

**OPM STRATEGIC GOAL I**

**Provide policy direction and leadership to recruit and retain the Federal workforce required for the 21st Century.**

**OERM Goal1**

✓ By the end of FY 2000, needed changes in all significant OPM program policies are identified and changes are introduced so that Federal agencies are better equipped to respond to changing human resources and agency needs in the 21st century.

✓ Baseline established for determining senior executives' satisfaction with OPM's leadership of SES program and their sense of "ownership" in the system.

FY 1999 SES survey established the baseline. Further analysis will be completed in FY 2000. Survey will be repeated in FY 2002. "Sense of ownership" dropped because it is impractical to measure.

∅ OPM's Customer Satisfaction Survey indicates a 2% increase in favorable ratings.

The responses to the HR Directors' Survey were not sufficient enough to make it a credible and reliable survey. We will look to future year's data to determine trends.

✓ Baseline of information established for executives' perceptions and attitudes about their leadership experience, extent to which they function consistent with ECQ's, focus on outcomes, and find that the SES system supports their efforts to achieve program results.

1999 SES Survey established the baseline. Further analysis will be completed in FY 2000. Survey will be repeated in FY 2002.

Initial results show that executives affirm the importance of the current ECQ's, are focusing on outcomes, and are able to recruit good quality SES candidates.

**OERM Goal 2**

✓ The selection of executives with solid leadership and management skills, public service values, and a Governmentwide perspective, who are prepared to lead the continuing transformation of Government is promoted.

✓ Favorable ratings and comments on evaluations collected at ECQ briefings, SES symposia and orientations.

56 ECQ briefings were given in FY 1999 to 5100 participants, which provided an opportunity to emphasize leadership attributes. Evaluations reflect that attendees appreciate and value the information they receive, and are able to apply it. We have improved the briefing content based on comments from the participants. Briefings will continue in FY 2000.

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determine trends. The relevant question was dropped from the HR Specialists' 1999 survey as they are not normally participants in our policy development activities.

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- ✓ Increase in evidence that QRB cases are well developed and reflect selection of qualified leaders.

96% of QRB cases approved after first time review compared to 90% in FY 1998.

Anecdotal evidence from QRB members shows that quality of selectees for the SES is improving as evidenced by the cases they reviewed.

**OERM Goal 3**

- ✓ The levels of executive resources assigned through the 2000-2001 biennial allocation and subsequent interim adjustments meet the Administration's corporate goal of maintaining an executive workforce consistent with overall Government downsizing while efficiently supporting agency missions.

- ✓ Agencies operate successfully within biennial allocations. Cumulative ad hoc adjustments during FY 2000-2001 biennial cycle result in no more than 2.5% increase in executive resources allocated by OPM.

Ad hoc adjustments during the FY 1998/1999 cycle resulted in an overall net increase of only .7%. Allocations for the FY 2000/2001 cycle increased only for agencies who effectively managed their executive resources and/or received additional funds for new programs.

- P Qualitative analysis of biennial review reports show agencies are effectively managing their executive resources and integrating a succession planning emphasis.

Progress was made in this ongoing effort to emphasize to agencies the need to manage their executive resources wisely, and to incorporate planning for the future as evidenced by the minimal ad hoc increases in the FY 1998/1999 cycle.

**OERM Goal 4**

- ✓ Continual learning is highly valued as a strategy for maximizing executive effectiveness with the result that agencies and executives increasingly use training, sabbaticals, details, temporary assignments, and movement within and between agencies to broaden perspectives and gain fresh insights on leadership.

- ✓ Methods to quantify continuing learning are implemented and baseline data are established.

FY 1999 SES survey established baseline data on executives who participate in continual learning activities, and what development they and their managers need in order to be successful in the SES.

- ✓ OERM will include in its new survey on SES members' perceptions and attitudes items on mobility.

FY 1999 SES survey established baseline data on executives who have transferred to another agency or taken a new position within their own agency. Barriers to mobility were identified and will be analyzed in FY 2000 to determine ways to help overcome them.

- ✓ Increases in intra/interagency, intergovernmental, and/or interdisciplinary selections for senior executive positions as measured through the EIS.

EIS is able to show data on interagency and interdisciplinary selections, but will not be relied on for intra-agency or intergovernmental data. Enhancements to be able to do this are too expensive to pursue. The SES Survey will be used to gather additional information about these types of selections.

- ✓ Increased emphasis by agency management on encouraging and supporting executives' pursuit of continual learning activity.

President's Management Council (PMC) has encouraged agencies to invest in continuing executive development to help their executives deal with the constant change in today's working environment. Anecdotal evidence shows departments such as Commerce, Transportation, Treasury and Labor, among others, are directing resources and senior management attention to this issue.

**OPM STRATEGIC GOAL III**

**Provide advice and assistance to help Federal agencies improve their human resources management programs to effectively operate within the economy, demographics and environment of the 21st Century.**

**OERM Goal 5**

- ✓ Federal agencies, senior executives, and other stakeholders receive timely, clear, accurate, and useful advice and assistance that contributes to the development, selection, and effective management of high-quality senior executives.

- ✓ Ongoing feedback from senior executives, agency executive personnel managers, agency personnelists and other stakeholders about services provided.

We hold monthly meetings with SES program managers and communicate daily with them and with individual executives. Feedback from these exchanges is almost always positive. SES program managers and executives believe we go the extra mile to maximize the flexibilities available while upholding the merit system principles.

- ✓ Increases averaging 2% overall in levels of satisfaction with OERM information sharing and technical assistance in the OPM Customer Satisfaction Survey.

Exceeded goal in 3 of 5 information sharing categories and equaled or exceeded goal in all technical assistance categories. Average +3% in information sharing and +10% in technical assistance. Average overall is +7%.

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	Information Sharing		Technical Assistance	
	FY 1998	FY 1999	FY 1998	FY 1999
SES/SL/ST Allocations	72%	77%	71%	82%
SES Qual Review Boards	77%	73%	77%	79%
Non Career and Limited SES	77%	80%	74%	86%
SES Compensation and Performance Management	84%	83%	82%	93%
Presidential Rank Awards	73%	95%	69%	90%

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**OPM STRATEGIC GOAL IV**

**Deliver high-quality, cost-effective human resource services to Federal agencies, employees, annuitants and the public.**

**OEMD Goal 6**

✓ OPM executive and management development programs and services are high quality, timely, and customer-oriented and are relevant to individual and organizational performance improvement.

✓ Assess overall program quality and effectiveness through the use and analysis of end-of-course evaluations for training and development programs. Additional measures address how well courses improve participant’s individual and organizational effectiveness back in the agency.

FY 1999 plan shows estimate of 7,400 participants and ratings of 4.4 or better on a 5-point scale. Actual was 7,562 participants and an average rating of 4.6 on a 5-point scale.

No specific “additional measures” were identified in the FY 1999 plan.

☒ In FY 2000, expand pilot program efforts to measure the amount of learning that takes place in courses and seminars. Data is based on participants’ self-rating of their knowledge of the subject matter covered in the target seminar before and after completion of the program.

This is an FY 2000 indicator.

✓ Ensure executive and managerial training and development programs and curriculum reflect current trends in Government, leadership competencies, and changes in policy direction. Use ongoing assessment of results for continuous reviews and update.

The FY 1999 plan identified special programs for the Department of Treasury and the Federal Aviation Administration to help them develop a corporate culture, improve communications skills, and improve management and leadership skills. Special programs were developed for those agencies plus Department of Energy, Defense Intelligence Agency, and others.

☒ The Federal Executive Institute’s ongoing multi-year evaluation project is designed specifically to measure program quality and effectiveness in 10-12 different areas.

No specific measures for FY 1999 were identified in the FY 1999 plan. However, in FY 1999, FEI reassessed the progress and results of the multi-year evaluation project and determined that a more structured approach was required. Consistent with the OEMD-wide approach, efforts were redirected to return on investment assessment activities.

FY 1999 PERFORMANCE REPORT

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- ☒ In FY 2000, survey data from recent graduates of Management Development Center (MDC) seminars will be used to develop information on how to increase the ability of MDC alumni to apply the knowledge they gained in OEMD programs back at their workplace. This information will also be used to improve the design of our programs.

This is an FY 2000 indicator.

- ☒ In FY 2000, begin pilot testing a Federal analogue of The Corporate University Exchange to share bench marking data on leading edge management development programs with agency counterparts.

This is an FY 2000 initiative.

- ✓ In FY 2000, seek membership in executive development consortiums (i.e., government, academia, business) for the purpose of bench-marking our programs and identifying meaningful evaluation and measurement techniques used in other executive development programs.

Although not applicable for FY 1999, OEMD has begun efforts in this area and will build on same in FY 2000. Examples: (1) In partnership with NPR and the Council for Excellence in Government, developed case studies for incorporation into programs; (2) Partnered with UVA to develop a business acumen curriculum for use in our LDS program – effort ongoing.

**OEMD Goal 7**

- ✓ Participation in OPM's executive and managerial training programs is increased and income and costs are balanced.

- ✓ Outcome evaluation assesses the extent to which a program achieves its outcome-oriented objectives.

The FY 1999 plan shows:

Sessions	.....218
Participants	.....7476
Participant training days	....72,513

Actual is:

Sessions	.....256
Participants	.....7562
Participant training days	....74,912

- ∅ Increases in participant training, coupled with high course evaluations and a systematic approach to improvement in program delivery and curriculum based on the course evaluations is the basis for OEMD's overall outcome evaluation.

No data available.

- ✓ OEMD's financial strategies continue to support current and future program needs, as well as maintain a strong fiscal condition. Financial performance for each organization is measured as a function of annual income and cost in the context of a 3-year financial plan which includes meeting the requirements to "break-even" and setting a 3-year investment horizon to ensure that OEMD is careful and thorough about providing full value to its customers.

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The FY 1999 plan indicated the investment strategy would include the development of new computer-based simulations and case studies. In FY 1999, OEMD reassessed the development of these simulations and case studies. The state-of-the-art in this area is changing rapidly and the size of the required investment was so large that the timeline for implementation was appropriately extended. We are now taking steps to secure cooperation with other Government agencies in the development and cost-sharing for the development of computer-based simulations, case studies, and associated distance learning initiatives.

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✓ In FY 2000, financial performance standards for each organization will include actual performance within tolerances of initial estimate (+\$250k, -\$125k), sufficient cumulative retained earnings reserves to accommodate appropriate contingencies, and an investment strategy consistent with program requirements and break-even over a 3-year period.

Although identified for FY 2000, the financial performance standards apply to FY 1999 as well. OEMD's overall financial condition remains positive in FY 1999 with above breakeven cumulative retained earnings. Sufficient cumulative earnings reserves are available to accommodate known contingencies and to meet some investment requirements.

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**Retirement and Insurance Service (RIS)**

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**OPM STRATEGIC GOAL I**

**Provide policy direction and leadership to recruit and retain the Federal workforce required for the 21st Century.**

**RIS Goal 1**

✓ A Long-Term Care program is implemented for Federal employees and annuitants, providing that authorizing legislation is passed.

☒ Long-term Care program is implemented within timeframes described in authorizing legislation.

Long-Term Care legislation was not passed in FY 1999.

✓ Agency HR Directors and Specialists are satisfied with OPM's efforts in implementing a long-term care program, as indicated in the CSS.

We worked closely with staff from the Department of Health and Human Services to develop a legislative proposal to enable OPM to contract for long term care products. This proposal was introduced in the Congress in January 1999. However, an alternative proposal also has been introduced and RIS is now working with the Congress to resolve the differences between the two bills.

FY 1999 OPM Customer Satisfaction Survey results established a baseline and show that 72% of HR Specialists respondents working in the Retirement and Insurance benefits area agree that OPM has kept them well informed of the status of the Long-Term Care proposal. (The responses to the HR Director's Survey were not sufficient enough to make it a credible or reliable survey. We will look to future year's data to determine trends.)

**RIS Goal 2**

✓ New life insurance products are offered to Federal employees and annuitants.

✓ New life insurance products are implemented within timeframes described in authorizing legislation.

In May 1999, we forwarded a Report to the Congress in response to PL 105-311, the Federal Employees Life Insurance Improvement Act. This report described new kinds of life insurance products that might be made available to Federal employees, including group universal life, group variable life, and voluntary accidental death and dismemberment insurance. The report also included the results of an OPM survey in which Federal employees showed considerable interest in these kinds of products. To date, no authorizing legislation for these products has been passed by the Congress.

✓ Agency HR Directors and Specialists are satisfied with OPM's policy, technical assistance, and guidance materials for implementing new life insurance products.

Since no legislation was passed to authorize new life insurance products, data for this specific measure was not collected during FY 1999. However, the FY 1999 results established a baseline and show that 72% of responding HR Specialists agree that OPM has kept them well informed of the status of potential new life insurance products. The response rate to the HR Directors Survey was insufficient to make it a credible and reliable survey. We will look to future year's data to determine trends.

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**RIS Goal 3**

✓ Flexible, responsive, and cost-effective employee benefit policies and packages are developed by a Center for Benefits Design and Delivery.

✓ Respond to emerging benefits design and policy needs.

During FY 1999, we established the Center for Benefits Design and Delivery as a virtual organization within the Service. The Center serves as a coordinating mechanism through which a multi-disciplinary group of specialists are assembled to focus on a broad range of current, emerging, and future initiatives in the employee benefit arena. Two of our most notable accomplishments that demonstrate our responsiveness to emerging benefit policy pertained to the Federal Employees' Health Benefits Program where we fully implemented the Patient's Bill of Rights, and developed a strategy to implement in FY 2001 parity for mental health and substance abuse illnesses. Both of these important initiatives became as part of our FY 1999 agenda after we had published our performance plan and we responded to them appropriately during the year.

✓ Organizations outside of OPM recognize RIS' leadership in the benefits industry.

OPM's leadership in the health insurance marketplace has been recognized in a number of forums, including the White House. The Agency is especially proud of the special award received from the Small Business Administration for efforts to promote the interests of small and disadvantaged businesses in the FEHB Program. In another example, we were asked to co-chair the Patient and Consumer Information Workgroup of the Quality Inter-Agency Coordination Task Force and participate in the planning committee for the creation of The Forum for Health Care Quality Measurement and Reporting. These important organizations were created by the President to advance consumer understanding and the quality of health care in the United States.

☒ External studies indicate that Federal employee benefits are competitive with those offered in the private sector.

This is an FY 2000 indicator.

∅ Results of the CSS indicate that OPM is meeting the agencies' policy needs in the area of earned employee benefits.

The responses to the HR Directors Survey were not sufficient enough to make it a credible and reliable survey. We will look to future year's data to determine trends.

**RIS Goal 4**

✓ Retirement coverage errors are corrected for all people affected, in a way that is easy to understand and can be effectively administered.

✓ Increased level of satisfaction among agency HR Directors and Specialists as demonstrated in the CSS regarding policy leadership in the correction of retirement coverage errors.

As provided for in our FY 1999 Performance Plan, we will implement an operational plan for these corrections when legislation is passed. During the year, we took the lead on behalf of the Administration, worked in concert



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with our agency partners, and crafted a legislative proposal, which was introduced in the Senate, for the correction of retirement coverage errors. The House proposed alternative legislation and we are now working with both houses of the Congress to resolve the issues separating the two proposals. As a result of these efforts, 72% of the Human Resource Specialists responding to the FY 1999 OPM Customer Satisfaction Survey agree that OPM has kept them well informed of the status of this legislative proposal. The response rate to the HR Directors Survey were not sufficient enough to make it a credible and reliable survey. We will look to future year's data to determine trends.

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**OPM STRATEGIC GOAL II**

**Protect and promote the merit-based civil service and the employee earned benefit programs through an effective oversight and evaluation program.**

**RIS Goal 5**

- ✓ The financial oversight of the employee benefit trust funds is strengthened in that (a) the FY 1998 Trust Fund annual financial statements receive unqualified opinions from an independent auditor, (b) the earned benefit financial subsystems are integrated with the new general ledger installed in early FY 1999, and c) financial policies and procedures supporting the earned benefit financial systems are properly documented and comply with applicable requirements and standards.
- ✓ The 1998 annual financial statements received “unqualified opinions” from the independent auditing firm.
 

On March 1, 1999, the OPM Inspector General announced his concurrence with the report of KPMG Peat Marwick LLP, which gave unqualified accounting opinions on the financial statements for the retirement program, the health insurance program and the life insurance program.

The full implementation of RIS' new core financial management system in 1999, and the other achievements described above, represent a major upgrade that has enhanced accounting, but the management and administrative controls as well. As a result, RIS will no longer report in the FMFIA annual assurance letter two of the three previously identified material non-conformances with government-wide financial management systems standards. The improvements also allowed RIS to report as resolved four long-standing material weaknesses in management controls - Oversight of Agency Activities, Financial Management Policies and Procedures, Controls Over Annuity Payments and Controls over Health Benefit Program Claims Payments. Finally, we will no longer report to the President and Congress the weaknesses identified in our Retirement Program Public Receivables system.
- ✓ Financial policies and procedures are documented as planned.
 

We continued to make progress on this long term documentation effort during FY 1999. During Fiscal Year 1999 the Center for Applied Financial Management delivered detailed desk procedure documentation for four critical areas. The Center also developed documentation on general Funds Management

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business processes since contract inception in 1997. The next segment of the accounting manual to be issued is the Financial Policy Statements.

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**OPM STRATEGIC GOAL III**

**Provide advice and assistance to help Federal agencies improve their human resources management programs to effectively operate within the economy, demographics and environment of the 21st Century.**

**RIS Goal 6**

✓ Benefits information is more easily available to both agency benefits officers and employees, and is written in Plain Language.

✓ Responsiveness to sudden changes in policy direction is demonstrated.

We demonstrated our ability to respond to sudden changes in policy direction by conducting a life insurance open enrollment period in response to PL 105-311. The open enrollment period was held between April 24 and June 30, 1999. During this time, eligible participants in the Life Insurance Program could elect to increase the amount of additional optional insurance they carried.

✓ Technical assistance needs of agency benefit counselors and employees are met.

Provided agency benefits officers and other agency HR staff with several Benefits Administration Letters to prepare them for the life insurance open enrollment period. Preparations also included a briefing at the IAG Network of Benefits Officers on the changes to the Life Insurance Program brought about by PL 105-311 and the specifics of the open enrollment period. In addition, we produced a satellite broadcast for agency HR staff during the open enrollment period, and developed materials for the OPM web site.

✗ Increase agency HR specialists' satisfaction in the CSS with information sharing, technical assistance, and guidance materials regarding the employee benefits programs.

While satisfaction with information sharing and technical assistance regarding the health benefits and life insurance open seasons declined by 5 points from the very high levels seen in FY 1998, results remained at FY 1998 levels for specific guidance materials and the health benefits web page.

Program Area	Information Sharing		Technical Assistance	
HB Open Season	FY 1998 93%	FY 1999 88%	FY 1998 90%	FY 1999 86%
Life Insurance	FY 1998 93%	FY 1999 87%	FY 1998 89%	FY 1999 84%

**RIS Goal 7**

✓ Agency and Health Benefit plan personnel are more knowledgeable about the administration of earned benefit programs and are better able to provide benefits counseling and related assistance to Federal employees and retirees.

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X Increase agency HR specialists' satisfaction with the availability of benefits information via the OPM Website.

Although agency HR Specialists satisfaction among with information sharing and technical assistance missed the expected target levels for FY 1999, this was off-set by the continued high levels of satisfaction with the user-friendliness and usefulness of the benefits information available on the OPM website. The website is becoming one of OPM's primary vehicles for providing support to the agencies.

	FY 1998	FY 1999
Information Sharing	88%	80%
Technical Assistance	85%	80%
Web site info useful	99%	99%
Web site friendly	98%	99%

X Increase the number of retiring Federal employees who receive retirement counseling or planning support from former agencies.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
65%	67%	71%	76%	68%

The percentage dropped in FY 1999. However, other data collected by the survey for the first time, indicates that 28% of retiring employees who responded obtained retirement information on their own instead of relying on their agencies. Thus not meeting the expected target level for FY 1999 is not indicative of a performance lapse by OPM, but of the existence of a broader range of choices available to retiring employees.

✓ Increase the number of retiring Federal employees who are satisfied with the retirement planning and counseling they received.

88% of new retirees surveys for FY 1999 indicate they were satisfied with the accuracy of the information from their agency when planning their retirement, exceeding the 80% target level.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
84%	87%	85%	78%	88%

✓ Additional measure - External reports indicate agencies are providing benefits counseling as recommended by experts.

In March 1999, the General Accounting Office (GAO) issued a report on agency efforts to educate employees on their benefits package. To do this study, GAO convened a group of experts in benefits administration to identify the key actions that an employer needs to take to educate employees on their benefits package. GAO then surveyed a number of agencies to determine what they do to make employees aware of their benefits package and about the products they use. The study found that agencies are doing the critical things recommended by the experts, and that they prefer to use OPM products.

GAO made no recommendations for improvement. However, since the GAO report did not gather information on what agencies actually are doing or obtain employee views, OPM is considering doing a study of benefits counseling in FY 2000.

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**RIS Goal 8**

- D A baseline is established regarding the quality of agency submissions to the retirement system based on OPM reports to agencies that include information about how many of the retirement claims submitted were complete and ready for immediate processing.
- D Develop an agency performance tracking system.  
 Progress was slowed on this project by the need to focus IT resources on OPM's Y2K compliance program. However, the basic programming that extracts the data needed for this system from OPM's annuity payments systems has been completed. We expect to complete the project during FY 2000.

**RIS Goal 15**

- ✓ Agency staff are more knowledgeable about the administration of the earned benefits programs by attending the Annual Benefits Officers Conference, attending pre-conference training, and/or the annual Fall Festival of Training.
- ✓ Post-conference feedback and the CSS indicate agency personnel find these programs improve their knowledge of the benefit programs.  
 We continued a wide range of outreach activities with the agencies to strengthen the administration of the employee benefit programs to Federal employees. A primary vehicle for this outreach is the annual Benefits Officers' Conference. In FY 1999, we renamed it the Federal Benefits Conference to reflect the broader focus of human resource specialists and their desire to include payroll staff as full participants in the conference. Sessions covered the interactions between payroll and personnel, new approaches to communicating benefits information, long term care proposals, the Federal Employees Group Life Insurance changes, Workers' Compensation rule changes, Social Security partnership with OPM, Thrift Savings Plan updates, and military retired pay interface with retirement.

**RIS Goal 16**

- ∅ Agency retirement records are stored with OPM when they are changing their payroll systems.
- ∅ Agencies continue to request these services from OPM.  
 This is a service RIS provides agencies when agencies make an ad hoc request for this assistance. During FY 1999, no such requests were received. However, RIS was prepared to perform this service during FY 1999.

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**Deliver high-quality, cost-effective human resources services to Federal agencies, employees, annuitants and the public.**

**RIS Goal 9**

- ✓ The delivery of services in the FEHB Program is improved by developing and using health care quality measures and communicating quality information to program customers and prospective customers.

*During FY 1999, we overhauled the quantitative indicators for the Health Benefits Program described in the .FY 1999/2000 Performance Plan since many of them were based on carrier reported data that was unaudited and could not be verified. We replaced those indicators with quantitative measures that we are reporting below. These new indicators are more reliable and better reflect our near-and long-term goals for the Federal Employees Health Benefits Program.*

- ✓ Partnerships are used to promote the use of Health Care Quality Measures.

We continued to use our relationships with others in the health insurance industry to improve the delivery of health care to those covered by the FEHBP. One of the most significant accomplishments that emanated from these relationships during FY 1999 was the implementation of the Patient's Bill of Rights. To implement the Patient's Bill of Rights, we adapted to the different health carrier environments and delivery systems that characterize the FEHBP, and focused on outcomes rather than processes. Thus, we improved an already progressive health benefits program at an incremental cost of less than \$1 per month, per contract holder.

- P Customer satisfaction with the HB plan reaches 87% for HMOs and 90% for FFSs.

As a part of the overhaul of performance indicators, we established a new baseline and future target levels as shown below for measuring customer satisfaction with Program service delivery by participating in the annual Consumer Assessment of Health Plans Survey (CAHPS). The CAHPS instrument is the health care industry's most thoroughly tested and widely accepted tool for obtaining customer feedback regarding health plan performance. Since the CAHPS is different from the surveys conducted prior to FY 1999, the CAHPS results cannot be compared to those from these other surveys; a new baseline has been established.

	FY 1999	FY 2000 target	FY 2001 target
HMOs	74%	74%	80%
FFS	82%	82%	85%

- ✓ Percent of participating plans that are highly rated or accredited

As discussed above, RIS overhauled the business process indicators for the health insurance program. The new indicators are more closely aligned with the strategic direction of the Health Benefits Program which is to complete

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the program's evolution to a quality-driven system based on health care outcomes, and support program enrollees with the kind of consumer information they need to choose a health benefits plan that best meets their needs.

For instance, an indicator of the extent to which to Program is quality-driven is reflected in the percent of participating plans that are accredited or rated by their customers as above average in overall customer satisfaction. Thus, the percent of the participating plans so rated has been established as a business process indicator.

Because these are new indicators, historic performance data for them is available back to FY 1997 instead of the usual five years, and there is no target level for FY 1999. The increase in the percent of accredited plans is due to a number of small HMO plans leaving the program at the beginning of the year.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
N/A	N/A	25%	30%	61%

**✗ Percent of customers enrolled in a highly rated or accredited plan**

A complementary measure to the percent of plan that are highly rated or accredited is the percent of Program enrollees who are enrolled in such a plan. OPM believes that increasing these factors ensures that Program customers experience the best health care the Program has to offer. The fluctuation in this measure since FY 1997 is due to the program's largest plan being highly rated in 1998, but not in 1999. This resulted in the loss of 80% enrollees for highly rated plan in FY 1998.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
N/A	N/A	16%	65%	32%

**✗ Stretch measure; HB disputed claims processed within 60 calendar days – 99%**

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
N/A	N/A	92%	98%	98%

**✓ Routine correspondence answered on time – 90%**

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
N/A	N/A	90%	90%	90%

**RIS Goal 10**

**✓ Claims for life insurance benefits are at least 99% accurate and paid within 10 days of being fully documented to the OFELI.**

**✓ More than 99% of claims payments are accurate as a % of #paid**

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
99.5%	99.5%	99.5%	99.6%	99.6%

**✓ More than 99% of claims payments are accurate as a % of \$ paid**

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
99.6%	99.8%	99.6%	99.8%	99.8%

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- ✓ More than 99% of claims payments are accurate as a % of # certified by OPM

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
99.7%	99.7%	99.6%	99.7%	99.8%

- ✗ Timeliness of claims payments – 10.0 days

Processing times for life insurance claims increased above the established 10-day standard (see table below). This was due to the implementation of a new Y2K compliant payment system by the program carrier which drove up processing times during the fourth quarter. Processing times, excluding the fourth quarter data, averaged 9 days, which remains within the 10-day standard.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
6.3	6.8	6.8	8.2	11.3

**RIS Goal 11**

- ✓ The FY 1998 level of customer satisfaction, processing times, and accuracy rates for processing new claims for annuity and survivor benefits is increased or maintained.

- ✓ Customers who received first payment when they expected – stretch target 80%

Stretch target level met as shown below:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
73%	74%	78%	74%	81%

- ✓ Annuitants who indicate overall satisfaction with the handling of retirement claims – stretch target 90%

Stretch target level met as shown below:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
88%	92%	90%	88%	93%

- ✓ Interim payment processing time in calendar days – 3 day standards

Expected target level met, as shown below:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
7	5	5	3	3 Days

- ✗ CSRS annuity processing time in calendar days – stretch target 25 days

Stretch target level not met; historic trend indicates progress over the long term:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
74	42	39	23	32 Days

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✗ CSRS annuity claims accuracy – 96%

Expected target level not met:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
94.1%	90.9%	94.0%	92.9%	88.0%

✗ FERS annuity processing time in calendar days – stretch target 60 days

Expected target level not met:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
83	79	81	93	94 Days

✗ FERS annuity claims accuracy – stretch target 95%

Expected target level not met.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
91.4%	94.1%	95.4%	94.5%	92.4%

✓ Survivor annuities authorized via Survivor Express Pay – stretch target 65%

Stretch target level met:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
36%	51%	62%	62%	71%

✓ CSRS death claims accuracy – 97%

Expected target level met:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
100%	94.3%	91.8%	96.9%	98.7%

✓ Overall payment accuracy (\$) – 99.9%

The statistician's report on the results of the FY 1999 year-end case audit described the net overpayment/underpay errors for the fiscal year as 0.082%, equating to an accuracy rate of 99.9%.

P Overall survivor pay processing time in calendar days – stretch target was 10 days.

Expected target level not met; but improvement from FY98 demonstrated:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
38	25	11	20	14 Days

P Survivor Express processing time in calendar days – stretch target was 4 days.

Expected target level not met; but improvement from FY98 demonstrated:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
13	8	5	9	6 Days

**RIS Goal 12**

P The FY 1998 level of customer satisfaction with RIS teleservices and timeliness of written responses to inquiries is increased or maintained.



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✓ Overall satisfaction with call handling – 90%

Expected target level met:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
78%	81%	88%	85%	90%

X Overall satisfaction with content and timeliness of written responses – 87%

Expected target level not met:

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Content	80%	73%	78%	85%	75%
Time	71%	70%	76%	85%	73%

P Calls handled – 1,023,100

FY 1995	.....545,452
FY 1996	.....574,242
FY 1997	.....667,504
FY 1998	.....974,380
FY 1999	.....1,010,127

P % of priority correspondence answered on time – Stretch goal of 95%

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
93%	89%	92%	93%	93%

P % of regular correspondence answered on time – Stretch goal of 85%

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
93%	87%	N/A	76%	79%

**RIS Goal 13**

✓ The FY 1998 level of customer satisfaction with the accuracy and timeliness of account maintenance services is improved, and workload balances are reduced, as more of these customer service requests are handled through the telecommunications media.

✓ 85% of customers satisfied with overall services

Target level met:

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
77%	79%	89%	75%	90%

✓ Average processing time of 4.0 days for change of address

Target level met as FY 1999 processing showed significant improvement. Since this indicator is not reflective of overall account maintenance processing, it is being eliminated from future tracking and reporting.

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FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
1.2	3.3	4.7	8.6	2.6 Days

**P Stretch target of 100% accuracy of address change requests**  
 Target level virtually met. Since this indicator is not reflective of overall account maintenance processing, it is being eliminated from future tracking and reporting.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
99%	96%	100%	98%	99%

**P Reduce combined workload balance to 19,320**  
 Target level virtually met; historic trend shows significant improvement in last three years, as shown below.

- FY 1995 - 49,145
- FY 1996 - 46,521
- FY 1997 - 21,607
- FY 1998 - 19,910
- FY 1999 - 20,429

**X Increase by 5% number of account maintenance transactions handled by Interactive Voice Response (IVR) telephone system**

This indicator was changed during FY 1999 from the number of transactions processed by IVR systems to the percent of such transactions. This change was made to account for declines in workload volumes brought about by the use of IVR technology.

FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
8%	29%	28%	35%	33%

**RIS Goal 14**

- ✓ Accelerated information technology solutions for a modernized retirement system are designed, developed, and implemented.
- ✓ A new business model for the retirement program is selected and a business process reengineering effort is initiated to form the basis for new technology solutions.

Our Business Process Reengineering (BPR) Study is on going and will continue throughout FY 2000. However, it has already produced deliverables that were critical to the Project in FY 1999. First, it enabled us to identify three early win projects which are now virtually completed. Second, generated "To Be" model of the modern retirement system, encompassing six core business processes: Member Administration, Retirement Counseling, Claim to Payment, Annuity Roll Maintenance, Trust Fund Management, and Employee Withholdings. Finally, developed a Capital Asset Plan for the Project which provides a long range view of the technology investments that will be necessary to implement the system.

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We continued to be a leader in employee benefits policy during FY 1999. Our leadership was manifested in ways that went beyond the goals we established for this past fiscal year. One of our most notable accomplishments pertained to the Federal Employees Health Benefits Program (FEHBP) where we set a standard for the Nation by laying the ground work to achieve parity for the treatment of mental health and substance illness in the year 2001. Despite a growing recognition that these illnesses, like other medical conditions, are susceptible to effective treatment regimes that could reduce related medical and societal costs, many health plans have not provided equivalent benefits. We responded to the White House call during the Mental Health Conference in July 1999, worked with the carriers participating in the health program and have ensured that parity of treatment will be delivered to all FEHB enrollees in 2001.

During this past year, we continued to use surveys to measure ourselves and our performance against our customers' expectations. The results for 1999 indicated that we were right on track with this during FY 1999. For instance, overall customer satisfaction with the delivery of Retirement Program services has remained at or above 90% for the past four years. This was not an accident. We worked for it by combining telecommunications technology with a continuing emphasis on customer service.

These excellent customer satisfaction results were confirmed through our participation in the American Customer Satisfaction Index. This first time governmentwide effort, sponsored by the President's Management Council and overseen by the Federal Consulting Group in partnership with the Arthur Andersen, Inc., measured public satisfaction with a broad range of Federal government agencies and programs and compared them to their appropriate private sector counter parts. The results for our customer segment - our Retirement Program annuitants - compare well with customer satisfaction levels in the insurance and financial services sector of the American economy, particularly in our claims processing operations.

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**OPM STRATEGIC GOAL I**

**Provide policy direction and leadership to recruit and retain the Federal workforce required for the 21st Century.**

**OCIO Goal 1**

✓ With the Associate Director for Employment, leadership and support are provided to the Human Resources Technology Council (HRTC) so that Governmentwide human resources business process redesign, systems modernization efforts, and planning initiatives to fully exploit the use of modern automated technologies are pursued. [See also ES Goal 2]

∅ Satisfaction of HRTC members with the results of HRTC studies and services, and their opportunity for involvement in the Council policy making will increase over FY 1999 or maintain at 90 percent, as measured by the annual OPM Customer Satisfaction Survey.

The response to the HR Directors' Survey was not sufficient enough to make it a credible and reliable survey. We will look to future year's data to determine trends. Although HR Director customer satisfaction survey data are not available, it is clear that this measure has been met. Members of the HRTC Planning Committee have been actively engaged in providing guidance and direction to the HRTC, and the full Committee meetings have provided ample opportunity for all participants to be involved in the HRTC decisions. (See also ES Goal 2.)

✓ Actions are initiated as a result of HRTC policy discussions.

As a result of the recommendations stemming from earlier studies conducted by the HRTC, the Committee supported the development of a Vision and Concept of Operations for the Human Resources Data Network (HRDN) project. These documents were developed by a contractor led interagency HRTC workgroup. The HRDN is envisioned as an automated governmentwide process for sharing personnel data. (See also ES Goal 2 for additional HRTC actions.)

**OCIO Goal 2a**

P Through the HRTC, OPM will begin the delivery of the initial capabilities that implement the Governmentwide vision of a Virtual Federal Human Resources Data Repository (VHRDR). The VHRDR will result in prompt access to current and accurate HR data in a less labor-intensive and costly environment for HR processing, recordkeeping, and reporting.

This is an FY 1999/2000 initiative.

✓ HRTC approval of the HR Information Vision, Concept of Operation, and Implementation Plan.

☒ HRTC approval of the initial VHRDR design and prototypes.

Under the initial HRDN (formerly VHRDR) project concept this measure is to be accomplished in FY 2000. Once the detailed project plan is completed and approved, this measure may be realigned to FY 2001.

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- ☒ Prototypes demonstrate a positive cost benefit return for the Government.  
 Under the initial HRDN (formerly VHRDR) project concept this measure is to be accomplished in FY 2000. Once the detailed project plan is completed and approved, this measure may be realigned to FY 2001.
- ☒ HRTC support for pilot tests of selected VHRDR modules.  
 Under the initial HRDN (formerly VHRDR) project concept this measure is to be accomplished in FY 2000. Once the detailed project plan is completed and approved, this measure may be realigned to FY 2001.
- ☒ HRTC agreement for VHRDR operational modules for future implementation.  
 Under the initial HRDN (formerly VHRDR) project concept this measure is to be accomplished in FY 2000. Once the detailed project plan is completed and approved, this measure may be realigned to FY 2001.

**OCIO Goals 2b/c**

See ES Goals 2b and 2c.

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**OPM STRATEGIC GOAL V**

**Establish OPM as a leader in creating and maintaining a sound, diverse and cooperative work environment.**

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**OCIO Goal 3**

- ✓ The IT management mandates of the Clinger-Cohen Act are met through the prudent application of technology in support of OPM's core mission accomplishment.
- ✓ OPM's IT initiatives conform with OPM's IT architecture standards prior to committing funds for IT projects.  
 All significant IT projects are reviewed by the Office of the Chief Information Officer (OCIO) prior to requesting funding. This review ensures conformance with the IT Architecture. In addition, OCIO oversees significant IT initiatives throughout their life cycle to ensure continued conformance.
- ☒ System development projects follow OPM's SDLC methodology and remain on schedule and within budget.  
 The OCIO, as part of an overall effort to improve OPM's systems development process, has sponsored the development of a system development life cycle (SDLC) to be used by OPM program offices to aid in the development of systems. OCIO will be pilot testing the methodology and the related automated tools during FY 2000.
- P OPM's IT initiatives attain planned performance measures and meet customer expectations.  
 Specific performance measures and customer expectations are being developed as part of OPM's major IT initiatives, e.g., Retirement Systems Modernization and CPDF Modernization.

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- ☒ OPM makes progress toward achievement of CMM level 3 based on bench marking of OPM system development practices against the CMM standards.

OPM's IT Architecture Vision, developed and maintained by the OCIO, includes a goal to improve OPM's system development process by achieving a rating as a Software Capability Maturity Model Level 3 organization. This model is defined by the Software Engineering Institute and is an internationally recognized benchmark for high quality development practices. Part of the process is to ensure the use of a consistent development methodology (SDLC). The initial pilot testing of this effort is targeted for FY 2000.

**OCIO Goal 4**

- ✓ OPM has a sound and integrated agencywide IT architecture that provides a standards based, interoperable, and secure technology environment to facilitate and support the cost-effective accomplishment of OPM's core mission and goals.
- ✓ OPM's IT infrastructure, including PC hardware/software and LAN/WAN components meet the needs of OPM staff and are Year 2000 compliant.

OPM has an agencywide IT Architecture and is in the process of migrating all components to this standard. As part of this migration process and OPM's Y2K remediation efforts, all OPM PC hardware/software and LAN/WAN components have been tested and remediated for Y2K compliance. Architecture standards are based an ongoing assessment of OPM staff requirements.

- P OPM's IT infrastructure and hardware and software inventory complies with the IT architecture.

OCIO maintains the technical standards in OPM's IT Architecture and reviews and approves all significant IT related procurements for compliance with these standards. The ongoing multi-year IT Architecture migration effort is designed to bring all components up to standard.

- ☒ Central management of workstations and servers is provided through the ERM system to achieve operational and cost efficiencies.

An enterprise resource management (ERM) capability is a key component of OPM's multi-year IT Architecture migration effort. Initial implementation for this capability has been targeted for FY 2000.

- ☒ OPM's help desk provides prompt and effective customer support to OPM staff and meets defined service level agreements.

As part of OPM's IT Architecture migration effort, a study is being conducted to determine how to provide optimum help desk services to OPM staff. The results of this study will be reviewed and initial implementation begun during FY 2000.

**OCIO Goal 5**

- ☒ OPM's IT systems operate properly on and after January 1, 2000, and an effective Year 2000 Business Continuity and Contingency Plan is in place.

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- ☒ OPM is able to perform its mission on and after January 1, 2000, supported by appropriate information technology resources.

All of OPM's mission-critical systems were validated as Y2K compliant by the governmentwide target date of March 31, 1999. In addition, OPM had an independent contractor performing Y2K compliance verification for these systems. OPM also completed all of the other critical Y2K related tasks, including the development and testing of Business Continuity and Contingency Plans and Day One Plans. Although most of the work was accomplished in FY 1999, the final test, however, did not occur until FY 2000. Thus, this is an FY 2000 indicator. (However we note here that OPM successfully handled the rollover to 2000 without any problems.)

- ☒ Y2K related IT failures, if any, are promptly resolved, and IT related business continuity and contingency plans mitigate any problems.

Because of the comprehensive nature of our preparation for Y2K, OPM expected no significant Y2K related failures to occur but were prepared to fix any failures, and to execute contingency plans. This is an FY 2000 indicator. (However, we note here that we had no failures to handle only minor corrections to make on rollover weekend.)

**OCIO Goal 6**

- ✓ OPM's information security program provides adequate computer security commensurate with the risk and magnitude of harm that could result from loss or compromise of mission-critical IT systems.

- ✓ Few security problems are identified during internal and external evaluations and those that are identified are not material weaknesses and are rectified promptly.

During FY 1999, OPM continued to upgrade its security posture and technology particularly in the areas of firewalls and virus checking. No security problems have been identified or reported to OCIO based on internal assessments.

- ✓ Staff are trained, as necessary, based on assessment of needs.

During FY 1999, OCIO conducted agencywide computer security awareness training for OPM staff.

- ✓ A tested disaster recovery capability is in place for OPM's general support and major financial, benefits, and workforce information application systems.

During FY 1999, the Washington Technology Center successfully tested OPM's mainframe disaster recovery plan, which supports OPM's general support and major financial, benefits, and workforce information application systems. In addition, OPM began the process of developing a disaster recovery plan for its LAN/WAN environment.

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OCIO has been involved in the oversight of the longer term migration to OPM's agencywide IT architecture. Specific accomplishments during FY 1999 included the continuing upgrade of workstations to a modern, standards based and Y2K compliant desktop, replacement of the outdated data communications cabling with state-of-the-art cabling and migration to enhanced communication technology (Ethernet), and preparation for migration to an agencywide standard office automation environment, which will include a common email (Outlook) and productivity tools (Microsoft Office). Finally, during FY 1999, OCIO took positive steps to improve agencywide computer security by developing and deploying an agencywide computer security awareness training program.

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**OPM STRATEGIC GOAL V**

**Establish OPM as a leader in creating and maintaining a sound, diverse and cooperative work environment.**

**OHREEO Goal 1**

- ✓ Diverse applicant pools are recruited to meet our future workforce needs and training and developmental opportunities are provided to meet our workforce and succession plans.
- ✓ Improve the recruitment of Hispanics in the OPM workforce.
  - Raised population of Hispanics in permanent workforce to 3.3% in FY 1999 from 2.9% in FY 1998.
  - Quarterly average rate of Hispanic hires into permanent workforce raised to 13.42% from a rate of only 5.9% in FY 1998.
- ✓ Increase the diversity of the executive and management cadre within OPM.
  - We doubled the number of OPM employees we sent to Leadership Development programs to enhance opportunities for minority candidates
  - Through targeted outreach and recruitment, we increased the percentage of Hispanics in our career SES cadre to 10.5% (up from only 2.6% in FY 1998).
- ☒ Ensure that the OPM workforce is well-trained for current and future needs.
  - We centrally funded \$250,000 in core competency training in FY 1999 (this figure does not include core competency training that is paid for by individual program offices—we are in the process of developing a system to track all training investments in our employees).

We realize that the number of dollars spent on training is not a complete indicator of success in this goal. This is a 2000 goal, and we will have a more complete picture of where we stand when we review the results of the American Society for Training and Development’s benchmarking exercise that we participated in, the results of which will be published in FY 2000.
- ☒ Improve the cost effectiveness of staffing operations.
  - Adjusted workload between DC and Boyers satellite office to take advantage of resources available in Boyers.

This is an FY 2000 goal; we have taken interim steps to improve cost effectiveness, but it has quickly become evident that we will have to invest in automation and technological improvements if we ever hope to fully realize this goal. Accordingly, we may see a temporary increase in cost as we purchase systems that will enable us to streamline our work processes and gain cost efficiency over the longer term.

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**OHREEO Goal 2**

✓ The administrative costs of HR systems are reduced and customer service satisfaction increases.

✓ Improve the overall quality of personnel services and adherence to merit principles.

- Ongoing, but an OPM Office of Merit Systems Oversight and Effectiveness oversight review revealed only minor areas for improvement - all improvement suggestions were implemented in FY 1999.
- The percentage of personnel transactions that were processed without error was 92%, up from 88% in FY 1998.
- The accuracy of data transmissions to the CPDF was sustained at 96%, thereby meeting the Governmentwide standard for the second year in a row.

✓ The cost per employee associated with administration of HR processes will decrease.

- Encouraged and promoted use of automated personnel action processing (Employee Express) and raised use of the automated system by 19% over FY 1998 levels
- Reduced charges for Worker’s Compensation by \$125,524 (16%). Returned 1 person to work from OWCP rolls during FY 1999, and made three other employment offers to people out on disability.

While we have made some advances in this area, we will not have a complete picture of our relative standing among typical Government agencies until we benchmark again in FY 2000. The results of our FY 1998 benchmarking exercise with the Hackett group indicated that OPM human resources costs per employee were \$1,245 for HR processes, compared to \$1,749 for the Government average, and our labor costs were \$845 per employee compared to a Government average of \$1,011.

**OHREEO Goal 3**

✓ OPM employees are helped to achieve top performance, productivity and job satisfaction.

∅ More performance problems and conflict situations are being addressed and successfully resolved.

- Initiated round-table group discussions for supervisors to address performance related concerns and facilitate their handling of performance problems and conflict situations.

Over the course of FY 1999, we realized that we did not have in place a reliable method of measuring this indicator. Moreover, we realized that “successful resolution” of complaints is not a particularly useful or meaningful measure. Complaints can be resolved in a number of ways, many of which could be characterized as “less than optimum” or “unsuccessful” by one of the parties (e.g., an agency feels it has no choice but to concede to a financial settlement). Moreover, resolution can occur at any point in the informal or formal process and can take numerous forms, from a simple apology from a supervisor to back pay and compensatory damages.

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Therefore, our office may or may not ever become involved in the resolution of a particular problem, and, therefore, we are unable to accurately track such statistics as originally expected. Therefore, as written, we do not believe this to be a particularly useful indicator. Nonetheless, we believe the other indicators identified for this goal will be adequate for determining success.

- ✓ Improved labor-management relations.
  - Facilitated the successful negotiation of a new Collective Bargaining Agreement.
  - Set up controls to assist management and the union in monitoring the use of official time.
  - Established a TRB partnership council with the president of Local 32 and the Director serving as key players. The council will have interaction with established partnership councils at local program levels to facilitate the sharing of best practices.
  
- ✓ Improved service to OPM employees regarding benefits.
  - Conducted FEGLI open season, provided all employees with information packages and counseled all interested employees.
  - Counseled all FERS employees who currently do not participate in TSP about the benefits of participation - raised participation to 87%.
  - Supported increased levels of telecommuting through awareness campaign.
  - Timeliness of retirement/benefit-related submissions of 93% exceeded the Governmentwide standard of 80%.
  - 98% of participants in retirement seminars conducted by OHREEO indicated they were satisfied with the content and format.
  
- ✓ Improved customer service to employees and managers who work in locations that do not have onsite HR staff by increasing access to information and training for employees.
  - Increased access to information and training for employees through expanded use of e-mail, satellite broadcasts, and distribution of CD ROM training opportunities.
  - Conducted field visits to 50% of field service centers that do not have on-site HR staff to discuss HR issues, benefits, etc. This is consistent with our goal of visiting each field site at least every other year.
  
- ✓ Improved customer service for employees in the Central Office.
  - In FY 1999 we had approximately 80 employees telecommuting, and 8 mothers used our nursing mother's facilities. We also had 400 employees participate in our flu shot program, sponsored health screenings for 25 employees, and administered 450 blood pressure screenings.
  - Raised awareness of and interest in telecommuting through establishment of a telecommuting working group; held informational briefings to publicize program.

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**OHREEO Goal 4**

All individual performance plans are linked to agency strategic goals and to the FY 2000 Performance Plan.

P All (100%) performance plans are linked to the OPM Strategic Plan and the FY 2000 OPM Performance Plan.

- In progress, not due for completion until FY 2000. Currently 100% of SES plans are aligned, 80% of managerial plans aligned, and approximately 50% of employee plans are aligned to the Strategic Plan and FY 1999 Annual Performance Plan.

P Most OPM organizations have also aligned their incentive awards programs and their training programs to the strategic goals.

- Aligned OHREEO organizational structure to align with strategic goals.
- Revised the annual Director's Award ceremony to recognize agency personnel who have achieved remarkable results in line with the OPM Strategic Plan.
- In progress - began analyzing incentive awards to prepare recommendations for improving equity, motivational value, and alignment with strategic goals, and during FY 2000 we will continue this work.

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**OPM STRATEGIC GOAL V**

**Establish OPM as a leader in creating and maintaining a sound, diverse and cooperative work environment.**

**OCFO Goal 1**

**P Material weaknesses are resolved and the Financial Management System, the Employee Benefits System, and internal controls are improved in order to maintain the integrity of the earned employee benefits trust funds (totaling more than \$60 billion in annual benefit payments) and OPM's appropriated and reimbursable funds.**

**✓ System Accounting Errors, 3%**

The financial system/payment system (Checkwriter) experienced a catastrophic failure at the end of FY 1998 which resulted in 16 subfunds being out-of-balance in 81 general ledger accounts for FY 1999, which began October 1, 1998. As of September 30, 1999 (end of FY 1999) all of the subfunds and general ledger accounts that affect the Trial Balance are in balance. In addition, the Cumulative Error Report had a total of 10,267 errors that amounted to over \$9.7 million at the end of FY 1998. As of September 30, 1999, the total is 289 (reduction of over 97%) and amounts to \$ 403.7 thousand (reduction of about 96%). The total uncorrected errors count is less than 1% versus the goal of 3%.

**X Timeliness of Payments, 97%**

Prompt pay results through September 30, 1999 are 85.6% on time based on total vouchers for payment of 13,714 and 90.7% on a total voucher amount of \$69.8 million. The financial system and payment system (Checkwriter) experienced a catastrophic failure at the end of FY 1998 which precluded automated payment processing for over two months in FY 1999. Manual processing and data warehousing were used to pay the high value and small business vouchers. Although the system recovery was completed in FY 1999, it was not soon enough to allow us to achieve our goal of 97% for timeliness by the end of FY 1999. However, no discounts were lost. In addition, we pay our Investigations Service's contractor on a daily basis approximately \$250-300 thousand for cases. Post recovery of the system, we maintained an on-time rate of over 97% for these performance-based payments which amounted to over \$72 million by September 30, 1999.

**P Accounts Receivable Delinquent, 5%**

The goal relates only to Revolving Fund new accounts receivable. We established the 5% delinquency rate as a "stretch goal" for FY 1999, but achieved 7.1%. However, during FY 1999, we collected over \$12 million and resolved over \$2 million in accounts receivable that have been delinquent for many years. In addition, a comprehensive analysis of the collectibility of all these accounts and the appropriate level of "bad debt" allowance was completed for all the Revolving Fund programs. The appropriate allowance has been approved by each program director and has been established for all the programs/subfunds. The expenses have been recorded properly in the

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**U.S. OFFICE OF PERSONNEL MANAGEMENT**  
**Office of the Chief Financial Officer (OCFO)**

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current year/prior year general ledger accounts. Also, we continued to team with the Department of Defense and Postal Service to resolve their long-standing delinquent accounts.

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- ✓ Reconcile Cash Accounts within 30 days  
 FY 1998 and FY 1999 reconciled within 30 days for the Trust Funds and Administrative Accounts.
- ✓ Unidentified Hours in the Work Reporting System (uncorrected), 2%  
 The total uncorrected unidentified hours are only .4% of the total hours reported as of September 30, 1999, i.e., about 23.1 thousand of 5.8 million total hours.
- P Material weaknesses are eliminated.  
 Accounts receivable and cash management have been completed. The material weaknesses noted in the prior year audit reports for Trust Funds are closed or substantially resolved and have been downgraded to reportable conditions. Documentation of the policies, processes and procedures for RIS and the OCFO are proceeding; however, because the staff and programming support had been working on Y2K compliance testing, system recovery, and other higher priorities, some of the completion dates were changed. Budgetary accounting is planned for completion by July 2000 and accounts payable is planned for completion by January 2000. Several of the specific initiatives in place to reconcile and clean up data in the material accounts and line items have been completed and the others are in progress. The last item, reconcile vendor file data, is also scheduled for July 2000.
- ✓ Financial condition (health) of our programs, gauged through frequent analysis.  
 Reversed a ten year trend in the Revolving Fund (RF) of an increasing deficit condition in retained earnings. In FY 1999, the RF remained above break even in current operations but incurred an extraordinary event adjustment to prior years based on a cash reconciliation to Treasury's balance. Offsetting adjustments are expected based on continuing research in FY 2000. Substantial decreases in prices have been issued to agency customers in both of the larger programs: Investigations Service and Training Management Assistance. Continued monthly reviews and reporting for S&E and Trust Funds as well as formal quarterly reviews.
- ✓ Improved Inspector General, Independent Public Accountant (IPA) and GAO audit results.  
 For FY 1999 financial statements, OPM received unqualified audit opinions from the Independent Public Accountant (IPA) for the Retirement Fund, FEHB Fund, and Life Insurance Fund and found no material weaknesses. Although the OIG issued a disclaimer of opinion on both the Revolving Fund and S&E Account, it noted several improvements from the prior year in addressing material weaknesses.

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**OCFO Goal 2**

✓ Integrated financial management support and reporting are provided to ensure OPM's core functions can meet their goals and objectives.

☒ Achieved full Year 2000 compliance in all financial systems.

Dedicated a special Y2K region for compliance testing. Completed all testing via documented scripts and iterative processing 6 months ahead of the March 1999 deadline. Completed the independent verification and validation via contract in FY 1999 which independently confirmed that all the financial systems are Y2K compliant. (We note that currently all financial systems are Year 2000 (Y2K) compliant.)

✓ Comply with GPRA.

Strategic Plan and the annual performance plans are in compliance with GPRA. We submitted the first fully integrated budget, congressional justification and performance plan in FY 1999 and did so again for FY 2000. We will submit them for FY 2001 based on OPM's revised Strategic Plan.

✓ Actions taken in response to expressed customer needs.

Based on the availability of staff and programmer support, products and services were provided per customers' requests. In addition, an initial review/study of the financial system was conducted with the users in the Spring. An action plan was developed to meet our customers' needs. In addition, a contract was awarded for a comprehensive requirements analysis and gap analysis as well as an option for an alternatives analysis for the agency's administrative financial systems.

✗ Achieved timeliness of at least 97% for payments and at least 95% for collections.

See comments above under OCFO Goal 1 for Timeliness of Payments and Accounts Receivable Delinquency.

✓ Improved responsiveness and on-time compliance for financial reporting to OMB and the Department of the Treasury.

FMFIA assessment and report to the President and all the financial statements were submitted on time. Cash (224) reporting as well as tax reporting via FEDTAX II were on time. SF 133 reports for the 2nd and 3rd quarters of FY 1999 were on time.

P Documented and implemented policies, processes, and procedures.

See comments regarding material weaknesses under OCFO Goal 1 above.

P Received positive feedback from the Quality Improvement Teams' (QIT) ongoing reviews of the financial processing functions and results.

QIT's transaction codes project provided the foundation for further contractor work in progress to review all transaction codes (TC). Implemented several cash-related TCs by September 1999, e.g., payment and collection affecting as well as those required to process purchase/travel credit card transactions via electronic data interchange (EDI).

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**OTHER INITIATIVES**

**DOD Investigations Backlog.** In June, 1999 the Office of the Assistant Secretary of Defense requested OPM's Investigations Service help to eliminate a backlog of reinvestigations and other cases within the Department of Defense (DOD). DOD's workload projections, characterized as conservative, could result in OPM receiving more than 350 thousand requests for investigative service between FY 1999 and FY 2004. This initiative will have a substantial impact on the workload, financial systems, the systems' interfaces and data storage. OCFO teamed with the Investigations Service and RIS programming staff to address this impact.

**Payroll Functional Review.** In early Spring, the CFO requested OIG team with OCFO to review comprehensively the payroll functions and to ensure effective internal controls, reengineer processes and procedures, and to document these in conjunction with the contracted staff from the Department of Treasury. The first draft of the documented policies, processes and procedures has been completed. We expect to complete this documentation in January 2000.

**Accounting Data Archiving.** Developed and implemented an accounting data archiving method to reduce the database of over 70+ million records so as to decrease the "run time" required to generate financial reports. Results: 50-65% reduction in "run time" to generate year-end and daily reports.

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**OPM STRATEGIC GOAL V**

**Establish OPM as a leader in creating and maintaining a sound, diverse and cooperative work environment.**

**OCAS Goal 1**

✓ Agency space costs are reduced.

✓ Reduction in GSA rental charges and square footage assignments.

Due to successful negotiation of an Occupancy Agreement between GSA and OPM at our Boyers, PA location, OPM rent for this space was reduced effective July, 1999 by approximately \$50,000 per month.

We avoided costs of approximately \$48,000 per month by returning space at 800 North Capital (MARC) to GSA beginning in January 1999.

We canceled space requirements at a leased facility in St. Louis, Missouri and saved approximately \$3,200. Total cost savings in FY 1999 were approximately \$729,000.

In the fourth quarter of FY 1999, we conducted a survey of OPM program offices to determine their facility (space, telecommunications and personal property) needs for FY 2000 and FY 2001. The purpose of the survey is to understand and effectively plan and coordinate their needs to meet their strategic plans. In addition, the survey will permit OCAS to create a long range coordinated housing plan designed to reduce costs while meeting each program office's needs for contemporary and effective space.

**OCAS Goal 2**

✓ Procurement costs are reduced.

✓ Improved training of procurement personnel

- Purchase Card Training Class was revised and updated
- Advanced Simplified Acquisition Course was developed
- 3 Purchase Card Training Classes were conducted training 25 OPM personnel
- 1 Advanced Simplified Acquisition Procedure Class was conducted training 20 OPM personnel
- Contracting Officer Conference conducted in January, 1999 for all OPM Contracting Officers
- A Review was completed of purchase orders and purchase card transactions of OPM staff with delegated procurement authority with the results communicated to both the individual contracting officers and the Associate Directors and Heads of Offices

✓ Reduced cost of purchases as a result of increased purchase card use.

In FY 1999, there were 234 OPM employees using purchase cards. Also in FY 1999, OPM purchase card holders increased their use of the purchase card. Compared to FY 1998, there was a 20 % increase in purchase card transactions and a 26 % increase in purchase card dollars obligated.

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FY 1999

# Transactions - 15,699  
(20 % Increase)

FY 1999

\$10.7 million  
(26 % Increase)

Each time the purchase card is used there is a savings of \$54/purchase card transaction. Using this figure, OPM has saved approximately \$847,746 for all of FY 1999.

Process improvements associated with the new Bank of America purchase card eliminate the need to create an ADPICS order for each purchase card transaction saving approximately 1.6 full-time equivalents each year.

✓ Increased purchase orders issued to mandatory sources.

During FY 1999, OPM increased the dollar amount of purchase orders awarded to mandatory sources of supply by 24.2 % over FY 1998. The \$ amounts are presented below:

FY 1998	FY 1999
\$8.71 million	\$10.81 million

✓ Increased use of recycled content paper.

OPM increased the percentage of copier paper it purchased from GSA with recycled content from 68 % in FY 1998 to 100 % in FY 1999. Data is not available for purchases of paper from commercial sources.

✓ Reduced printing, handling, and postage costs for solicitation documents.

OPM issued its first request for proposals exclusively on the OPM Procurement Website. This reduced processing cost by \$1,796 for a savings of 95 % compared with issuing paper copies. Additionally, during FY 1999 thirteen other solicitations were issued both on the OPM Procurement Website as well as issuing paper copies.

During the first eight months of FY 1999, OCAS issued 43 electronic solicitations, 194 electronic purchase orders, and received and paid for 148 electronic invoices. As a result of increasing the number of procurement documents issued electronically, OPM saves approximately \$3,124 annually.

We issued 13 requests for proposals on OPM's Internet home page reducing the cost of mailing and printing.

We expanded the pilot to use electronic commerce for the issuance of task orders under our training management assistance contracts. There are now two contractors participating in the pilot. In addition to issuing electronic task orders, the contractors invoice us electronically and electronic payments are made.

We issued 42 electronic requests for quotations, 217 electronic purchase/task orders totaling \$5,476,971 and received and processed 259 electronic invoices. Total savings realized by using electronic commerce to issue orders, requests for quotations, and pay invoices totals approximately \$3,124 per year.

FY 1999 PERFORMANCE REPORT

GOAL & PERFORMANCE INDICATORS CHECKLIST

- ✓ Increased competition resulting in lower prices.

The percentage of competed procurements for FY 1999 increased from 93% to 95%. Although it is impractical to collect data on the dollars saved as a result of competition, competition has the effect of keeping the prices paid by OPM for its goods and services at reasonable levels.

**OCAS Goal 3**

- ✓ Mail management costs are reduced.

- ✓ Increased number of pieces of mail eligible for pre-sort discounts.

The number of pieces of mail eligible for pre-sort discounts increased from 7% in FY 1998 to 15% in FY 1999. This increase resulted in a total savings of \$14,200 over FY 1998.

Total savings for FY 1999 were \$36,414.

- ☒ Improved mail processing.

Accomplishment of this measure depends on the U.S. Post Office implementing zip plus four deliveries to TRB.

We have followed up with USPS and learned that they are monitoring deliveries to TRB to develop a strategy for implementation in early calendar year 2000.

- ✓ Fewer rented postal boxes.

OPM reduced the total number of rented boxes by 53% (40 to 19 boxes) reducing OPM costs from \$17,900 in FY 1998 to \$8,766 in FY 1999. An estimated \$43,680 saved as a result of avoided courier runs to rented boxes.

**OCAS Goal 4**

- ✓ Telecommunications costs are reduced.

- ✓ Lower monthly charges, due to correction of billing errors.

We saved RIS approximately \$60,000 by detecting Bell Atlantic billing errors.

- ✓ Number of lines discontinued as a result of inventories and direct Internet access.

An inventory of all TRB telephone lines resulted in the cancellation of 85 telephone lines valued at approximately \$15,000 annually.

Increased use of voice mail boxes, automated attendants, and FAX by Demand@ services has resulted in improved customer service.

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**OCAS Goal 5**

✓ **Systems and environments are improved to increase agency productivity.**

✓ **Improved customer satisfaction with building systems and internal environment.**

Accurate inventory of capitalized personal property is maintained.

In September 1999, we conducted a TRB-wide Customer Satisfaction Survey. The survey was distributed in both paper and electronic form to over 1,800 occupants. The survey revealed that approximately 90 % of those replying rated their customer service experience as positive. This was approximately the same percentage that replied in the survey conducted in 1998. To improve on our performance, we will be working with those specific areas that employees noted needed improvement.

✓ **Reduced energy costs associated with heating, cooling and lighting.**

We awarded a contract to PEPCO Services to do a feasibility study for an energy savings program. We anticipate awarding an Energy Savings Contract for replacement of aging equipment with energy efficient equipment.

Replacing all corridor lights and ballasts with energy efficient fixtures will save approximately \$20,000 in energy costs each year.

⊘ **Reduced time required to resolve building-related complaints.**

In FY 2000, OCAS will conduct a more detailed Customer Satisfaction Survey and include an element to measure timeliness of the services we provide to our customers.

✓ **Increased satisfaction with workplace environment and physical security.**

In September 1999, we conducted a TRB-wide Customer Satisfaction Survey. The survey was distributed in both paper and electronic form to over 1,800 occupants. The survey revealed that approximately 90 % of those replying rated their customer service experience as positive. This was approximately the same percentage that replied in the survey conducted in 1998. To improve on our performance, we will be working with those specific areas that employees noted needed improvement.

✓ **Improved customer satisfaction data.**

Two performance awards were issued to the TRB custodial contractor for superior performance over the past six months.

Coffee kiosk in lobby has been well received by TRB employees and visitors.

In September 1999, we conducted a TRB-wide Customer Satisfaction Survey. The survey was distributed in both paper and electronic form to over 1,800 occupants. The survey revealed that approximately 90 % of those replying rated their customer service experience as positive. This was approximately the same percentage that replied in the survey conducted in 1998. To improve on our performance, we will be working with those specific areas that employees noted needed improvement.

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**OCAS Goal 6**

✓ Administration and OPM policy objectives are fulfilled.

✓ Support program areas in awarding contracts and hiring of welfare recipients.

Contracts have been awarded. All requests for proposals contain a provision requesting offerors to submit a plan to hire welfare recipients. Offerors that submit plans receive extra credit in the evaluation of their proposals. All purchase orders contain a clause requesting that any positions created as a result of the purchase order work be filled by welfare recipients.

✓ Meet milestones for award of the new investigation services contract.

Procurement planning, including the preparation of a schedule of milestones for the recompetition of the USIS contract have been completed.

P Meet or exceed small business contracting goals.

Available data indicates we need to increase awards to small businesses in order to meet our goals. The following indicates our accomplishments vs. our goals FY 1999:

% of Total \$ Awarded to Small Businesses: Governmentwide average is 20% and OPM is at 66.3% versus goal of 69.40%

% of Total \$ Awarded to Small Disadvantaged Small Businesses: .2% versus goal of .69%

% of Total \$ Awarded to 8(a) Contractors: 2.5% versus goal of 4.37%

% of Total \$ Awarded to Woman-Owned Small Businesses: 1.9% versus goal of 2.48%

**OTHER INITIATIVES**

**Electronic Commerce.** Increasing the use of electronic commerce in administration of agency contracts, including the issuance of electronic task orders, and receipt and processing of electronic invoices for two of the Training and Management Assistance contracts.

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**U.S. OFFICE OF PERSONNEL MANAGEMENT**  
**OPM Executive Direction**  
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**OFFICE OF THE DIRECTOR**

**OD Goal**

- ✓ Shape the Administration's direction on Federal human resources policy issues.
- ✓ High levels of agency HR Directors' satisfaction with 1) OPM's HR policy leadership and 2) their opportunity for involvement, as measured by informal feedback and by continuing increases (or maintenance at 80% or higher) in the percentage of favorable ratings on the annual OPM Customer Satisfaction Survey.

Informal feedback from HR Directors indicates that they are pleased with the steps OPM has taken to involve agencies at early stages of policy development and action planning for new initiatives. The format of the meetings of the Interagency Advisory Group of Personnel Directors was changed, and members have said these changes were effective in promoting additional substantive discussion on issues. FY 1999 data from the OPM Customer Satisfaction Data were not useable for HR Directors due to a low response rate from this group. OPM is assessing alternative ways to collect customer satisfaction data in the future.

- ✓ Specific program accomplishments that contribute to the effective strategic human resource management of the Federal workforce and implementation of specific Administration priorities.

OPM has a strong record of achievement for FY 1999 on specific HRM initiatives. For example, the Federal Government exceeded its four-year welfare-to-work hiring commitments by an amazing 32% in less than two years, an accomplishment which was announced very publicly by the President and the Vice President. OPM also enabled the President to announce such major leadership initiatives in support of Federal workers as implementing patients' bill of rights protections, expanded use of sick leave to care for family members during illness, and mental health and substance abuse parity. Congress passed the organ donation bill and included our proposal to allow agencies to subsidize child care for low income employees in the FY 2000 appropriations act. These and other initiatives (such as leading the President's Task Force on Learning Technology) have not only improved the Federal work place, but have also enabled the President and Vice President to point to the Federal Government as a model for the private sector. OPM has received repeated praise from the President and the Vice President and their key staff at the White House, OMB and NPR for the responsive and effective actions taken during FY 1999.

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**OFFICE OF CONGRESSIONAL RELATIONS (OCR)**

**OCR Goal1**

- ✓ Guidance and assistance is provided to agency management and to Congress in the development of human resource management policies and programs to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide consistency and agency-specific flexibilities.

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- ✓ Enactment of the legislative proposals put forth by OPM and the Administration with regard to Federal human resources management issues.

In FY 1999, Administration clearance to forward 8 legislative proposals was granted. Of these, 3 were resubmissions of items from the previous Congress. In addition, all or part of six proposals were introduced or incorporated into other measures. It is anticipated that more than 8 additional proposals will be forwarded in FY 2000, and many of those submitted will receive more serious consideration in the final year of the Congress.

In FY 2000, OCR again plans a proactive legislative agenda in support of the OPM Strategic Plan and Human Resources Initiatives. We plan to secure Administration clearance and forward to Congress the 8 or more proposals mentioned above. OCR will solicit Congressional sponsors to introduce the legislative proposals and help move them through the process to enactment. This will include assisting Member's offices in preparing materials urging the support of colleagues and committees, assisting in selecting witnesses for any related hearings, and working out compromises between the legislative and executive branches as necessary.

- ✓ Positive feedback from Congressional staff, employee organizations, OPM policy offices, interest groups, other executive agencies and OMB as indicated in meetings, routine discussions and written letters of commendation to ensure OCR meets the needs of those served.

In FY 1999, letters were received from various Members of the Senate and House of Representatives, including Members serving on the House Committee on Government Reform and Oversight and the Senate Committee on Governmental Affairs, thanking the OPM Congressional Relations staff for our efforts in support of various legislative initiatives. Regular meetings are held with OMB staff where feedback is shared concerning the performance of our respective staffs. This feedback not only provides positive support, but also provides constructive criticism for improvement. The Congressional Liaison Staff, located in the House Rayburn Office Building, routinely receives positive feedback in writing, phone messages and personal visits from Congressional offices they have assisted in constituent support.

- ✓ Maintain ability to handle testimony, referrals and inquiries.

During FY 1999, the OCR provided legislative analysis, drafting assistance and policy review in response to the Office of Management and Budget referrals to OPM. OCR reported orally or in writing on:

- 198 OMB referrals on House and Senate bills
- 113 OMB referrals on agency drafts of legislation
- 17 OMB referrals on miscellaneous budget and conference provisions
- 24 OMB referrals on draft executive orders
- 11 OMB referrals on presidential memoranda
- 44 OMB referrals on hearings
- 38 OMB referrals on OPM legislative proposals

In FY 1999, there were over 47,500 phone calls, 22,000 letters, and 7,200 visits from Congressional staff.

**U.S. OFFICE OF PERSONNEL MANAGEMENT**

**OPM Executive Direction**

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Workload	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
Congressional Hearings	11	15	15
OMB Referrals	445	400	400
Congressional Policy Inquiries	1,500	1,500	1,500
Technical Assistance	18	18	18

In FY 2000, continue work on upgrading technology to expand the range of annuitant inquiries that can be handled electronically.

**OFFICE OF THE GENERAL COUNSEL (OGC)**

**OGC Goal**

- ✓ **Timely and high-quality legal expertise on Federal civil service law and related matters is provided to the Director, Deputy Director and OPM programs.**
- ✓ **Defense of OPM in litigation before the MSPB and EEOC.**  
For 1999, we have handled our estimate of approximately 209 cases for this category providing timely and high-quality legal expertise.
- ✓ **Support to the Justice Department in defending MSPB decisions sustaining OPM retirement decisions.**  
For 1999, we estimated 270 cases, and instead handled well over 300, providing timely and high-quality legal expertise in this matter.
- ✓ **Support to the Justice Department in representing OPM in Federal court litigation.**  
For 1999, we estimated 41 cases and actually provided timely and quality legal support for approximately that number.
- ✓ **Advocacy for appeal cases involving significant civil service issues to the Federal court of appeals.**  
For 1999, we estimated that we would take 3 cases to the United States Court of Appeals for the Federal Circuit. We actually received 3 decisions (2 favorable and 1 unfavorable) and had 1 case pending at the end of the fiscal year. Again, this demonstrates timely and quality legal expertise.
- ✓ **Support of ethics and Hatch Act efforts.**  
In this category, there are no cases to target nor account for.

**OTHER INITIATIVES-OGC**

OGC is in charge of OPM's Plain Language Initiative.

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**WHITE HOUSE FELLOWSHIPS (WHF)**

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**WHF Goal1**

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

✓ Statistical profiles of applicants and fellows

63% of this year's class is minority—the highest percentage in the history of the program.

✓ Quality of applicant pool.

Of the 262 applicants for this year, the quality remained extremely high as measured by (1) the grades given to the applicants upon first reading of their applications during which nearly 70% received majority A-grades from their four readers; (2) the assessment of the Commission during final selection; and (3) the positive response by agencies who interviewed the 1999-2000 Fellows for work assignment placements.

**WHF Goal 2**

✓ The selection process is efficient and fair.

✓ Meet schedule for each phase of selection, as follows:

- Select 84-120 regional finalists by mid-March
- Interview regional finalists and select finalists by May 3
- Conduct final selection June 3-6
- Submit Commission's recommendations to President June 7

Not only did we meet all time lines for selection and submission of recommendations to the President in FY 1999, we also made changes to the composition of the Commission to increase diversity and thus increased fairness in the selection process. Commission involvement reached a record level in FY 1999 with all but two members attending the June selection process.

**WHF Goal 3**

✓ The management of the fellowship program can be replicated by new staff in anticipation of a change in administration.

✓ Program runs smoothly and meets deadlines.

In anticipation of a new Commission being appointed in FY 2001, the current Commission is preparing a document chronicling its history and the knowledge it has gained about overseeing the selection of Fellows and the management of the fellowship program. In FY 1999, reorganized the job descriptions of program staff to eliminate the need for a consultant and to prepare for potential staff changes. In FY 2000, the program is looking to add, and train, one more career staff member to help shepherd the program through the change of administrations.

- ✓ Fellows are selected and placed in FY 1999 and FY 2000 as efficiently and effectively as in FY 1998.

The updated White House Fellows Program Manual continues to be used by departments and agencies who are assigned a White House Fellow as an effective management and communication tool. The number of agencies requesting Fellows each year is a measure of the usefulness of the work of White House Fellows. Monitoring of program alumni determines the effectiveness of the program in producing future leaders.

**OTHER INITIATIVES-WHF**

Increased distribution for the program's quarterly newsletter and vastly improved communication between the program and its alumni, Commissioners and friends.

Implemented a new system for alumni reading of applications. Encouraged nearly 50% of all alumni to volunteer to participate, thus achieving the goal of increasing alumni involvement in the program and relieving workload pressure on program staff.

Citizens who served as regional interviewers were more closely involved in the program and responded well to encouragement to participate in outreach activities.

Because of streamlined administrative systems, upgraded computer systems and greater use of electronic communication both internally and externally, it was easier to integrate the selection process with outreach tactics. By using a calendar-based checklist of tasks to improve efficiency in the implementation of the selection, placement and education of Fellows, more time was available for outreach.

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**U.S. OFFICE OF PERSONNEL MANAGEMENT**  
**Office of the Inspector General (OIG)**

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**OPM STRATEGIC GOAL II**

**Protect and promote the merit-based civil service and the employee earned benefit programs through an effective oversight and evaluation program.**

**OIG Goal 1**

- ✓ Independent oversight of agency programs, operations, functions, and activities is provided.
- ✓ Number of audits, investigations, evaluations, or reviews completed. New databases established in FY 1999 will provide baseline data for performance measures where results are not currently reported.
  - Number of audit reports issued = 64
  - Number of investigations closed = 47
  - Number of evaluations and inspection reports issued = 2
- ✓ Dollars saved, recovery rate, and return on investment.
  - Positive financial impact (PFI) = \$51.9 million (PFI = actual recoveries plus management commitment to collect findings.) In addition, \$56.1 million (\$45.7 million in program office and \$10.4 million at DOJ) in recommended recoveries are still pending final decision at the end of FY 1999.
  - Return on investment = \$5.92 of PFI per direct program dollar spent. Assuming that 74% (FY 1999 actual ratio) of recommended recoveries still pending a decision by the program office are factored into the calculation, the return on investment increases to \$9.77.
- ✓ Audit cycle, average number of unaudited years, and lost audit years for FEHBP carriers.
  - Federal Employees Health Benefits Program (FEHBP) audit cycle = 5.8 years
  - Average FEHBP unaudited years = 5.4 years
  - Lost FEHBP audit years due to carrier records retention schedules) = 2.6 years
- ✓ Meet Inspector General Act reporting requirements.
  - Two Semiannual Reports to Congress produced for periods October 1, 1998 - March 31, 1999, and April 1, 1999 - September 30, 1999.

**OIG Goal 2**

- ✓ Assist and work with our customers and stakeholders in a spirit of cooperation.
- ✓ Percent of recommendations agreed to and implemented by OPM management
  - 74% of determinations made by OPM program office concur with FEHBP audit findings.
- ✓ Number of audit issues or concerns regarding OPM's financial statements, programs, and administrative activity identified.
  - 91 issues were identified.

L E G E N D	
✓	= MET
✗	= NOT MET
∅	= NO DATA AVAILABLE
☒	= FY 2000
D	= DEFERRED
P	= PROGRESS

**U.S. OFFICE OF PERSONNEL MANAGEMENT**  
**Office of the Inspector General (OIG)**

**FY 1999 PERFORMANCE REPORT**  
**GOAL & PERFORMANCE INDICATORS CHECKLIST**

L E G E N D	
✓ = MET	
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✓ Number of issues addressed and/or resolved by the Quality Improvement Teams.

9 issues were addressed and/or resolved by QITs.

✓ Number of times OIG participated in joint investigations or multi-agency task forces.

The OIG participated in 147 joint investigations / multi-agency task forces which equates to 73% of all FEHBP and retirement investigations.

✓ Number of debarment inquiries.

Number of investigative hotline contacts and complaint activity

The OIG responded to 1,101 debarment inquiries.

Investigative hotline contacts and complaint activity = 1,822

**OIG Goal 3**

✓ **Fraud against OPM programs is detected and prevented.**

✓ Number of investigations resulting in a positive disposition for the agency.

Investigations resulting in a positive disposition = 41

This number includes all convictions, administrative actions, monetary recoveries, and cases where an investigation determines that no wrongdoing occurred.

P Number of debarments and amount of fines.

Number of debarments = 2,743

Amount of fines assessed = \$0

We will be able to assess fines when P.L. 105-266, Federal Employees Health Care Protection Act of 1998, is fully implemented.

✓ Number of referrals to the DOJ and number of cases accepted for prosecution by an Assistant United States Attorney (AUSA)

Number of referrals to DOJ = 40

Number of cases accepted for prosecution by the AUSA = 13

✓ Percentage of carriers in compliance with debarment guidelines, and the percent that have a debarment implementation plan in place.

99.1% of carriers are in compliance for both measures (2 out of 215 carriers not in compliance)

✓ Percentage of debarments and contested proposed debarments processed within established time requirements.

99% processed within established time limits

The 1% not meeting time requirements were due to events such as judicial stays in bankruptcy or licensure cases which are out of the control of the OIG.

U.S. OFFICE OF PERSONNEL MANAGEMENT  
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**OIG Goal 4**

✓ Overall quality assurance and oversight of OPM's programs is improved.

∅ Monitor the use of IPAs.

No adequate methodology to report results. OIG will drop measure for FY 2001.

✓ Change in number of material weaknesses for Agency.

Agency material weaknesses were reduced by 10 in FY 1999.

9/30/98 = 16

8/31/99 = 6

**OTHER INITIATIVES**

The Office of the Inspector General is in the process of drafting regulations and designing an administrative sanctions process to implement the Federal Employees Health Care Protection Act of 1998, P.L. 105-266. The new statute gives OPM an effective enforcement device against provider fraud and an efficient means of addressing the integrity interests of the FEHBP, the financial interests of the taxpayer who share in the costs of the program, and the rights of beneficiaries to participate in a program that actively seeks to protect their health and safety. We anticipate the first administrative sanctions under the Act in FY 2000, with full implementation in FY 2001.

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