicable to the Government payments for annuitants health benefits and life insurance, and to the Civil Service Retirement and Disability Fund can be found under previous sections.

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

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	FY 2007 Change
Budget Authority	$7,889	$8,204	$8,765	$561
Obligations	$7,889	$8,204	$8,765	$561
Outlays	$7,823	$8,167	$8,715	$548

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

The budget reflects savings from a proposed technical change to the FEHB statute which would allow the Service Benefit Plan the ability to offer more than two levels of benefits. This flexibility is already available to other existing FEHB health plans. It also recognizes the amounts being remitted under current law by the U.S. Postal Service to finance a portion of its post-1971 annuitants health benefit costs.

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

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

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	FY 2007 Change
Budget Authority	$38	$39	$39	0
Obligations	$38	$39	$39	0
Outlays	$38	$39	$39	0

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

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

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

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	FY 2007 Change
Budget Authority	$25,618	$27,182	$27,532	$350
Obligations	$25,618	$27,182	$27,532	$350
Outlays	$25,618	$27,182	$27,532	$350

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

Current Appropriation

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

Permanent Indefinite Authorization

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to five percent interest on the Civil Service Retirement System's current statutory unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service.

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

Postal Service Contributions for Retiree Health Benefits
(Legislative Proposal)
(in millions)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request	FY 2007 Change
Receipts		$4,674	$5,242	$568
Budget Authority	$0	$1,713	$1,935	$222
Obligations	$0	$1,713	$1,935	$222
Outlays	$0	$1,713	$1,935	$222

This budget proposal, if enacted, would use the pension cost savings provided to the Postal Service by the Postal Civil Service Funding Reform Act of 2003 (P.L. 108-18) that would otherwise be held in escrow in 2006 and beyond to fully finance its retiree (annuitant) health benefits liabilities.

This new account would receive from the Postal Service: (1) payments for the accruing actuarial costs of Postal Service contributions for post-retirement health benefits for its current employees, and (2) amortization payments necessary to provide for the liquidation of the Postal Service's unfunded liability as of September 30, 2005, for post-retirement health benefits of its current retirees. Obligations of the proposed fund are payable to the Employees and Retired Employees Health Benefits Fund, and consist of the resources necessary to pay the employer (Government) share of the Postal Services post-1971 annuitants health insurance premiums under the Federal Employees Health Benefit Program.

OPM would have the authority to notify the Secretary of the Treasury of "such sums as may be necessary" to carry out these provisions. This proposal is not subject to PAYGO scoring provisions.