

**FY 2008**

**Office of Personnel Management  
Congressional Budget Justification  
Performance Budget**

CBJ Submission  
February 5, 2007



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# Abbreviations

BFE	budget formulation and execution
CFI	centrally funded items
CHCO	Chief Human Capital Officers
CLCS	Center for Leadership Capacity Services
COLA	cost-of-living adjustment
CR	continuing resolution
CRIS	Center for Retirement & Insurance Services
CSRS	Civil Service Retirement System
CTS	Center for Talent Services
DSS	Defense Security Service (Department of Defense)
e-Gov	electronic Government
EHRI	Enterprise Human Resources Integration
FEHBP	Federal Employees Health Benefits Program
FEGLI	Federal Employees Group Life Insurance
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FISD	Federal Investigative Services Division
FLTCIP	Federal Long-Term Care Insurance Program
FSAFEDS	Flexible Savings Account Program
FTE	full-time equivalent
FY	fiscal year
GSA	General Services Administration
HCLMSA	Human Capital Leadership and Merit System Accountability Division
HMO	health maintenance organization
HR LOB	Human Resources Line of Business
HRPS	Human Resources Products and Services Division
HSPD	Homeland Security Presidential Directive
IT	information technology
LOB	line of business
MSD	Management Services Division
OCFO	Office of the Chief Financial Officer
OCPL	Office of Communications and Public Liaison
OCR	Office of Congressional Relations
OD	Office of the Director
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAAT	Performance Assessment Accountability Tool
PART	Program Assessment Rating Tool
PBM	pharmacy benefit manager
P.L.	Public Law
RSM	Retirement Systems Modernization
SES	Senior Executive Service
SHRP	Strategic Human Resources Policy Division

# Part 1 – Executive Summary

## Overview

The Office of Personnel Management's (OPM's) FY 2008 Performance Budget reflects how the agency will continue to fulfill its mission to ensure the Federal Government has an effective civilian workforce as its central human resources agency, while also exercising the fiscal discipline outlined in the President's Budget.

To carry out this mission, OPM provides human capital advice and leadership for the President of the United States and Federal agencies, supports these with human resources policies, and holds agencies accountable for their human capital practices. In addition, OPM delivers human resources products and services to agencies, Federal employees and those seeking Federal employment, retirees and beneficiaries. Finally, OPM ensures agencies comply with the Merit System Principles and protection from prohibited personnel practices.

OPM's budget priorities for FY 2008 are:

- Advancing the Retirement Systems Modernization Project;
- Maintaining improvements in ongoing retirement program administration;
- Expanding the Strategic Management of Human Capital across Government;
- Expanding health benefits options;
- Continuing our outreach to veterans as a talent pool for the Federal workforce; and
- Strengthening the internal management of the agency.

## Summary of OPM's FY2008 Request

Fund	FY 2007 Estimate*	FY 2008 Request	FY 2007–08 Variance
Salaries & Expenses Annual	\$102,746,660	\$93,913,000	(\$8,833,660)
Salaries & Expenses No-Year	\$8,348,670	\$7,852,000	(\$496,670)
<b>Salaries &amp; Expenses total</b>	<b>\$111,095,330</b>	<b>\$101,765,000</b>	<b>(\$9,330,330)</b>
Trust Fund Annual	\$100,178,000	\$96,936,000	(\$3,242,000)
Trust Fund No-Year (RSM)	–	\$15,000,000	\$15,000,000
<b>Trust Fund limitation total</b>	<b>\$100,178,000</b>	<b>\$111,936,000</b>	<b>\$11,758,000</b>
<b>Total appropriated</b>	<b>\$211,273,330</b>	<b>\$213,701,000</b>	<b>\$2,427,570</b>
OIG Salaries & Expenses	\$1,597,860	\$1,519,000	(\$78,860)
OIG Trust Fund	\$16,165,710	\$16,481,000	\$315,290
<b>OIG total</b>	<b>\$17,763,570</b>	<b>\$18,000,000</b>	<b>\$236,430</b>
<b>Total</b>	<b>\$229,036,900</b>	<b>\$231,701,000</b>	<b>\$2,664,100</b>

\* The FY 2007 estimate reflects the current Continuing Resolution (P.L.109-289).

## OPM's Mission, Strategic Objectives, and Operational Goals

As required by the Government Performance and Results Act, OPM updated its strategic plan, three years having passed since it was last updated. OPM assessed its external and internal challenges, and reassessed the agency's mission, guiding principles, and priorities with an eye toward creating a more transparent and accountable agency. The result is OPM's Strategic and Operational Plan 2006–2010, which begins

with a concise mission statement and continues with seven strategic objectives (see OPM’s Mission and Strategic Objectives table below), each of which is supported by a series of operational goals. OPM has issued an addendum to the Strategic and Operational Plan describing additional operational goals through 2010. Combined with the previously existing goals, OPM’s operational goals represent the agency’s primary strategy for fulfilling its mission and improving program performance as shown in the following pages of this budget request.

OPM’s mission is simple and direct: to ensure the Federal Government has an effective civilian workforce. This mission is accomplished by achieving seven strategic objectives. Objectives A and B focus on the outcomes OPM seeks for the Federal workforce. Objectives C and D focus on what OPM needs to achieve through Federal agencies, and the last three (Objectives E, F, and G), describe what OPM should accomplish internally. The Strategic and Operational Plan 2006–2010 is available on the OPM website at [www.opm.gov/strategicplan](http://www.opm.gov/strategicplan).

## OPM’s Mission and Strategic Objectives

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

## OPM’s Organizational Structure

OPM’s organizational structure reflects the agency’s primary business lines: developing Federal human resources management policy, supporting agencies in the implementation of that policy through best practices in human capital management while adhering to the Merit System Principles, and supporting these with human resources products and services. Through these business lines, OPM carries out its programs and implements its strategic objectives and operational goals. This structure positions OPM to respond to and meet the responsibilities and higher profile the agency has been given. As shown in Figure 1, OPM comprises the following organizational components.

### Specific Officials on the Director’s Core Management Team

- The **Chief of Staff and Director of External Affairs** is responsible for advising the Director on issues affecting the agency and the Federal workforce, and for coordinating implementation of the Director’s decisions throughout the agency.

### Executive Offices

- The **Office of Congressional Relations** (OCR) oversees and coordinates all of OPM’s congressional relations; provides strategic advice and legislative analysis to OPM’s Director and

program offices; and responds to congressional initiatives that affect Federal human resources management issues.

- The **Office of Communications and Public Liaison** (OCPL) advances and defends the heritage and principles of America’s civil service. The office promotes the policies and directives of the President and of the OPM Director and ensures they are fully supported as they relate to the Strategic Management of Human Capital Initiative. The office provides the American citizenry, Federal employees, agency customers, and pertinent stakeholders with accurate information to aid in their planning and decision making.
- The **Office of the General Counsel** (OGC) provides legal services to OPM’s Director, Deputy Director, and divisions. It also advises Government agencies in understanding and carrying out their civil service responsibilities and meeting the Merit System Principles. The office provides civil-service-related legal assistance to members of the public, as needed, to serve the American people fairly and professionally.
- The **Office of the Inspector General** (OIG) conducts comprehensive and independent audits, investigations, and evaluations relating to OPM programs and operations. It is responsible for administrative actions against health care providers that commit sanctionable offenses with respect to the Federal Employees Health Benefits Program (FEHBP) or other Federal programs. The OIG keeps the Director and Congress fully informed about problems and deficiencies in the administration of agency programs and operations, and the necessity for corrective action.

### Program Divisions

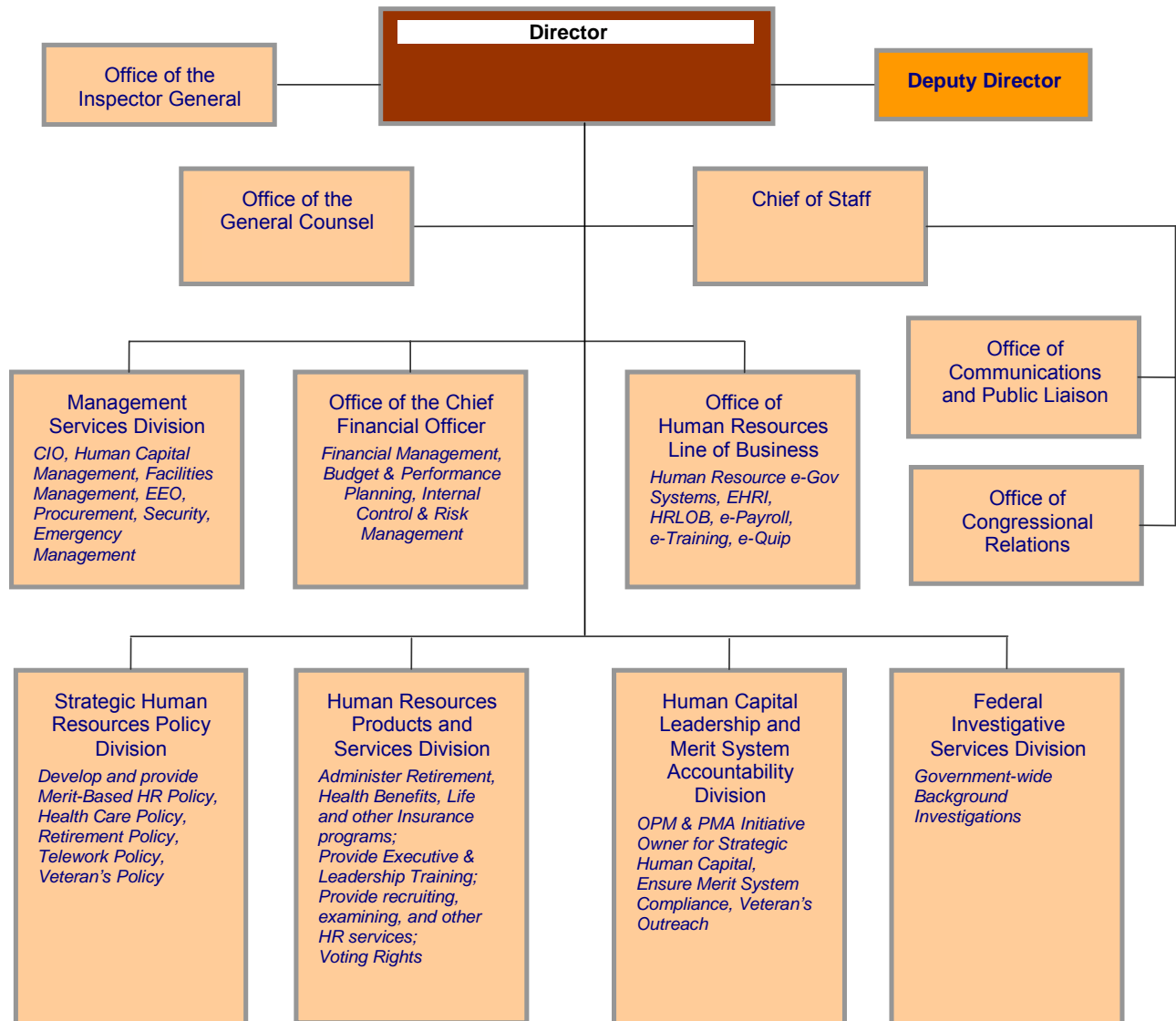
- The **Strategic Human Resources Policy Division** (SHRP) designs, develops, and leads the implementation of innovative, flexible, merit-based human resources policies and strategies enabling Federal agencies to meet their missions and achieve their goals. The majority of SHRP’s activities support the Human Capital Program, but the division also provides policy leadership to the employee benefit programs (retirement, health benefits, and other insurance).
- The **Human Capital Leadership and Merit System Accountability Division** (HCLMSA) supports the Human Capital Program by leading the transformation of human capital management across Government by proactively engaging agencies in the implementation of the Human Capital Standards for Success and providing them with technical advice and assistance. HCLMSA also supports the Merit System Compliance Program by assessing and reporting agencies’ adherence to the Merit System Principles, veterans’ preference, and other Governmentwide standards.
- The **Office of Human Resources Line of Business** (HR LOB) is responsible for the development of world-class, secure, modern, cross-agency, human resources solutions so that Federal agencies can build successful, high-performing organizations. The initiative is modernizing human resources business processes and establishing both Federal and private sector providers with shared common solutions. The solutions will provide more efficient management of the automated information systems that support human resource activities thus allowing Federal agencies to transform their internal human resource focus from an emphasis on administrative processing to strategic planning support for agency leadership and improved customer service.
- The **Human Resources Products and Services Division** (HRPS) delivers integrated, expert solutions to support Federal agencies’ human resources needs that span the employment life cycle. HRPS services include tailored recruitment and selection tools and strategies; testing services, competency assessment, training and development, succession planning and delivers benefits

services to Federal employees, annuitants, and their families through the employee benefit programs.

- The **Federal Investigative Services Division** (FISD) houses the Investigations Program through which it provides Federal agencies personnel background investigative and employment suitability services on a reimbursable basis to ensure Federal employees meet critical personnel security standards. FISD strives to provide these services within the timeframes mandated by the National Intelligence Directive.
- The **Management Services Division** (MSD) provides OPM offices with the full range of administrative services, including human capital and equal employment opportunity management, contracting and administrative management, information technology, and security and emergency services. These services enable OPM to build mission capacity and maintain a high-quality and diverse workforce.
- The **Office of the Chief Financial Officer** (OCFO) is responsible for implementing the President's Management Agenda within the agency and providing OPM offices with the full range of financial management, strategic planning, and budget services. OCFO also performs OPM's oversight of internal controls and risk assessments.



Figure 1 – OPM Organizational Structure



## FY 2008 Budget by Program

OPM requests **\$231,701,000** in discretionary funds, comprised of **\$101,765,000** in General Funds, **\$111,936,000** in Trust Funds and **\$18,000,000** in OIG funding. The FY 2008 budget, which assumes full funding of the FY 2007 request, focuses on OPM's core mission to ensure the Federal Government has an effective civilian workforce through the achievement of our strategic and operational goals. This request includes funds to continue our core functions, implement long-term human capital strategies that deliver results, pursue a progressive agenda of policy initiatives to transform human resources management, and enhance the values of the civil service. OPM supports veterans' preference in Federal hiring and manage the process for personnel security and background checks for suitability and national security clearances. Also, OPM will honor the Government's commitment to employees by managing the trust funds that support the retirement and insurance programs. Finally, the requested funding will be used to continue strengthening the internal management of the agency.

### Strategic Human Resources Policy

OPM's request includes **\$23,022,000** to fund activities supporting SHRP programs. This amount is comprised of \$19,330,000 from General Funds and \$3,692,000 from the Trust Fund Annual in order to continue to modernize human resources management policy and benefits policy. OPM's human resources policy activities support the vitality of the current civil service. Federal agencies and employees can continue to rely on OPM to provide merit-based human capital strategies and work/life policies. OPM will use these funds to continue to be an active partner in maximizing human resources flexibilities and performance-based pay systems. These flexibilities and systems will, within a Governmentwide framework, allow the Federal Government to attract and retain the very best employees.

The requested funds will ensure OPM's actuaries negotiate fair rates for enrollees (i.e., employees and annuitants), who expect and deserve transparency in their health care costs. Another activity that SHRP will undertake is to ensure Shared Service Centers have web-accessible OPM guidance on how to collect human resources, payroll, and training information. All three categories of data are important to accomplish e-Gov initiatives. In addition, funding will be used to develop an OPM repository of human resources knowledge and experience in order to establish, grow, and maintain a high-performing workforce.

In FY 2008, SHRP's planned activities reflect the goals published in the OPM Strategic and Operational Plan and management strategies to deliver service to agency customers. One noteworthy strategy is to increase customer support and the level of understanding of human resources policy programs that exist today. OPM will also conduct Executive Resource Forums to explain existing regulations and assessment tools that address agency human capital needs.

SHRP's request also includes funding to develop policy in response to agency customers' immediate and demonstrated needs. For example, SHRP intends to implement recommendations to further improve and streamline the process for assessing candidates for the Senior Executive Service (SES). Additionally, SHRP will evaluate findings and recommendations from OPM's Federal Equal Opportunity Recruitment Program and Disabled Veterans Affirmative Action Program for revision or creation of new human resources policy.

OPM will implement a strategy to address human resources policy alternatives for issues under deliberation. For example, it will seek policy alternatives for a unique Federal employee number identifier to mitigate Social Security number fraud and identity theft.

## Human Capital Leadership and Merit System Accountability

OPM's request includes **\$27,916,000** from General Funds for HCLMSA programs. OPM will use these funds to engage Federal agencies in implementing Human Capital Standards for Success and other best practices in human capital management, consistent with Merit System Principles, veterans' preference, and other standards.

Success will be measured through HCLMSA's accomplishments in meeting the strategic objectives and operational goals as stated under OPM's Strategic and Operational Plan. These accomplishments, as well as its leadership as initiative owner under the President's Management Agenda, will serve to secure an effective Federal civilian workforce.

In FY 2008, HCLMSA is responsible for evaluating Senior Executive Service performance systems, updating and reporting progress on demonstration projects, operating and hiring in the Career Patterns environment, expanding recruitment efforts, decreasing hiring time frames, improving performance management practices, and implementing accountability systems at agencies. Through the continued assistance of OPM's human capital officers in working with agencies, HCLMSA is achieving results in these areas and seeing its efforts reflected in improved scores on the President's Management Agenda Scorecard.

Veterans' outreach continues to be a program priority. In 2006, OPM reached approximately 5,000 veterans around the country. The agency expects to continue its efforts and strengthen this program by maintaining funding and resources to continue its presence at Brooke and Walter Reed Army Medical Centers and other military installations, enhance veterans' outreach activities to meet existing and returning veterans' needs, and provide opportunities through recruitment efforts.

Through its Compliance Program, OPM will exercise oversight of Federal human resources programs and activities to protect against prohibited personnel practices and ensure agencies comply with Merit System Principles and other civil service laws, rules, and regulations, including veterans' preference. OPM will also administer a Governmentwide human capital accountability system that will help agencies strengthen their internal human resources management accountability programs in accordance with OPM standards.

## Human Resources Line of Business

In FY 2008, OPM will continue to be a leader in the President's Management Agenda initiative for Expanding Electronic Government (e-Gov) and has included **\$7,852,000** in its request to come from Salaries & Expenses No-Year Funds. The requested resources will support the HR LOB, Enterprise Human Resources Integration (EHRI), e-Payroll, and e-Training.

EHRI (\$5,991,000) is a comprehensive electronic personnel recordkeeping and analysis system that supports human resources management across the Federal Government. This system spans the careers of 1.8 million Federal employees—from hiring to retiring—and will provide employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge management, workforce analysis, forecasting, and reporting Governmentwide in support of the strategic management of human capital. When fully implemented, EHRI will replace the current Official Personnel Folder with an electronic employee record for all Executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment. In addition to streamlining personnel management actions, EHRI will provide human resources managers and specialists with powerful workforce analytic and planning capabilities.

E-Payroll (\$340,000) will continue to consolidate payroll functions across Government, focusing on the Departments of State and Veterans Affairs.

E-Training (\$170,000) works with both partner agencies and training service providers, developing innovative plans for agency Learning Management System deployments, and sharing competency models, courseware, libraries, and hosting resources. During FY 2008, the project will work closely with the Chief Human Capital Officers (CHCO) Council subcommittee on Learning and Development to implement the strategy for the project and the milestones approved by the President's Management Council.

The HR LOB (\$1,351,000) will provide management and oversight to agencies migrating to Shared Service Centers and continue to identify and document common functional, technical, and data requirements consistent with Federal human resources policies. Summaries of the Exhibit 300s (Capital Asset Plan and Business Case) are available on the OPM website at [www.OPM.gov/budget](http://www.OPM.gov/budget).

Additional information regarding OPM's participation in all of the e-Gov initiatives is provided in Part 3 of this budget request.

### Human Resources Products and Services

OPM's request includes **\$71,903,000**, comprised of \$1,786,000 in General Funds, \$55,117,000 from Trust Fund Annual, and \$15,000,000 in Trust Fund No-Year funds.

HRPS' FY 2008 priorities are to improve retirement claims processing, maintain implementation schedule of the Retirement Systems Modernization (RSM) Project, and ensure voting rights in compliance with the Voting Rights Act and the Department of Justice.

OPM will use the General Funds appropriation to support the Voting Rights Program, as required by the Voting Rights Act. The act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language. At the request of the Department of Justice, OPM provides trained Federal observers to monitor the election process in areas designated by the U.S. Attorney General. The General Funds appropriation will also be used to administer the Flexible Savings Account Program (FSAFEDS).

OPM will use \$55,117,000 from the Trust Fund to maintain the services it delivers to Federal employees, annuitants, and their families through the retirement and insurance programs. In FY 2008, OPM expects to maintain the improvements made in FY 2006, such as the aggressive goal to process 90 percent of claims within 30 days.

OPM will use \$15,000,000 in No-Year funds for the implementation of the RSM Project. In FY 2006, RSM awarded three significant contracts to support this effort: one for automated pension calculation; a second for business transformation and information technology; and a third for paper data capture and conversion. In FY 2007, the integrated solution will be built and tested; the planned "Go-Live" date is February 2008. RSM addresses the requirement to provide accurate annuity payments on the day they are due. This project will replace OPM's legacy information technology systems with modern technology, move from paper to electronic record keeping, and enhance core retirement business processes to meet the needs of active and retired federal employees by providing access to account information and planning tools.

The RSM Project will achieve several key milestones during FY 2008. In February 2008, OPM will complete the transition of annuitant data to the new technology and begin using the integrated system to pay benefits, manage customer contacts, and process and manage all workloads. It will also begin migrating active employee retirement data to the system in waves, enabling migrated employees to access their accounts and use a variety of tools to manage their retirement benefits. Agency program administrators will also begin using these tools and account information to provide improved benefits counseling and to manage employees' transition to retirement electronically. Finally, OPM will begin to realize the productivity increases resulting from enhanced automation, eliminating the need for paper retirement files to process claims for benefits.

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

OPM also provides a wide range of expert, integrated human resources products and services to Federal agencies on a reimbursable basis through its Revolving Fund. These products and services include: workforce and succession planning; employer branding; recruitment and employment information; test administration; individual and organizational assessment; training assistance and leadership development; and on-line learning. Solutions are delivered through a network of expert OPM consultants, integrated tools and systems, and an expedited training and management assistance contracting process.

### **Federal Investigative Services**

This is a fee-for-service activity to carry out high-quality, timely background investigations which will be used by Federal agencies to determine individuals' suitability for Federal civilian, military or Federal contract employment, and, when a security clearance is needed, to determine individuals' eligibility for access to classified national security information.

The Defense Authorization Act of 2004 provided OPM with the option of accepting a transfer of functions and personnel from the Department of Defense's Defense Security Service (DSS). OPM accepted the transfer of the Personnel Security Investigations functions and personnel from DSS in early FY 2005. The transfer from DSS to OPM's Federal Investigative Services Division has brought under one roof a unit that is conducting 90 percent of background investigations for the entire Federal Government. The transfer encompassed the full range of investigative and administrative support functions, including reimbursable investigative work, training and system support, accounting functions, and billing and collections. The Federal Investigative Services Division is working to meet the national demand for investigations in the timeframes imposed under the Intelligence Reform and Terrorism Prevention Act of 2004. This responsibility is critical to the security of our Nation.

## Management Services

**Management Services Division:** OPM recognizes the need to support its programs with excellent administrative management services. OPM requests **\$29,545,000**, comprised of \$22,972,000 in General Funds and \$6,573,000 in Trust Funds for facilities maintenance, contracting, procurement, publications, human capital and equal employment opportunity management, security and emergency planning, and information services management. (Request reflects appropriated resources only.)

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

**Office of the Chief Financial Officer:** OPM requests **\$13,638,000** comprised of \$6,736,000 in General Funds and \$6,902,000 in Trust Fund for financial management, budget and performance planning, and internal control and risk management activities. Through these activities, OPM will make solid progress in advancing the President's Management Agenda. Key strategies for achieving green status for Financial Management Improvement are to complete planned actions to resolve issues involving OPM's financial management system. (Request reflects appropriated resources only.)

**Rent and Centrally Funded Items:** Funds are included for General Services Administration (GSA) rent and centrally funded items (CFI) such as workers compensation, unemployment insurance, and telephone bills.

## Executive Services

Executive services includes executive direction and leadership, legal advice and representation, public affairs, legislative liaison, and the operating expenses of the Presidential Commission on White House Fellows. OPM's budget request includes **\$6,264,000** to support these activities and ensure OPM meets its goals and objectives. (Request reflects appropriated resources only.)

## FY 2008 Budget by Program – Appropriated Resources (in thousands)

Organization/Activity	FY 2007 Estimate		FY 2008 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
SHRP	\$23,591	182	\$23,022	165	(\$569)	(17)
Human Resources Policy	\$19,835	150	\$19,330	138	(\$505)	(12)
Benefits Policy	\$3,756	32	\$3,692	27	(\$64)	(5)
HCLMSA	\$28,651	224	\$27,916	222	(\$735)	(2)
Human Capital Leadership	\$28,651	224	\$27,916	222	(\$735)	(2)
Merit System Accountability					\$0	0
HR LOB	\$8,349	13	\$7,852	13	(\$497)	0
HRPS.	\$58,375	548	\$71,903	536	\$13,528	(12)
Benefits administration*	\$56,494	531	\$70,226	526	\$13,732	(5)
Voting Rights	\$1,881	17	\$1,677	10	(\$204)	(7)
Talent Services	–	–	–	–	\$0	0
USAJOBS	–	–	–	–	\$0	0
Executive and leadership development	–	–	–	–	\$0	0
GoLearn	–	–	–	–	\$0	0
FISD	\$0	0	\$0	0	\$0	0
Management Services	\$49,842	424	\$43,183	411	(\$6,659)	(13)
MSD**	\$34,980	281	\$29,545	279	(\$5,435)	(2)
OCFO**	\$14,861	143	\$13,638	132	(\$1,223)	(11)
Executive Services	\$6,948	96	\$6,264	82	(\$685)	(14)
Office of the Director**	\$1,562	29	\$1,425	24	(\$137)	(5)
OGC**	\$1,947	30	\$1,852	25	(\$95)	(5)
OCR**	\$896	14	\$863	14	(\$34)	0
OCPL**	\$1,519	17	\$1,088	13	(\$431)	(4)
Federal Prevailing Rate Advisory Committee	\$205	1	\$231	1	\$26	0
President's Commission on White House Fellows	\$819	5	\$805	5	(\$14)	0
Contributions to e-Gov activities under development	\$639	–	\$472	–	(\$167)	–
Rent and other CFI	\$34,878	–	\$33,089	–	(\$1,789)	–
<b>OPM General Fund subtotal</b>	<b>\$211,273</b>	<b>1,487</b>	<b>\$213,701</b>	<b>1,429</b>	<b>\$2,428</b>	<b>(58)</b>
OIG	\$17,764	127	\$18,000	123	\$236	(4)
<b>OPM total</b>	<b>\$229,037</b>	<b>1,614</b>	<b>\$231,701</b>	<b>1,552</b>	<b>\$2,664</b>	<b>(62)</b>

\* Retirement Systems Modernization is included in HRPS Benefits Administration.

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

## 2008 Budget by Strategic Objective – Appropriated Resources (in millions)

Organization/ Activity	Objective							Total Appropriated Resources
	A	B	C	D	E	F	G	
SHRP	\$3.323	\$8.142	\$3.361	\$5.974	\$1.887	\$0.313	\$0.022	\$23.022
Human Res. Policy	\$3.323	\$4.819	\$3.361	\$5.974	\$1.813	\$0.018	\$0.022	\$19.330
Benefits Policy		\$3.323			\$0.074	\$0.295		\$3.692
HCLMSA	\$3.454		\$8.232	\$15.909	\$0.321			\$27.916
Human Capital Leadership	\$3.454		\$8.232	\$2.634	\$0.321			\$14.641
Merit System Accountability				\$13.275				\$13.275
HR LOB				\$7.852				\$7.852
HRPS		\$69.509			\$2.200	\$0.097	\$0.097	\$71.903
Benefits administration*		\$69.509			\$0.523	\$0.097	\$0.097	\$70.226
Voting rights					\$1.677			\$1.677
Talent Services								
USAJOBS								
Executive and leadership development								
GoLearn								
FISD								
Management Services					\$43.183			\$43.183
MSD.* *					\$29.545			\$29.545
OCFO**					\$13.638			\$13.638
Executive Services	\$0.040	\$0.077	\$0.176	\$0.141	\$3.508	\$0.529	\$0.756	\$5.228
Office of the Director**		\$0.033			\$0.959	\$0.397	\$0.035	\$1.425
OGC**					\$1.852			\$1.852
OCR **				\$0.097	\$0.078		\$0.688	\$0.862
OCPL**	\$0.040	\$0.044	\$0.176	\$0.044	\$0.619	\$0.132	\$0.033	\$1.088
<b>OPM total</b>	<b>\$6.817</b>	<b>\$77.728</b>	<b>\$11.769</b>	<b>\$29.876</b>	<b>\$51.099</b>	<b>\$0.939</b>	<b>\$0.875</b>	<b>\$179.104</b>

\* Retirement Systems Modernization is included in HRPS Benefits Administration under Strategic Objective B.

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



## 2008 Budget by Strategic Objective – Non-Appropriated Resources (in millions)

Organization/ Activity	Objective							Total Non- Appropriated Resources
	A	B	C	D	E	F	G	
SHRP		\$0.630						\$0.630
Human Res. Policy								
Benefits Policy		\$0.630						\$0.630
HCLMSA								
Human Capital Leadership								
Merit System Accountability								
HR LOB				\$39.000				\$39.000
HRPS.		\$31.999	\$0.340		\$333.936	\$0.081	\$0.243	\$366.599
Benefits administration		\$31.499						\$31.499
Voting rights								
Talent Services					\$231.676	\$0.081	\$0.243	\$232.000
USAJOBS			\$0.340		\$8.260			\$8.600
Executive and leadership development		\$0.500			\$49.000			\$49.500
GoLearn					\$45.000			\$45.000
FISD/Background investigations				\$34.685	\$948.391	\$0.051		\$983.127
Management Services					\$44.074			\$44.074
MSD*					\$34.422			\$34.422
OCFO*					\$9.653			\$9.653
Executive Services	\$0.050	\$0.098	\$0.224	\$0.179	\$4.443	\$0.671	\$0.958	\$6.622
Office of the Director*		\$0.042			\$1.215	\$0.503	\$0.045	\$1.804
OGC*					\$2.347			\$2.347
OCR*				\$0.123	\$0.098		\$0.871	\$1.093
OCPL*	\$0.050	\$0.056	\$0.224	\$0.056	\$0.783	\$0.168	\$0.042	\$1.379
<b>OPM total</b>	<b>\$0.050</b>	<b>\$32.727</b>	<b>\$0.564</b>	<b>\$73.864</b>	<b>\$1,330.845</b>	<b>\$0.803</b>	<b>\$1.201</b>	<b>\$1,440.053</b>

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

## 2008 Budget by Strategic Objective – Total Resources (in millions)

Organization/ Activity	Objective							Total Resources
	A	B	C	D	E	F	G	
SHRP	\$3.323	\$8.772	\$3.361	\$5.974	\$1.887	\$0.313	\$0.022	\$23.652
Human Res. Policy	\$3.323	\$4.819	\$3.361	\$5.974	\$1.813	\$0.018	\$0.022	\$19.330
Benefits Policy		\$3.953			\$0.074	\$0.295		\$4.322
HCLMSA	\$3.454		\$8.232	\$15.909	\$0.321			\$27.916
Human Capital Leadership	\$3.454		\$8.232	\$2.634	\$0.321			\$14.641
Merit System Accountability				\$13.275				\$13.275
HR LOB Program Mgmt				\$46.852				\$46.852
E-Gov				\$46.852				\$46.852
HRPS.		\$101.508	\$0.340		\$336.136	\$0.178	\$0.340	\$438.502
Benefits administration*		\$101.008			\$0.523	\$0.097	\$0.097	\$101.725
Voting rights					\$1.677			\$1.677
Talent Services					\$231.676	\$0.081	\$0.243	\$232.000
USAJOBS			\$0.340		\$8.260			\$8.600
Executive and leadership development		\$0.500			\$49.000			\$49.500
GoLearn					\$45.000			\$45.000
FISD/ Background Investigations				\$34.685	\$948.391	\$0.051		\$983.127
Management Services					\$87.258			\$87.258
MSD.**					\$63.967			\$63.967
OCFO**					\$23.291			\$23.291
Executive Services	\$0.090	\$0.175	\$0.440	\$0.320	\$7.951	\$1.200	\$1.714	\$11.850
Office of the Director**		\$0.075			\$2.174	\$0.900	\$0.080	\$3.229
OGC**					\$4.199			\$4.199
OCR **				\$0.220	\$0.176		\$1.559	\$1.955
OCPL**	\$0.090	\$0.100	\$0.400	\$0.100	\$1.402	\$0.300	\$0.075	\$2.467
<b>OPM total</b>	<b>\$6.867</b>	<b>\$110.455</b>	<b>\$12.333</b>	<b>\$103.740</b>	<b>\$1,381.944</b>	<b>\$1.742</b>	<b>\$2.076</b>	<b>\$1,619.157</b>

\* Retirement Systems Modernization is included in HRPS Benefits Administration under Strategic Objective B.

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

## Appropriated Resources Not Directly Aligned by Strategic Objective (in millions)

Organization/ Activity	Total Appropriated Resources
<b>Aligned Appropriated Resources (brought forward)</b>	<b>\$179.104</b>
Executive Services	\$1.036
Federal Prevailing Rate Advisory Committee	\$0.231
President's Commission on White House Fellows	\$0.805
Agencywide activities	\$33.561
Rent and CFI	\$33.089
Participation in other agencies' e-Gov initiatives	\$0.472
Office of the Inspector General	<u>\$18.000</u>
<b>Total OPM Appropriated Resources</b>	<b>\$231.701</b>

## Fiscal Year Comparison of FTE Staffing

Fund	FY 2006 FTE	FY 2007	FY 2008 Request	FY 2007–08 Variance
Salaries & Expenses Annual	845	823	776	(47)
Salaries & Expenses No-Year	11	13	13	0
Salaries & Expenses total	856	836	789	(47)
Trust Fund Annual	688	636	620	(16)
Trust Fund No-Year	15	15	20	5
Trust Fund limitation total	703	651	640	(11)
Total appropriated	1,559	1,487	1,429	(58)
Trust Fund Title V	285	281	281	–
Trust Fund FERCCA	17	16	16	–
Trust Fund Long-Term Care	5	5	6	1
Trust Fund Dental/Vision	7	8	7	(1)
Trust Fund Mandatory total	314	310	310	0
OIG Salaries & Expenses	20	14	14	–
OIG Trust Fund	116	113	109	(4)
OIG total	136	127	123	(4)
Subtotal	2,008	1,924	1,862	(62)
Revolving Fund	2,636	3,063	3,070	7
<b>Total</b>	<b>4,644</b>	<b>4,987</b>	<b>4,932</b>	<b>(55)</b>

## Summary of FY 2008 Program Changes/Increases and Decreases (in thousands)

	SHRP	HCLMSA	HR LOB	HRPS	Mgmt Svcs/ MSD	Mgmt Svcs/ OCFO	Exec Svcs	Rent and Other CFI	Totals
FY 2007 estimate	\$23,591	\$28,651	\$8,349	\$58,375	\$34,980	\$14,861	\$6,948	\$35,517	\$196,411
Pay inflation adjustments	\$277	\$336	\$98	\$684	\$660	\$216	\$82	\$416	\$2,442
Non-pay inflation adjustments	\$118	\$143	\$42	\$292	\$175	\$74	\$35	\$178	\$982
Maintaining current levels	\$395	\$480	\$139	\$976	\$723	\$401	\$117	\$594	\$3,424
Nonrecurring costs	(\$395)	(\$479)	(\$140)	(\$977)	(\$834)	(\$290)	(\$115)	\$594	(\$2,346)
Program reductions	(\$569)	(\$735)	(\$497)	\$0	(\$5,435)	(\$1,223)	(\$685)	(\$1,956)	(\$9,877)
Adjustments to FY 2007 estimate	(\$964)	(\$1,214)	(\$637)	(\$977)	(\$6,269)	(\$1,513)	(\$800)	(\$2,550)	(\$13,411)
FY 2008 base	\$23,022	\$27,917	\$7,852	\$58,375	\$29,545	\$13,638	\$6,264	\$33,561	\$200,173
Program increases	\$0	\$0	\$0	\$13,528	\$0	\$0	\$0	\$0	\$13,528
FY 2008 operating level	\$23,022	\$27,917	\$7,852	\$71,903	\$29,545	\$13,638	\$6,264	\$33,561	\$213,701

Note: Only appropriated accounts are reflected in this table. FISD is not an appropriated account and not reflected.

# Part 2 – Summary of FY 2008 Performance Budget

## Overview of FY 2008 Request

At the time of this submission, we are operating under a Continuing Resolution (CR) as passed by Congress (P.L. 109-289). Throughout this document we will compare 2008 to the 2007 levels provided for in the existing CR (2007 Estimate). The major difference from our 2007 Congressional Budget Justification is that the current 2007 CR level excludes \$26,730,000 in funding for the Retirement Systems Modernization Project. The 2008 request for RSM assumes funding the \$26,730,000 in 2007.

OPM's total FY 2008 discretionary request of **\$231,701,000** represents a net increase of **\$2,664,000** above the FY 2007 Estimate.

However, it should be noted that OPM's 2008 budget request of **\$231,701,000** represents a net decrease of **\$24,065,900** below our FY 2007 Congressional Budget Justification Level of **\$255,766,900**.

OPM's budget request consists of three appropriations accounts containing general funds and Trust Funds. OPM's three mandatory payment appropriations are discussed later in the document.

In FY 2008, OPM's administrative accounts will support 4,932 full-time-equivalent employees as compared to 4,987 FTE in FY 2007. Of these, the discretionary appropriations and Trust Fund mandatory will support 1,862 FTE, and is a decrease from 1,924 in FY 2007. The remaining allocation of 3,070 FTE is in the Revolving Fund.

Appropriation totals set forth in the Continuing Resolution (P.L. 109-289) are used for comparison. However, the funding level shown in the President's Budget is also shown where appropriate.

## Discretionary Appropriations

### Salaries & Expenses

**General Funds.** OPM's General Funds request for basic operating expenses total \$101,765,000 and 789 FTE. The FY 2008 request includes \$93,913,000 in Annual funds and \$7,852,000 in No-Year funds for Human Resources Line of Business projects. This reflects a decrease of \$9,330,000 below the FY 2007 Continuing Resolution level comprised of \$8,833,000 in Annual funds and \$497,000 in No-Year HR LOB activity.

**Transfers from Trust Funds.** For the administration of the civil service retirement and insurance programs, OPM requests a total of \$111,936,000 in transfers from the Trust Funds for 640 FTE. This level reflects a net increase of \$11,758,000 above the FY 2007 Continuing Resolution level. This request is comprised of a decrease of \$3,242,000 in Annual Trust Funds and an increase of \$15,000,000 in No-Year funding. It should be noted that the current FY 2007 Continuing Resolution eliminates funding for the Trust Fund No-Year Retirement Systems Modernization Project.

This FY 2008 request includes new funding for the continuation of the Retirement Systems Modernization Project, maintaining improvements achieved in the administration of the retirement program as we implement the RSM Project and administering the insurance programs. The No-Year funding will be used to advance the RSM Project, pursue licensed software technology, and improve the availability of electronic retirement data. The Annual Trust Fund resources will be used to maintain timely processing of retirement benefits claims, responding to retirement program customer inquiries, and maintaining and adjusting benefit payment accounts for retirees and survivor annuitants.

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

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

## Office of the Inspector General Salaries & Expenses

The FY 2008 request for the Office of the Inspector General totals \$18,000,000 and 123 FTE, and includes \$1,519,000 and 14 FTE in General Funds and \$16,481,000 and 109 FTE in transfers from the Trust Funds to enable the OIG to carry out its audit, investigative, and oversight responsibilities. This request reflects a net increase of \$236,000, a 1.3 percent increase in General Funds from FY 2007 appropriated resources. The FY 2008 General Funds request is \$79,000 less than the 2007 level. The 2008 Trust Funds annual level represents an increase of \$315,000 from FY 2007 and will enable the OIG to continue its investigative oversight of the FEHBP and Civil Service Retirement System/Federal Employees Retirement System programs, to audit FEHBP plans and carrier information systems, and to continue its prescription drug audit plan established in FY 2005.

## Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2008 budget includes an estimated \$1,308,889,000 in new budget authority and 3,070 FTE to be financed by other agencies' payments for OPM services. These services include providing professional development and continuous learning for Federal managers and executives; providing one-stop access to high-quality e-Government products and services; testing potential military personnel for the Department of Defense in those locations where it is cost effective for OPM to do so; providing employment information and assessment services; automating other agencies' staffing systems; providing examining services upon request from an agency; providing technical assistance and general consultation services on all facets of human resources management; and managing the selection, coordination, and development of Presidential Management Fellows.

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

reduce the backlog of pending investigations while also improving the timeliness on completing investigations.

Agency contributions through the Revolving Fund for the HR LOB in FY 2008 are expected to be approximately \$39,000,000. These funds will be used to further develop the HR LOB including enterprise architecture and requirements development, planning and governance support, and assistance with the set-up and operation of Shared Service Centers and agency migration to established centers.

## Appropriations Language

### Salaries & Expenses (Including Transfer of Trust Funds)

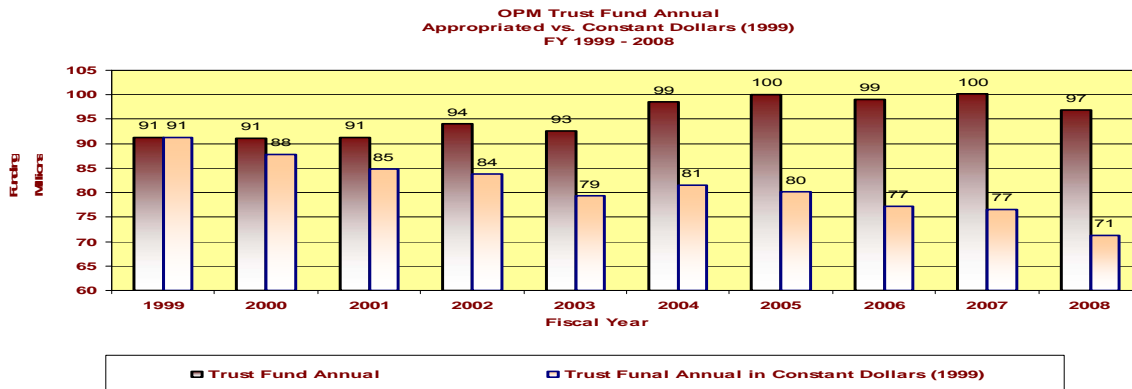
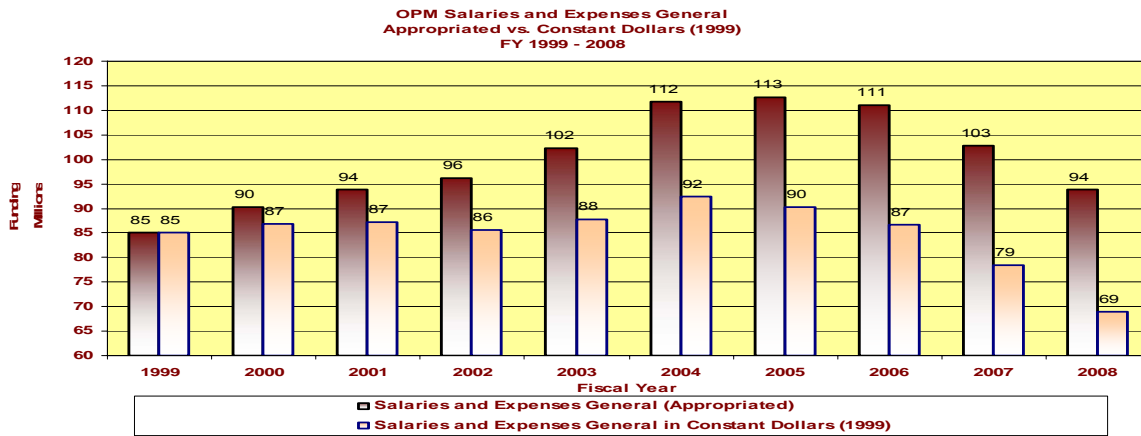
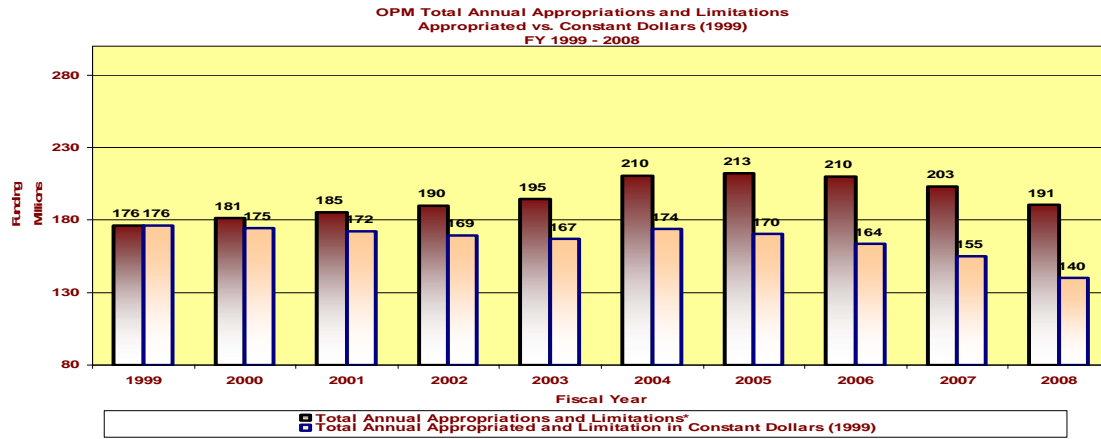
For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$101,765,000 of which \$5,991,000 shall remain available until expended for the Enterprise Human Resources Integration project; \$1,351,000 shall remain available until expended for the Human Resources Line of Business project; \$340,000 shall remain available until expended for the E-Payroll project; \$170,000 shall remain available until expended for the E-Training program. In addition \$111,936,000 for administrative expenses, to be transferred from the appropriate Trust Funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which \$15,000,000 shall remain available until expended for the cost of automating the retirement recordkeeping systems: Provided, That the provisions of this appropriation shall not affect the authority to use applicable Trust Funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of Title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during FY 2008, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

### OIG Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$1,519,000, and in addition, not to exceed \$16,481,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate Trust Funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

## Budget History

The figures below display the discretionary appropriated resources of OPM over 10 years, which are compared to 1999 constant dollars based on actual and economic assumptions for pay raise. The 2007 level reflects the current Continuing Resolution (P.L. 109-289).





## Appropriations Summary

### Comparison to Resources Enacted in P.L. 109-289 (Current Continuing Resolution)

	Salaries and Expenses		Office of the Inspector General	
	General Fund	Transfers from Trust Funds	General Fund	Transfers from Trust Funds
Estimate, FY 2007	\$111,095,330	\$100,178,000	\$1,597,860	\$16,165,710
Budget request, FY 2008	\$101,765,000	\$111,936,000	\$1,519,000	\$16,481,000
Request compared with estimate	(\$9,330,330)	\$11,758,000	(\$78,860)	\$315,290

Note: At the time of this submission we are operating under a Continuing Resolution (P.L. 109-289). The major difference from our 2007 Congressional Budget Justification is that the current 2007 CR level excludes funding for the Retirement Systems Modernization Project.

### Comparison to Resources Requested in 2007 President's Budget

	Salaries and Expenses		Office of the Inspector General	
	General Fund	Transfers from Trust Funds	General Fund	Transfers from Trust Funds
Budget request, FY 2007	\$111,095,330	\$126,908,000	\$1,597,860	\$16,165,710
Budget request, FY 2008	\$101,765,000	\$111,936,000	\$1,519,000	\$16,481,000
Request compared with estimate	(\$9,330,330)	(\$14,972,000)	(\$78,860)	\$315,290

#### Government Payment for Annuitants, Employees Health Benefits

Estimate, FY 2007	\$8,615,000,000
Budget request, FY 2008 (estimate)	\$9,138,000,000
Request compared with estimate	\$523,000,000

#### Government Payment for Annuitants, Employees Life Insurance

Estimate, FY 2007	\$41,000,000
Budget request, FY 2008 (estimate)	\$41,000,000
Request compared with estimate	0

#### Payment to Civil Service Retirement and Disability Fund

Estimate, FY 2007	\$10,532,000,000
Budget request, FY 2008 (estimate)	
Budget request, FY 2008 (estimate)	\$10,523,000,000
Request compared with estimate	(\$9,000,000)

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

## FY 2008 Budget: Total OPM Appropriated Budget Authority (in thousands)

	FY 2006 Enacted	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
<b>OPM + OIG Salaries &amp; Expenses:</b>	<b>\$238,529</b>	<b>\$229,037</b>	<b>\$231,701</b>	<b>\$2,664</b>
Salaries & Expenses:	\$220,313	\$211,273	\$213,701	\$2,428
General Fund:	\$121,297	\$111,095	\$101,765	(\$9,330)
Annual	\$111,055	\$102,747	\$93,913	(\$8,834)
No-Year: HR LOB	\$10,242	\$8,349	\$7,852	(\$497)
Enterprise Human Resources Integration	\$6,913	\$6,913	\$5,991	(922)
E-Payroll	\$1,398	—	\$340	\$340
HR LOB	\$1,436	\$1,436	\$1,351	(\$85)
E-Training	\$495	—	\$170	\$170
Trust Funds:	\$99,016	\$100,178	\$111,936	\$11,758
Annual	\$99,016	\$100,178	\$96,936	(\$3,242)
No-Year/Retirement Systems Modernization	\$0	\$0	\$15,000	\$15,000
<b>OIG Salaries &amp; Expenses:</b>	<b>\$18,216</b>	<b>\$17,764</b>	<b>\$18,000</b>	<b>\$236</b>
General Fund	\$2,050	\$1,598	\$1,519	(\$79)
Trust Funds	\$16,166	\$16,166	\$16,481	\$315

## Summary of Total Resources

Fund	FY 2006 Enacted	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Salaries & Expenses Annual	\$111,055,254	\$102,746,660	\$93,913,000	(\$8,833,660)
Salaries & Expenses multiyear	\$0	—	\$0	—
Salaries & Expenses No-Year	10,242,000	\$8,348,670	\$7,852,000	(\$496,670)
<b>Salaries &amp; Expenses total</b>	<b>\$121,297,254</b>	<b>\$111,095,330</b>	<b>\$101,765,000</b>	<b>(\$9,330,330)</b>
Trust Fund Annual	\$99,016,016	\$100,178,000	\$96,936,000	(\$3,242,000)
Trust Fund No-Year	\$0	—	\$15,000,000	\$15,000,000
<b>Trust Fund limitation total</b>	<b>\$99,016,016</b>	<b>\$100,178,000</b>	<b>\$111,936,000</b>	<b>\$11,758,000</b>
<b>Total appropriated</b>	<b>\$220,313,270</b>	<b>\$211,273,330</b>	<b>\$213,701,000</b>	<b>\$2,427,670</b>
Trust Fund Title V	\$32,494,376	\$35,294,117	\$35,272,026	(\$22,092)
Trust Fund FERCCA	\$6,938,000	\$3,225,000	\$2,000,000	(\$1,225,000)
Trust Fund Long-Term Care	\$1,000,000	\$1,000,000	\$1,282,800	\$282,800
Trust Fund Dental/Vision	\$1,000,000	\$1,000,000	\$1,276,800	\$276,800
<b>Trust Fund Mandatory total</b>	<b>\$41,432,376</b>	<b>\$40,519,117</b>	<b>\$39,831,626</b>	<b>(\$687,492)</b>
<b>OIG Salaries &amp; Expenses</b>	<b>\$2,050,000</b>	<b>\$1,597,860</b>	<b>\$1,519,000</b>	<b>(\$78,860)</b>
OIG Trust Fund	\$16,165,710	\$16,165,710	\$16,481,000	\$315,290
<b>OIG total</b>	<b>\$18,215,710</b>	<b>\$17,763,570</b>	<b>\$18,000,000</b>	<b>\$236,430</b>
<b>Other resources:</b>				
Revolving Fund	\$991,471,000	\$1,266,224,690	\$1,308,888,890	\$42,664,200
<b>Total</b>	<b>\$1,271,432,356</b>	<b>\$1,535,780,708</b>	<b>\$1,580,421,516</b>	<b>\$44,640,808</b>

## Revolving Fund Activities

Business Line		FY 2007 Estimate	FY 2008 Estimate	FY 2007–08 Variance
Investigative Services	Revenue	\$719,000,000	\$754,000,000	\$35,000,000
	Expenses	\$690,381,000	\$722,106,000	\$31,725,000
	Budget authority	\$917,000,000	\$989,000,000	\$72,000,000
Talent Services	Revenue	\$174,325,000	\$178,921,000	\$4,596,000
	Expenses	\$173,573,000	\$177,921,000	\$4,348,000
	Budget authority	\$219,000,000	\$232,000,000	\$13,000,000
Leadership Capacity Services	Revenue	\$47,111,000	\$49,500,000	\$2,389,000
	Expenses	\$46,704,000	\$49,100,000	\$2,396,000
	Budget authority	\$49,300,000	\$49,500,000	\$200,000
Go-Learn	Revenue	\$30,094,000	\$34,900,000	\$4,806,000
	Expenses	\$29,493,000	\$34,100,000	\$4,607,000
	Budget authority	\$42,000,000	\$45,000,000	\$3,000,000
USAJOBS	Revenue	\$8,360,000	\$8,600,000	\$240,000
	Expenses	\$8,041,000	\$8,300,000	\$259,000
	Budget authority	\$8,360,000	\$8,600,000	\$240,000
Human Resource Integration Services	Revenue	\$33,640,000	\$35,000,000	\$1,360,000
	Expenses	\$32,581,000	\$33,400,000	\$819,000
	Budget authority	\$25,000,000	\$36,000,000	\$11,000,000
<b>Total</b>	<b>Revenue</b>	<b>\$1,012,530,000</b>	<b>\$1,060,921,000</b>	<b>\$48,391,000</b>
	<b>Expenses</b>	<b>\$980,773,000</b>	<b>\$1,024,927,000</b>	<b>\$44,154,000</b>
	<b>Budget authority</b>	<b>\$1,260,660,000</b>	<b>\$1,360,100,000</b>	<b>\$99,440,000</b>

### Discretionary Account – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$97,577,000	\$101,689,000	\$4,112,000
Personnel benefits	\$25,235,000	\$26,122,000	\$887,000
Travel and transportation of persons	\$2,204,000	\$1,892,000	(\$312,000)
Transportation of things	\$95,000	\$76,000	(\$19,000)
Communications, utilities, and rent	\$32,338,000	\$29,935,000	(\$2,403,000)
Printing and reproduction	\$1,267,000	\$1,015,000	(\$252,000)
Other services	\$49,768,000	\$51,447,000	\$1,679,000
Supplies and materials	\$1,144,000	\$780,000	(\$364,000)
Equipment	\$1,646,000	\$744,000	(\$902,000)
<b>Total</b>	<b>\$211,273,000</b>	<b>\$213,701,000</b>	<b>\$2,428,000</b>
FTE	1,487	1,429	(58)

### Salaries and Expenses – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$48,360,000	\$48,500,000	\$140,000
Personnel benefits	\$11,371,000	\$11,789,000	\$418,000
Travel and transportation of persons	\$1,939,000	\$1,677,000	(\$262,000)
Transportation of things	\$60,000	\$58,000	(\$2,000)
Communications, utilities, and rent	\$17,395,000	\$16,024,000	(\$1,371,000)
Printing and reproduction	\$563,000	\$382,000	(\$181,000)
Other services	\$21,489,000	\$14,686,000	(\$6,803,000)
Supplies and materials	\$549,000	\$384,000	(\$165,000)
Equipment	\$1,023,000	\$412,000	(\$611,000)
<b>Total</b>	<b>\$102,747,000</b>	<b>\$93,913,000</b>	<b>(\$8,834,000)</b>
FTE	823	776	(47)

### Trust Fund – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$48,017,000	\$51,683,000	\$3,666,000
Personnel benefits	\$13,593,000	\$13,495,000	(\$98,000)
Travel and transportation of persons	\$240,000	\$647,000	\$407,000
Transportation of things	\$35,000	\$18,000	(\$17,000)
Communications, utilities, and rent	\$14,698,000	\$13,680,000	(\$1,018,000)
Printing and reproduction	\$701,000	\$630,000	(\$71,000)
Other services	\$21,763,000	\$18,860,000	(\$2,903,000)
Supplies and materials	\$564,000	\$373,000	(\$191,000)
Equipment	\$566,000	\$193,000	(\$373,000)
<b>Total</b>	<b>100,178,000</b>	<b>\$96,936,000</b>	<b>(\$3,242,000)</b>
FTE	636	620	(16)

## Part 3 – FY 2008 Performance Budget by Organization and Strategic Objective

This part of OPM's FY 2008 Congressional Budget Justification is designed to meet the requirements of OMB Circular A-11, Part 6, Section 220 – Preparing and submitting performance budgets. Thus, it links OPM's strategic objectives with its operational goals, program activities, and performance measures and targets through FY 2008.

### Impact of the Program Assessment Rating Tool on this Performance Budget

OPM is using the Program Assessment Rating Tool (PART) to articulate clear and specific program outcomes and to develop both long-term and annual performance measures focused on these outcomes. During FY 2006, OPM completed the last round of new PARTs so that the tool has now been applied to all external programs. As a result, the agency now has a meaningful and stable array of performance measures for all of its programs. These measures enable OPM to demonstrate to customers, stakeholders, and the public the efficiency and effectiveness with which it is achieving the strategic objectives and operational goals described in the new Strategic and Operational Plan.

As the central human resources agency for the Federal Government, OPM carries out its mission by implementing the operational goals described in its new Strategic and Operational Plan 2006–2010 through the programs shown below.

## OPM Programs and Program Purposes

Program Name	Program Activities	Purpose
Federal Employees Retirement	Retirement Policy Process Claims Answer Inquiries Maintaining Annuity Payment Accounts Benefits Officers Training and Development	To provide Federal employees options and tools for retirement planning for their and their families' financial future; and to serve as an important part of the Government's overall employee compensation package and, as such, support Federal agencies' ability to recruit and retain the workforce needed to meet their missions.
Federal Employees Health Benefits	Health Benefits Policy Contract Administration	To provide Federal employees, retirees and their families with health benefits coverage to meet 1) their individual health needs and 2) the Federal Government's recruitment and retention needs.
Federal Employees Group Life Insurance	Life Insurance Policy Contract Administration	To offer to Federal employees, as part of their total employee benefits package, the opportunity to purchase group term life insurance without proving insurability and options (additional levels of coverage) to customize their group life insurance benefit to meet their individual and family needs; and  To be a part of a benefits package that is well-balanced and enables the Government to remain competitive with the private sector for highly qualified workers.
Center for Talent Services (CTS)	USAJOBS USA Staffing Technical Services Nationwide Testing Assessment Services Examining & Consulting Services Training & Management Assistance	To provide Federal agencies with relevant, cost-effective reimbursable human capital products and services, based upon merit system principles, needed to build a high-quality workforce and become high-performance organizations.
Merit System Compliance	Agency Audits Delegated Examining Unit Classification Appeals	To ensure that Executive agencies exercise their delegated personnel management authorities in accordance with merit system principles, Civil Service laws and regulations, and OPM standards.
Human Capital	Talent Leadership Capacity Performance Culture Strategic Alignment Overarching Issues	To promote an efficient and effective, merit-based Federal civil service.
Center for Leadership Capacity Services (CLCS)	Open Enrollment Programs Custom Programs President's Management Fellows	To provide Government leaders with the knowledge and tools to help organizations meet their leadership, management development, and succession planning needs.
Federal Investigative Services Division	Background Investigations	To carry out high-quality, timely background investigations which will be used by Federal agencies to determine individuals' suitability for Federal civilian, military or Federal contract employment, and to determine individuals' eligibility for access to classified national security information.

## Relationship between OPM's Strategic and Operational Plan and this Performance Budget

As stated previously, OPM's Strategic and Operational Plan 2006–2010 describes seven strategic objectives, each of which is supported by a series of operational goals. Objectives A and B focus on the outcomes OPM seeks for the Federal workforce. Objectives C and D focus on what OPM needs to achieve through Federal agencies, and the last three (Objectives E, F, and G), describe what OPM should accomplish internally.

The driving force of OPM's new Strategic and Operational Plan is the operational goals extending from the strategic objectives. The operational goals are straightforward, readily identifiable, and action-oriented. Each operational goal has a date by which it must be accomplished and is assigned to an executive "owner" within OPM. Each owner's operational goals are included in his or her Senior Executive performance agreement so that, under the new SES performance-based pay system, executive compensation is directly linked to successful execution of the operational goals. Finally, the status of the operational goals is available to OPM's customers, stakeholders and the public via the agency's website at [www.opm.gov/strategicplan/goals.asp](http://www.opm.gov/strategicplan/goals.asp). Thus, performance results are subject to the highest level of management attention to ensure achievement.

The operational goals are the specific and targeted actions OPM program, executive, and internal management offices will undertake in each of their respective program activities. By achieving these goals, OPM will improve performance as defined by the performance measures established in the PART assessments of its programs.





## Strategic Human Resources Policy Division

### SHRP Resource Summary by Strategic Objective (in millions; includes all resources)

Budgetary Resources	FY 2006 Enacted	FY 2007 Request	FY 2008 Request	FY 2007–08 Variance
Objective A –\$	\$3.803	\$3.465	\$3.323	(\$0.142)
FTE	27.4	27.5	25.4	(2.1)
Objective B –\$	\$10.032	\$9.145	\$8.772	(\$0.373)
FTE	75.2	74.6	66.7	(7.9)
Objective C –\$	\$3.975	\$3.757	\$3.361	(\$0.396)
FTE	31.8	30.1	22.1	(8.0)
Objective D –\$	\$6.163	\$5.670	\$5.974	\$0.304
FTE	44.7	43.2	43.5	0.3
Objective E –\$	\$1.961	\$1.722	\$1.887	\$0.165
FTE	9.0	8.3	11.8	3.5
Objective F –\$	\$0.351	\$0.424	\$0.313	(\$0.111)
FTE	2.7	3.2	2.3	(0.9)
Objective G –\$	\$0.037	\$0.032	\$0.022	(\$0.010)
FTE	0.1	0.1	0.1	0.0
<b>Total –\$</b>	<b>\$26.322</b>	<b>\$24.215</b>	<b>\$23.652</b>	<b>(\$0.563)</b>
<b>Total FTE</b>	<b>190.9</b>	<b>187.0</b>	<b>171.9</b>	<b>(15.1)</b>

**Strategic Objective A:****The Federal civilian workforce will be focused on achieving agency goals.**

<b>Program:</b> Human Capital	<b>Program Activity:</b> Performance Culture
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**Operational Goals:**

(A-2) Report on SES performance-based system results each calendar year.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
A culture of performance and accountability exists in all Federal agencies.	% of applicant systems whose SES performance plans are fully certified	5%	4%	3%	10%	10%
	% of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Assessment Accountability Tool (PAAT)	n/a	n/a	Data pending	10%	20%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses Annual \$		\$3.811	\$4.989	\$3.803	\$3.465	\$3.323
SHRP Salaries & Expenses Annual FTE		25.0	27.0	27.4	27.5	25.4

**Strategic Objective B:****The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.**

<b>Program:</b> Human Capital	<b>Program Activity:</b> Talent
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**Operational Goals:**

(B-12) Lay groundwork during FY 2007 for making more refined market adjustments to pay.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Agencies use recruitment and hiring flexibilities and improve the hiring process.	# of civil service employees in a performance-based pay system	n/a	61,504	82,826	90,000	115,000
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses Annual \$		\$4.619	\$6.042	\$4.609	\$4.103	\$3.994
SHRP Salaries & Expenses Annual FTE		31.4	33.1	33.1	33.0	29.9

**Program:**

Federal Employees Retirement, Federal Employees Health Benefits, and Federal Employees Group Life Insurance

**Program Activity:**

Retirement and Insurance Policy

**Operational Goals:**

(B-10) Promote affordable Federal Employees Health Benefits Program options, which may include additional health savings plan options, each year during strategic planning period.

(B-11) Include Government contributions to benefits in pay statement disclosures by October 1, 2007.

(B-13) Implement healthcare information technology initiatives, including price and quality transparency, pursuant to E.O. 13410. Include initiatives in FEHBP call letter by April 1, 2007.

(B-14) Develop legislation to offer Short-Term Disability Insurance to Federal employees. Proposal submitted to OMB by April 1, 2007.

(B-15) Issue 2007 FEHBP community rated reconciliation instructions by April 1, 2007. Partner with OIG to address community rating recommendations and issue 2008 FEHBP community rate instructions by April 30, 2007.

(B-19) OPM will strengthen requirements for Medicare Coordination of Benefits including making carriers liable to return uncollected claims overpayments where carriers' failure to act timely caused the nonrecovery. Carrier letter issued and contract language prepared for inclusion for next contract cycle by May 1, 2007.

(B-29) Implement plan to reduce FEHBP overpayments caused by carrier provider agreements which limit collection of refunds by September 1, 2007. Plan will be agreed to by the Office of the Inspector General.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Federal employee benefits are competitive and support agencies' efforts to recruit and retain the workforce they need to meet their mission.	% of new hires who say retirement, health benefits, and life insurance benefits are competitive and important in their decision to accept a Federal job	69	n/a *	75	n/a *	75
	% of tenured employees who say retirement, health benefits, and life insurance benefits are competitive and important in their decision to remain in a Federal job	70	n/a *	74	n/a *	77
	% of enrollees satisfied with retirement benefits	66	n/a *	66	n/a *	66
	% of enrollees satisfied with health insurance benefits	60	n/a *	60	n/a *	60
	% of enrollees (Federal employees) satisfied with life insurance benefits	62	n/a *	62	n/a *	62

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses \$	\$1.103	\$1.444	\$1.101	\$1.041	\$0.825
SHRP Salaries & Expenses FTE	7.2	7.6	7.7	7.8	5.6
SHRP Trust Fund Annual \$	\$2.837	\$3.642	\$3.697	\$3.376	\$3.322
SHRP Trust Fund Annual FTE	27.9	27.9	29.7	28.8	24.3
SHRP Dental/Vision \$	\$0.000	\$0.500	\$0.300	\$0.300	\$0.300
SHRP Dental/Vision FTE	0.0	1.0	3.0	3.0	3.0
SHRP Long-Term Care \$	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300
SHRP Long-Term Care FTE	1.0	1.0	2.0	2.0	1.6
SHRP FERCCA \$	\$0.000	\$0.000	\$0.025	\$0.025	\$0.030
SHRP FERCCA FTE	0.0	0.0	0.2	0.2	0.2

\* Data will not be collected in this fiscal year

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

**Program:** Human Capital  
**Program Activity:** Talent

**Operational Goals:**

(C-17) Implement an applicant assessment decision tool/guide by October 1, 2007.

(C-19) Draft and develop support for legislation allowing retirees to continue receiving annuity payments while performing part time Federal service by March 1, 2007.

(C-21) Design and Implement 21st century hiring flexibility educational tools to assist hiring officials and human resources professionals in all CHCO agencies by October 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Agencies use recruitment and hiring flexibilities and improve the hiring process.	Mission-Critical Competency Gap Closure Measure: # of agencies that meet their annual targets for closing mission-critical occupation/competency gaps	n/a	n/a	21 out of 26 agencies	20 out of 26 agencies	22 out of 26 agencies
	% of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	n/a	n/a	64%	60%	70%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses Annual \$		\$2.866	\$3.750	\$2.860	\$2.694	\$2.358
SHRP Salaries & Expenses Annual FTE		22.0	23.2	23.4	22.7	16.2

**Program:** Human Capital  
**Program Activity:** Leadership Capacity

**Operational Goals:**

(C-5) Update Executive Core Qualifications by October 1, 2006; complete development of enhanced automated examination tool by April 1, 2007.

(C-18) Co-host with agency partner(s) a thought leader forum to address SES performance and executive development by October 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Improved agency management of SES recruitment, development, and retention.	Leadership Gap Closure Measure: # of agencies that meet their annual targets for closing leadership competency gaps	n/a	n/a	13 out of 26 agencies	15 out of 26 agencies	18 out of 26 agencies
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses Annual \$		\$1.118	\$1.462	\$1.115	\$1.063	\$1.003
SHRP S&E Annual FTE		7.8	8.2	8.4	7.4	5.9

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

**Program:** Human Capital  
**Program Activity:** Overarching Issues

**Operational Goals:**

(D-11) Roll out results of the Federal Human Capital Survey report by March 1, 2007.

(D-11) Issue updated regulation guidance on use of Social Security Numbers on human resources records by December 1, 2007.

(D-23) Work with the CHCO Council to host and lead a new forum, including private sector thought leaders, for exploring innovative human resources practices by October 1, 2007, and each year thereafter.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Agency human capital systems are aligned with its Strategic Plan.	% of agencies that meet all 4 requirements of an effective strategic alignment system	42%	65%	88%	77%	85%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses Annual \$	\$6.178	\$8.081	\$6.163	\$5.670	\$5.974
SHRP Salaries & Expenses Annual FTE	42.5	44.8	44.7	43.2	43.5

**Strategic Objective E:**  
**OPM will be a model of performance for other Federal agencies.**

**Program:** Internal Management  
**Program Activity:** Internal Management

**Operational Goals:**

(E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top five agencies in the 2008 survey.

(E-13) Support Administration strategies to address pandemic threats throughout planning period.

(E-16) Receive an unqualified audit opinion and report no material weaknesses every year

(E-47) Comply fully with OMB circular A-123 and achieve unqualified assurance for agency control over financial reporting every year by October 1 for the period ending June 30.

(E-50) Convert current resource center to electronic based research capability by October 1, 2007.

(E-51) Develop and implement internal rotational/professional development program by October 1, 2007.

(E-57) Complete progress reviews for OPM employees by May 1, 2007 and every year thereafter except for new staff that have not been under standards the requisite period of time.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Trust Fund Annual \$	\$0.063	\$0.081	\$0.082	\$0.076	\$0.074
SHRP Trust Fund Annual FTE	0.6	0.6	0.7	0.6	0.5
SHRP Salaries & Expenses Annual \$	\$1.884	\$2.464	\$1.879	\$1.646	\$1.813
SHRP Salaries & Expenses Annual FTE	8.3	8.8	8.3	7.7	11.3

**Strategic Objective F:**

**OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.**

**Program:**

Federal Employees Retirement, Federal Employees Health Benefits, and Federal Employees Group Life Insurance

**Program Activity:**

Retirement Policy and Insurance Policy

**Operational Goals:**

(F-2) Introduce model cost transparency requirements for FEHBP providers effective for FY 2007.

(F-3) Report on health information technology requirements results for FEHBP providers during FY 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Trust Fund Annual \$	\$0.252	\$0.324	\$0.329	\$0.304	\$0.295
SHRP Trust Fund Annual FTE	2.5	2.5	2.6	2.6	2.2

**Program:**

Human Capital

**Program Activity:**

Performance Culture

**Operational Goals:**

(F-4) Identify two national professional organizations focusing on human resources policy, benefits and employee development and achieve leadership positions in them during FY 2006 and each year thereafter.

(F-6) Redesign Labor Agreement Information Retrieval System so users can search it using key words and terms, and create their own reports by October 1, 2007.

(F-7) Add to Labor Agreement Information Retrieval System database OPM's publication, Negotiability Determinations by the Federal Labor Relations Authority, including decisions through FY 2006 by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses Annual \$	\$0.022	\$0.029	\$0.022	\$0.120	\$0.018
SHRP Salaries & Expenses Annual FTE	0.1	0.1	0.1	0.6	0.1

**Strategic Objective G:**

**OPM will have constructive and productive relationships with external stakeholders.**

**Program:**

Internal Management

**Program Activity:**

Internal Management

**Operational Goals:**

(G-5) Identify at least one initiative per year to partner and implement beginning in 2006.

(G-14) Hold meetings to educate relevant congressional members and/or staff regarding OPM's legislative agenda during FY 2007.

(G-15) Educate interested parties—in and out of Government—about high-priority legislative initiatives during FY 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
SHRP Salaries & Expenses Annual \$	\$0.037	\$0.048	\$0.037	\$0.032	\$0.022
SHRP Salaries & Expenses Annual FTE	0.1	0.2	0.1	0.1	0.1

### Strategic Human Resources Policy Salaries and Expenses – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$14,310,000	\$14,370,000	\$60,000
Personnel benefits	\$3,361,000	\$3,367,000	\$6,000
Travel and transportation of persons	\$171,000	\$157,000	(\$14,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$107,000	\$118,000	\$11,000
Printing and reproduction	\$270,000	\$218,000	(\$52,000)
Other services	\$1,507,000	\$1,011,000	(\$496,000)
Supplies and materials	\$79,000	\$64,000	(\$15,000)
Equipment	\$30,000	\$26,000	(\$4,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$19,835,000</b>	<b>\$19,330,000</b>	<b>(\$505,000)</b>
FTE	150	138	(12)

### Strategic Human Resources Policy Trust Fund – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$2,892,000	\$2,940,000	\$48,000
Personnel benefits	\$740,000	\$744,000	\$4,000
Travel and transportation of persons	\$7,000	\$0	(\$7,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$5,000	\$0	(\$5,000)
Printing and reproduction	\$0	\$0	\$0
Other services	\$99,000	\$8,000	(\$91,000)
Supplies and materials	\$5,000	\$0	(\$5,000)
Equipment	\$9,000	\$0	(\$9,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$3,756,000</b>	<b>\$3,692,000</b>	<b>(\$64,000)</b>
FTE	32	27	(5)





## Human Capital Leadership and Merit Systems Accountability Division

### HCLMSA Resource Summary by Strategic Objective (in millions; includes all resources)

Budgetary Resources	FY 2006 Enacted	FY 2007 Request	FY 2008 Request	FY 2007–08 Variance
Objective A –\$	\$4.224	\$3.389	\$3.454	\$0.065
FTE	34.0	29.8	28.8	(1.0)
Objective B –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective C –\$	\$9.374	\$7.439	\$8.232	\$0.793
FTE	66.2	59.5	61.3	2.2
Objective D –\$	\$15.968	\$17.513	\$15.909	(\$1.604)
FTE	141.8	131.7	128.9	(2.8)
Objective E –\$	\$0.300	\$0.310	\$0.321	\$0.011
FTE	3.0	3.0	3.0	0.0
Objective F –\$	\$0.000	\$0.000	\$0.000	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective G –\$	\$0.000	\$0.000	\$0.000	\$0.000
FTE	0.0	0.0	0.0	0.0
<b>Total –\$</b>	<b>\$29.866</b>	<b>\$28.651</b>	<b>\$27.916</b>	<b>(\$0.735)</b>
<b>Total FTE</b>	<b>245.0</b>	<b>224.0</b>	<b>222.0</b>	<b>(2.0)</b>

**Strategic Objective A:*****The Federal civilian workforce will be focused on achieving agency goals.***

<b>Program:</b> Human Capital	<b>Program Activity:</b> Performance Culture
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**Operational Goals:**

(A-2) Report on SES performance-based pay system results each calendar year.

(A-3) Evaluate effectiveness of Department of Defense National Security Personnel System and Department of Homeland Security human resources management system; produce first implementation assessments by May 1, 2007.

(A-6) Monitor and report on demonstration projects at agencies by January 31, 2007, and update each year.

(A-7) Implement results-oriented performance culture strategy by October 1, 2007.

(A-8) Support agency requests to establish pay-for-performance demonstration projects throughout the strategic plan period.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
A culture of performance and accountability exists in all Federal agencies.	% of applicant systems whose SES performance plans are fully certified	5%	4%	3%	10%	20%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HCLMSA Salaries & Expenses Annual \$	\$4.306	\$4.874	\$4.224	\$3.388	\$3.454
HCLMSA Salaries & Expenses Annual FTE	30.2	29.9	34.0	29.8	28.8

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

**Program:** Human Capital  
**Program Activity:** Talent

**Operational Goals:**

(C-3) Begin to operate and hire in new career patterns environment by October 1, 2007, at all CHCO agencies and expand each year thereafter.

(C-4) Work with CHCO Council to roll out a more targeted (by learning institution, profession) job fair process in 2006 and expand it through Strategic Planning period.

(C-8) Decrease hiring decision time frames to 45 days from close of job announcement to date of offer for 50% of hires by the end of FY 2006, increasing by 10% each year thereafter to 90% in FY 2010.

(C-9) Improve hiring practices as measured by CHCO Council–approved applicant and manager surveys at a total of 8 CHCO agencies by 2007, 15 by 2008, and all agencies by 2010.

(C-11) Increase number of CHCO agencies using the USAJOBS position announcement template to 85% by December 31, 2006.

(C-20) Work with CHCO Council to set targets for closing competency gaps for acquisition workforce by December 1, 2007; close competency gaps in 15 CHCO agencies including OPM by October 1, 2008; and all CHCO agencies by October 1, 2009.

(C-21) Design and Implement 21<sup>st</sup> century hiring flexibility educational tools to assist hiring officials and human resources professionals in all CHCO agencies by October 1, 2007.

(C-22) Expand job fair/career day program to include community colleges by June 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Agencies use recruitment and hiring flexibilities and improve the hiring process.	Mission-Critical Competency Gap Closure Measure: # of agencies that meet their annual targets for closing mission-critical occupation/competency gaps	n/a	n/a	21 out of 26 agencies	20 out of 26 agencies	22 out of 26 agencies
	% of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	n/a	n/a	64%	60%	70%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HCLMSA Salaries & Expenses Annual \$		\$8.811	\$9.978	\$9.374	\$7.439	\$8.232
HCLMSA Salaries & Expenses Annual FTE		58.9	58.4	66.2	59.5	61.3

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

<b>Program:</b> Human Capital	<b>Program Activity:</b> Talent, Performance Culture, and Leadership Capacity
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**Operational Goals:**

(D-2) Improve performance management practices as measured by the Performance Assessment Accountability Tool at 8, 12, and 18 CHCO agencies during FY 2006, 2007, and 2008, respectively.

(D-22) Expand accountability report requirements to include the application of the SES performance-based pay system by April 1, 2007. Report on results by January 1, 2008.

(D-24) Work with CHCO council to host and lead a new forum, including private sector thought leaders, for exploring innovative human resources practices by October 1, 2007, and each year thereafter.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
A culture of performance and accountability exists in all Federal agencies.	% of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the PAAT	n/a	n/a	Establish baseline	10%	20%
	Leadership Gap Closure Measure: # of agencies that meet their annual targets for closing leadership competency gaps	n/a	n/a	13 out of 26 agencies	15 out of 26 agencies	18 out of 26 agencies
	Strategic alignment: % of agencies that meet all 4 requirements of an effective strategic alignment system	42%	65%	88%	77%	85%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HCLMSA Salaries & Expenses Annual \$		\$3.301	\$3.737	\$2.720	\$4.489	\$2.634
HCLMSA Salaries & Expenses Annual FTE		22.9	22.7	25.8	22.7	21.9

<b>Program:</b> Compliance	<b>Program Activity:</b> Agency Audits, Delegated Examining Unit Audits, and Classification Appeals
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**Operational Goals:**

(D-6) Implement a human capital accountability system, including compliance with Merit System Principles, laws, rules, and regulations in accordance with OPM standards at eight CHCO agencies by October 1, 2006; 16 by October 1, 2008; and all agencies by October 1, 2010.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
To ensure human resource programs are efficient, effective, and compliant with Merit System Principles.	# of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards	0	2	20	25	26
	% of agencies with violations of veterans' preference laws, rules, and regulations	40%	18%	21%	30%	30%
	% agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	79%	58%	78%	80%	80%
	% of classification and job-grading appeal decisions exceeding target time frames	12%	11%	9%	9%	9%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HCLMSA Salaries & Expenses Annual \$	\$12.907	\$13.470	\$13.248	\$13.024	\$13.275
HCLMSA Salaries & Expenses Annual FTE	105.0	102.0	116.0	109.0	107.0

**Strategic Objective E:**

**OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Internal Management
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**Operational Goals:**

(E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top five agencies in the 2008 survey.

(E-13) Support Administration strategies to address pandemic threats throughout planning period.

(E-49) Maintain prompt payment performance at 98% and improve non-FISD performance by 10% over 4th quarter FY 2006 results by October 1, 2007 and an additional 10% by October 1, 2008.

(E-57) Complete progress reviews for OPM employees by May 1, 2007 and every year thereafter except for new staff that have not been under standards the requisite period of time.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HCLMSA Salaries & Expenses Annual \$	\$0.280	\$0.291	\$0.300	\$0.310	\$0.321
HCLMSA Salaries & Expenses Annual FTE	3.0	3.0	3.0	3.0	3.0

## Human Capital Leadership and Merit Systems Accountability Salaries and Expenses – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$20,796,000	\$20,441,000	(\$355,000)
Personnel benefits	\$4,437,000	\$5,038,000	\$601,000
Travel and transportation of persons	\$953,000	\$802,000	(\$151,000)
Transportation of things	\$17,000	\$40,000	\$23,000
Communications, utilities, and rent	\$137,000	\$140,000	\$3,000
Printing and reproduction	\$129,000	\$100,000	(\$29,000)
Other services	\$1,847,000	\$1,014,000	(\$833,000)
Supplies and materials	\$166,000	\$149,000	(\$17,000)
Equipment	\$169,000	\$192,000	\$23,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$28,651,000</b>	<b>\$27,916,000</b>	<b>(\$735,000)</b>
FTE	224	222	(2)

## Human Resources Line of Business

### HR LOB Resource Summary by Strategic Objective (in millions; includes all resources)

Budgetary Resources	FY 2006 Enacted	FY 2007 Request	FY 2008 Request	FY 2007–08 Variance
Objective A –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective B –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective C –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective D –\$	\$40.824	\$36.349	\$46.852	\$10.503
FTE	16.0	18.0	17.0	(1.0)
Objective E –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective F –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective G –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
<b>Total –\$</b>	<b>\$40.824</b>	<b>\$36.349</b>	<b>\$46.852</b>	<b>\$10.503</b>
<b>Total FTE</b>	<b>16.0</b>	<b>18.0</b>	<b>17.0</b>	<b>(1.0)</b>

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

**Program:** Human Capital  
**Program Activity:** Strategic Alignment

**Operational Goals:**

- (D-7) Complete consolidation and migration of civilian payroll processing by October 1, 2008.  
 (D-9) Convert 50% of hard copy official personnel file to electronic format by October 1, 2008; increasing 20% per year thereafter to 90% by October 1, 2010.  
 (D11) Begin implementation of statistical data mart by October 1, 2007.  
 (D-14) Obtain commitments from 3 additional agencies for migration to HR LOB Shared Service Centers by October 1, 2007.  
 (D-15) Increase to 600,000 the total number (cumulative) of converted hard copy official personnel folders Governmentwide to electronic format by October 1, 2007.  
 (D-16) Develop a concept of operations for Entry On Duty System by April 1, 2007.  
 (D-17) Develop migration guidance for agency selection HR LOB public-private sector centers by March 1, 2007.  
 (D-18) Complete private sector Shared Service Centers operational capabilities requirements by April 1, 2007.  
 (D-19) Complete the final statement of work for private sector Shared Service Centers by April 1, 2007.  
 (D-20) Complete evaluation and selection of Shared Service Centers by October 1, 2007.  
 (E-21) Achieve full cost recovery annually for each Revolving Fund program

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Agency human capital systems are aligned with its Strategic Plan	# of agencies migrated to HR LOB Shared Service Centers (including the migration of additional human resources functions)	n/a	n/a	5 migrated	3	3
	% of hard copy official personnel files converted to electronic format	n/a	n/a	18%	33%	50%
	# of hard copy official personnel files converted to electronic format	n/a	n/a	326,065	600,000	900,000

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
Salaries & Expenses Annual \$	\$4.473	\$4.733	\$0.482	\$0.000	\$0.000
Salaries & Expenses No-Year \$	\$4.324	\$8.037	\$10.242	\$8.349	\$7.852
Salaries & Expenses No-Year FTE	11.0	11.0	11.0	13.0	13.0
Advancements & Reimbursements \$	\$0.000	\$2.100	\$2.100	\$0.000	\$0.000
HR LOB Revolving Fund \$	\$0.000	\$0.000	\$0.000	\$3.000	\$3.000
EHRI Revolving Fund \$	\$0.000	\$0.000	\$25.000	\$25.000	\$36.000
EHRI Revolving Fund FTE	0.0	0.0	5.0	5.0	5.0

OPM fully supports the President's Management Agenda initiative for Expanding Electronic Government. As described in the President's Management Agenda, the e-Gov initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently at a lower price. Instead of expensive "stove-piped" operations, agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs. OPM is managing partner for six of these initiatives and participating in eight others.



## E-Gov Projects in Which OPM Participates

Initiative	FY06 Agency Contributions (Includes In-Kind)	FY06 Agency Service Fees	FY07 Agency Contributions (Includes In-Kind)	FY07 Agency Service Fees	FY08 Agency Contributions (Includes In-Kind)	FY08 Agency Service Fees
Budget Formulation and Execution LOB	\$0	\$0	\$75,000	\$0	\$85,000	\$0
Business Gateway *	\$171,920	\$0	\$131,527	\$0	\$44,000	\$0
E-Rulemaking *	\$175,000	\$0	\$155,000	\$0	\$135,000	\$0
EHRI	\$6,913,170	\$0	\$6,983,000	\$100,000	\$5,991,000	\$137,000
E-Payroll	\$1,397,880	\$422,880	\$0	\$422,880	\$341,000	\$422,880
E-Travel	\$232,601	\$99,000	\$0	\$148,000	\$0	\$454,617
E-Authentication	\$450,000	\$0	\$0	\$0	\$65,217	\$0
E-Training	\$495,000	\$290,025	\$0	\$290,025	\$170,000	\$290,025
Financial Management LOB	\$83,333	\$0	\$83,333	\$0	\$44,444	\$0
Human Resources Management LOB	\$1,435,500	\$0	\$1,515,218	\$0	\$1,416,217	\$0
IT Infrastructure LOB	\$0	\$0	\$20,000	\$0	\$20,000	\$0
Integrated Acquisition Environment	\$17,306	\$0	\$24,569	\$0	\$12,155	\$0
USAJOBS	\$0	\$12,883	\$0	\$13,527	\$0	\$26,305
<b>OPM Total</b>	<b>\$11,371,710</b>	<b>\$824,788</b>	<b>\$8,987,647</b>	<b>\$974,432</b>	<b>\$8,324,033</b>	<b>\$1,330,827</b>

\* FY 2006 funds for Business Gateway and E-Rulemaking have not yet been remitted to the initiatives.

Benefits realized through the use of these initiatives are as follows:

**Budget Formulation and Execution (BFE) LOB (Managing Partner: Department of Energy).** OPM does not have an automated system to support its budget formulation and execution activities. The BFE LOB will enable agency and OMB budget personnel to reduce manual processes, improve efficiency and effectiveness, and redirect limited time to a backlog of high-priority analytical activities.

**Business Gateway (Managing Partner: Small Business Administration).** The Business Gateway Initiative benefits OPM by providing citizens with an additional access point to Government forms and compliance tools. At this time Business.gov contains links to 71 OPM guidance documents and forms.

**Budget Formulation and Execution LOB (Managing Partner: Department of Education).** This initiative benefits OPM because the BFE LOB plans to make at least one Government off-the-shelf budget formulation system available for purchase or use via a fee-for-service arrangement. OPM will be able to utilize the procurement guide that the BFE LOB plans to develop for use when an agency is beginning a budget system procurement. This guide will include a listing of agencies and their current budgeting systems, information on various budgeting systems that are currently available in the market place (both Government off-the-shelf and commercial off-the-shelf), and a decisional matrix that agencies can use in assessing budgeting systems. Additionally, agencies will have the ability to share lessons learned for budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government. In FY 2007, the BFE LOB will provide

all agencies with more information about collaboration tools and technologies that can ease communications in the Federal budget environment.

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

- **Contact center savings:** Savings are expected by the reduction of misdirected calls handled by OPM due to the use of Business.gov and Forms.gov.
- **Maintenance savings:** Business.gov's search technology will provide OPM with valuable user statistics and feedback, enabling it to simplify content management on its business compliance site.
- **Increased forms management:** By making 68 forms (to date) available on Forms.gov, OPM saves agency time in forms management, and is expected to produce significant savings in paper and postage.
- **Reduced burden on field offices:** By directing compliance-related inquiries to Business.gov, agencies with field offices will save training and staff-time dollars.
- **Data harmonization:** Every Federal agency should have or participate in at least one "vertical" opportunity. The Departments of the Interior and Labor together saved \$341,000 in the first three years of their vertical, and are expected to save \$570,000 over 5 years.

**E-Rulemaking (Managing Partner: Environmental Protection Agency).** OPM is tasked with building a high-quality and diverse Federal workforce. OPM works to ensure Federal agencies adopt human resources management systems that improve their ability to build successful organizations and use effective merit-based human capital strategies to create a rewarding work environment that accomplishes this mission. Regulatory actions are a critical part of OPM's work in meeting its mission. In 2004, OPM published 45 regulatory actions. A single online website utilized by e-Rulemaking, the Federal Docket Management System, enables OPM to improve public access to rulemaking material, provides a central location for the Federal workforce to find and comment on regulatory actions that affect their lives, reduces data storage costs for IT and other agency data to the Agency, and allows regulation writers an easy way to collaborate on development of regulations.

**Enterprise Human Resources Integration (Managing Partner: OPM).** Enterprise Human Resource Integration is a collaborative e-Government initiative to transform human resources processes from paper-based processes to electronic-based processes. Toward this end, EHRI established reporting requirements and standards for human resources data and records management and developed a consolidated EHRI data warehouse containing human resources data on all Executive branch civilian employees and a robust set of tools. EHRI also replaces the current paper official personnel folder with an electronic employee record for all Executive branch employees, resulting in significant savings from the elimination of paper folders. As the Managing Partner of EHRI, OPM benefits by reducing time and costs to retrieve personnel information across the Federal Government and through the improved analytical capabilities provided by the EHRI data warehouse of personnel statistics. The EHRI initiative supports OPM's overall mission of helping to build and maintain a high-quality Federal workforce through the deployment of tools and systems that better allow agencies to gather and assess personnel information. OPM will pay \$137,000 to the EHRI initiative in FY 2008 for the maintenance of its electronic personnel folders. This is in addition to the \$5.991 million OPM is requesting in appropriated funds to build and operate the initiative Governmentwide.

**E-Payroll (Managing Partner: OPM).** As the managing partner of the E-Payroll initiative, OPM is leading the effort to standardize payroll services and processes across the Federal Government. One of the principal goals of OPM is to assist Federal agencies to adopt human resources management systems that improve their ability to build successful, high-performance organizations. Additionally, OPM is a customer of the GSA for its own agency payroll processing services. By obtaining payroll processing services through one of the approved E-Payroll service providers, OPM does not need to spend funds to build and maintain separate payroll processing systems. Operating a separate system would be more expensive for OPM which would have to bear the costs of maintenance and future upgrades rather than sharing these costs with other Federal agencies. OPM expects to reimburse GSA \$422,880 for the payroll services GSA provides to OPM. This is separate from the \$341,000 OPM is requesting to operate the E-Payroll initiative as a Governmentwide program.

**E-Gov Travel (Managing Partner: GSA).** OPM is now scheduled to migrate its travel services to E-Gov Travel through a cross-service arrangement with the General Services Administration. This implementation is scheduled to begin during the 3<sup>rd</sup> quarter of FY 2007 and should be completed by the end of the fiscal year. When this migration is completed, OPM can provide more efficient and effective travel management services. The benefits include cost savings associated with cross-Government purchasing agreements and on-line booking, streamlined travel policies and processes, strict security and privacy controls, and enhanced agency oversight and audit capabilities. OPM employees also benefit through more efficient travel planning, authorization, and reimbursement processes. OPM plans to contribute \$454,617 in FY 2008 to the e-Travel initiative.

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

**E-Training (Managing Partner: OPM).** The initiative benefits the Federal Government, including OPM, by encouraging E-Training investments as part of a systematic and continuous development of Federal Government human capital and reduction in redundancies in the development and purchase of E-Training content through e-Training service providers. The e-Training initiative offers an easy, one-stop access to a robust, high-quality E-Training environment that leverages components of existing E-Training systems. By participating in E-Training as the managing partner, OPM furthers its mission to assist agencies in improving their ability to build successful, high-performance organizations. OPM will pay GoLearn, one of the e-Training service providers, \$290,025 in FY 2008 for maintenance of its Learning Management System. This is in addition to the \$170,000 OPM is requesting in appropriated funds to support the initiative Governmentwide.

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

**Human Resources Management Line of Business (Managing Partner: OPM).** The HR LOB initiative identifies and promotes the use of best-in-class systems and processes for administering back-office personnel functions for the Federal workforce. As managing partner of this initiative, OPM supports its mission to help agencies to build and maintain a high-quality and diverse Federal workforce. Agencies benefit through use of best-in-class human resources services and systems provided by one of the approved service providers, without the costs of developing and maintaining their own human resources systems. Employees benefit from improved human resources services. Other key benefits include improving the Governmentwide strategic management of human capital; providing a cost savings to the Government by allowing for the development and maintenance of a limited number of human resources systems across Government agencies; and achieving or increasing operational efficiencies in the acquisition, development, implementation, and operation of human resources management and supporting systems. OPM is requesting \$1.416 million of which \$1.351 million is requested in no-year appropriated funds to manage this initiative Governmentwide, and OPM's agency fee is \$65,217 for this activity.

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

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

**Recruitment One Stop (USAJOBS) (Managing Partner: OPM).** The USAJOBS initiative provides an online portal ([www.usajobs.gov](http://www.usajobs.gov)) through which citizens can easily search for employment opportunities throughout the Federal Government. This initiative has evolved from an innovative E-Gov Project to an overwhelmingly successful, fully operational, steady-state program. USAJOBS is a state-of-the-art recruitment system that simplified the Federal Job search process for both job seekers and agencies. Through [www.usajobs.gov](http://www.usajobs.gov), users have access to the following:

- A centralized repository for all competitive service job vacancies;
- Standardized online recruitment services; and
- Intuitive job searches including e-mail notifications for jobs of interest.

USAJOBS benefits the agencies by:

- Decreasing hiring time for managers;
- Reducing the delay associated with filing critical agency vacancies; and
- Enhancing competition with the private sector for the best and brightest for Federal Service.

## Human Resources Line of Business

### Salaries and Expenses – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$1,507,000	\$1,506,000	(\$1,000)
Personnel benefits	\$490,000	\$342,000	(\$148,000)
Travel and transportation of persons	\$57,000	\$43,000	(\$14,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$179,000	\$251,000	\$72,000
Printing and reproduction	\$12,000	\$3,000	(\$9,000)
Other services	\$5,780,000	\$5,545,000	(\$235,000)
Supplies and materials	\$82,000	\$22,000	(\$60,000)
Equipment	\$242,000	\$60,000	(\$182,000)
Land and structures	\$0	\$80,000	\$80,000
<b>Total</b>	<b>\$8,349,000</b>	<b>\$7,852,000</b>	<b>(\$497,000)</b>
FTE	13	13	0



## Human Resources Products and Services Division

### HRPS Resource Summary by Strategic Objective (in millions; includes all resources)

Budgetary Resources	FY 2006 Enacted	FY 2007 Request	FY 2008 Request	FY 2007–08 Variance
Objective A –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective B –\$	\$89.033	\$87.362	\$101.008	\$13.646
FTE	880.0	827.3	820.5	(6.8)
Objective C –\$	\$0.300	\$0.320	\$0.340	\$0.020
FTE	0.3	0.3	0.3	0.0
Objective D –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective E –\$	\$300.415	\$319.936	\$336.136	\$16.200
FTE	634.7	664.9	660.7	(4.2)
Objective F –\$	\$0.129	\$0.178	\$0.178	\$0.000
FTE	1.5	2.0	2.0	0.0
Objective G –\$	\$0.207	\$0.339	\$0.340	\$0.001
FTE	2.5	4.0	4.0	0.0
<b>Total –\$</b>	<b>\$390.084</b>	<b>\$408.135</b>	<b>\$438.002</b>	<b>\$29.867</b>
<b>Total FTE</b>	<b>1,519.0</b>	<b>1,498.5</b>	<b>1,487.5</b>	<b>(11.0)</b>

## Center for Retirement and Insurance Services

### Strategic Objective B:

**The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.**

<b>Program:</b>	<b>Program Activity:</b>
Federal Employees Retirement	Process Claims

#### Operational Goals:

(B-20) Make final 95% of disability retirement applications, on which the applicant's life expectancy is a year or less, within 10 days by March 2007.

Build and test the Retirement Systems Modernization program components in support of the February 2008 go-live objective.

(B-21) Make data element dictionary available for Government Shared Service Centers by January 31, 2007.

(B-22) Complete development of licensed technology – employee/client application by April 30, 2007.

(B-23) Begin RSM training by May 30, 2007.

(B-24) Develop licensed technology for GSA active employees by July 30, 2007.

(B-25) Complete Active Employee Folder imaging in the Retirement Operations Center by September 30, 2007.

#### Additional Means and Strategies:

In addition to the operational goals shown above, the Retirement Program will continue to achieve the performance standards achieved under the operational goals for FY 2006.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Benefits payments are timely, accurate, and delivered efficiently; annuitants are satisfied	% of initial claims processed within 30 days (FY 2006 Operational Goal)	n/a	n/a	91%	90%	90%
	Claims processing accuracy rate	93%	95%	89%	92%	Reestablish baseline*
	Claims processing unit cost	\$91.91	\$86.32	\$91.95	\$81.94	Reestablish baseline*
	Improper payment rate	0.38%	0.28%	0.44%	0.44%	0.44%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Fund \$		\$26.708	\$27.813	\$25.176	\$25.644	\$25.067
HRPS Trust Fund FTE		230.0	241.0	253.2	232.6	228.2
HRPS Trust Fund No-Year \$		\$23.169	\$7.184	\$0.000	\$0.000	\$9.600
HRPS Trust Fund No-Year FTE		6.0	6.0	8.0	8.0	12.0
HRPS Title V \$		\$11.462	\$11.665	\$14.273	\$15.224	\$15.785
HRPS Title V FTE		127.0	127.0	159.0	157.0	157.0
HRPS FERCCA \$		\$1.467	\$2.002	\$5.128	\$1.000	\$1.000
HRPS FERCCA FTE		7.0	7.0	10.0	4.0	7.8

\*A new baseline will be established based on the impact of RSM on claims processing.



<b>Program:</b> Federal Employees Retirement	<b>Program Activity:</b> Maintain Annuitant Payment Accounts
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**Operational Goals:**

(B-26) Mail 100% of Federal Erroneous Retirement Coverage Corrections Act (FERCCA) election packages to eligible annuitants and employees and close out cases for all annuitants and employees who are ineligible at this time by February 28, 2007; complete FERCCA project by August 30, 2007.

**Additional Means and Strategies:**

In addition to the operational goals shown above, the Retirement Program will continue to achieve the performance standards achieved under the operational goals for FY 2006.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Services delivered efficiently; annuitant rolls are accurate and current; annuitants are satisfied	% of change notices mailed within 10 working days (FY 2006 Operational Goal)	n/a	n/a	95%	80%	80%
	Customer services unit cost	\$6.63	\$5.37	\$4.54	\$4.63	Reestablish baseline*
	% increase in self-services **	n/a	n/a	57%	50%	50%
	% of customers satisfied with overall retirement services	94%	87%	83%	87%	87%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS CRIS Trust Fund \$	\$11.714	\$12.273	\$12.418	\$12.181	\$11.907
HRPS CRIS Trust Fund FTE	146.0	165.0	125.5	115.1	114.1
HRPS CRIS Trust Fund No-Year \$	\$11.772	\$2.989	\$0.000	\$0.000	\$4.750
HRPS CRIS Trust Fund No-Year FTE	3.0	3.0	5.0	5.0	5.0
HRPS CRIS Title V \$	\$11.251	\$5.092	\$6.261	\$6.702	\$6.949
HRPS CRIS Title V FTE	62.0	45.0	70.0	68.0	68.0
HRPS CRIS FERCCA \$	\$0.0	\$0.0	\$0.0	\$1.052	\$0.170
HRPS CRIS FERCCA FTE	0.0	0.0	0.0	5.0	2.0

\* A new baseline will be established based on the impact of RSM on claims processing.

\*\* Indicator modified to represent year-over-year increase in the number of self-service transactions performed by program customers.

**Program:**

Federal Employees Retirement

**Program Activity:**

Answer Retirement-related Inquiries

**Operational Goals:**

(B-28) Track returned 1099s, and follow up on those that are not subsequently requested by the beneficiary to determine appropriate further action by June 1, 2007.

**Additional Means and Strategies:**

In addition to the operational goals shown above, the Retirement Program will continue to achieve the performance standards achieved under the operational goals for FY 2006.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Responses delivered efficiently	% of inquiries answered within 72 hours (FY 2006 Operational Goal)	n/a	n/a	93%	85%	85%
	Call handling rate	97%	91%	84%	85%	82%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Fund \$		\$8.434	\$8.704	\$9.160	\$9.110	\$8.905
HRPS Trust Fund FTE		119.0	127.0	90.3	81.3	79.1
HRPS Trust Fund No-Year \$		\$1.542	\$0.366	\$0.000	\$0.000	\$0.650
HRPS Trust Fund No-Year FTE		1.0	1.0	2.0	2.0	3.0
HRPS Title V \$		\$3.636	\$6.388	\$4.510	\$5.074	\$5.261
HRPS Title V FTE		44.0	40.0	53.0	53.0	53.0
HRPS FERCCA \$		\$1.158	\$1.197	\$1.282	\$0.648	\$0.300
HRPS FERCCA FTE		2.0	3.0	3.0	3.0	2.2

**Program:**

Federal Employees Retirement

**Program Activity:**

Benefits Officers Training and Development

**Operational Goals:**

(B-18) Produce Retirement Process educational Video for Executive branch by April 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Agency benefits officers are trained and Federal employees knowledgeable concerning their benefits	% of benefits officers trained per year	n/a	n/a	47%	48%	50%
	% of customers who rate satisfaction with guidance material as very good or better	n/a	91%	81%	85%	85%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Funds Annual \$		\$0.630	\$0.874	\$0.624	\$0.638	\$0.623
HRPS Trust Funds Annual FTE		10.0	10.0	5.0	4.6	4.4
HRPS FERCCA \$		\$0.799	\$0.516	\$0.500	\$0.500	\$0.500
HRPS FERCCA FTE		4.0	4.0	4.0	4.0	4.0
HRPS Advances & Reimbursements \$		\$0.000	\$0.656	\$0.000	\$0.000	\$0.000
HRPS Advances & Reimbursements FTE		0.0	0.0	0.0	0.0	0.0

<b>Program:</b> Federal Employees Health Benefits & Dental Vision	<b>Program Activity:</b> Contract Administration
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**Operational Goals:**

(B-10) Promote affordable Federal Employees Health Benefits Program options, which may include additional health savings plan options, each year during strategic planning period.

(B-29) Implement plan to reduce FEHBP overpayments caused by carrier provider agreements which limit collection of refunds by September 1, 2007. Plan will be agreed to by the Office of the Inspector General.

(B-30) Issue guidance to assist FEHBP carriers in processing and paying Omnibus Budget Reconciliation Act of 1990 health claims correctly by March 1, 2007.

(B-19) OPM will strengthen requirements for Medicare coordination of benefits including making carriers liable to return uncollected claims overpayments where carriers' failure to act timely caused the nonrecovery. Carrier letter issued and contract language prepared for inclusion for next contract cycle by May 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs	Health benefits claims processing timeliness (% within 30 days)	95%	98%	97%	95%	95%
	Health benefits claims processing accuracy	95%	98%	98%	96%	96%
	Health benefits improper payment rate*	0.32%	0.31%	0.20%	0.20%*	0.20%*
	Overall customer satisfaction scores for enrollees in FEHBP plans meet or exceed industry standard	FEHBP: 70%; industry: 62%	FEHBP: 73%; industry: 64%	FEHBP: 73%; industry: 65%	FEHBP ≥ industry	FEHBP ≥ industry
	Accredited FEHBP plans	74%	78%	79%	>2006 level	>2007 level
	FEHBP customers satisfied with OPM's Open Season website**	76%	79%	43%**	79%	79%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Fund \$	\$8.389	\$8.083	\$7.770	\$7.648	\$7.476
HRPS Trust Fund FTE	90.0	90.0	82.0	73.0	71.1
HRPS Dental/Vision \$	\$0.000	\$0.212	\$0.700	\$0.700	\$0.834
HRPS Dental/Vision FTE	0.0	0.2	3.0	5.0	3.0

\* Targets may later be changed based on new estimating methodology being developed during FY 2007.

\*\*Performance dropped anomalously in FY 2006 because health plan brochures were not downloadable from OPM's open season website.

**Program:**

Federal Employees Group Life Insurance &amp; Other Insurance

**Program Activity:**

Contract Administration

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Federal employees have opportunity to purchase group term life insurance that provides financial protection to beneficiaries	FEGLI paid claims timeliness (days)	6.4	6.5	6.9	<Industry standard	<Industry standard
	FEGLI paid claims accuracy	99.6%	99.7%	99.7%	99.7%	99.7%
	Improper payment rate*	0.22%	0.17%	0.06%	0.1%*	0.1%*
	% of FLTCIP service calls answered within 20 seconds	88%	91%	88%	85%	85%
	FLTCIP Service Call Center handling rate	99%	99%	99%	97%	97%
	% of FLTCIP customers overall satisfied with customer service	95%	99%	97%	90%	90%
	# of employees participating in FSAFEDS	125,300	163,115	193,481	205,000	240,000
	% of "clean" FSAFEDS claims reimbursed within 5 business days	n/a	91%	95%	90%	90%
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Fund \$		\$0.383	\$0.437	\$0.422	\$0.432	\$0.422
HRPS Trust Fund FTE		4.0	4.0	3.0	2.7	2.6
HRPS Long-Term Care Trust Fund \$		\$0.247	\$0.455	\$0.700	\$0.700	\$0.700
HRPS Long-Term Care Trust Fund FTE		2.0	2.0	3.0	3.0	3.0
HRPS Salaries & Expenses Annual \$		\$0.048	\$0.800	\$0.109	\$0.109	\$0.109
HRPS Salaries & Expenses Annual FTE		1.0	1.0	1.0	1.0	1.0

\* Targets may later be adjusted to include deceased employees to the calculation of improper payments in the life insurance program.

**Strategic Objective E:**  
**OPM will be a model of performance for other Federal agencies.**

**Program:** Internal Management  
**Program Activity:** Internal Management

**Operational Goals:**

(E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top 5 agencies in the 2008 survey.

(E-13) Support Administration strategies to address pandemic threats throughout planning period.

(E-20) Review all FEHBP carriers for compliance with guiding principles at least once during the 2007–10 period.

(E-36) Develop method for routing and responding to general inquiry call by June 1, 2007.

(E-51) Develop and implement internal rotational/professional development program by October 1, 2007.

(E-53) Implement supervisory training for managers by October 1, 2007.

(E-57) Complete progress reviews for OPM employees by May 1, 2007 and every year thereafter, except for new staff that have not been under standards the requisite period of time.

(E-58) Implement new general inquiry call system by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Fund \$	\$0.000	\$0.000	\$0.000	\$0.536	\$0.523
HRPS Trust Fund FTE	0.0	0.0	0.0	3.7	3.5

**Strategic Objective F:**  
**OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.**

**Program:** Internal Management  
**Program Activity:** Internal Management

**Operational Goals:**

(F-3) Report on health information technology requirements results for FEHBP providers during FY 2007

(F-4) Identify two national professional organizations focusing on human resources policy, benefits and employee development and achieve leadership positions in them during FY 2006 and each year thereafter

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Fund \$	\$0.000	\$0.000	\$0.050	\$0.098	\$0.097
HRPS Trust Fund FTE	0.0	0.0	0.5	1.0	1.0

**Strategic Objective G:**  
**OPM will have constructive and productive relationships with external stakeholders.**

**Program:** Internal Management  
**Program Activity:** Internal Management

**Operational Goals:**

(G-5) Identify at least one initiative per year to partner with unions and employee advocacy groups and implement beginning in 2006.

(G-13) Update and inform relevant congressional members and staff regarding RSM during FY 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
HRPS Trust Fund \$	\$0.000	\$0.000	\$0.050	\$0.098	\$0.097
HRPS Trust Fund FTE	0.0	0.0	0.5	1.0	1.0

## Center for Talent Services

### Strategic Objective E:

**OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Talent Services	<b>Program Activity:</b> Talent Services
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#### Operational Goals:

(E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top 5 agencies in the 2008 survey.

(E-13) Support Administration strategies to address pandemic threats throughout planning period.

(E-21) Achieve full cost recovery annually for each Revolving Fund program.

(E-41) Develop a plan to expand Center for Talent Services Pilot Incentive program to include a quarterly individual/team sales recognition to incentivize business development in our reimbursable business by March 30, 2007; implement plan by July 1, 2007.

(E-51) Develop and implement internal rotational/professional development program by October 1, 2007.

(E-53) Implement supervisory training for managers by October 1, 2007.

(E-57) Complete progress reviews for OPM employees by May 1, 2007 and every year thereafter, except for new staff that have not been under standards the requisite period of time.

(E-58) Implement new general inquiry call system by October 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Effective and efficient staffing, training, assessment, and other human resources services that contribute to successful, high-performance organizations.	Full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes
	Agency acceptance rate of Training and Management Assistance project deliverables	99%	99%	99%	99%	99%
	Overall customer satisfaction with Talent's products and services*	84%	85%	85%	86%	86%
	CTS contribution to Government effectiveness	94%	98%	94%	≥96%	≥96%
	Repurchase intention on CTS products and services (CSS #11)	95%	96%	93%	≥96%	≥96%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
Salaries & Expenses Annual \$	\$2.300	\$3.299	\$2.700	\$1.881	\$1.677
Salaries & Expenses Annual FTE	11.0	27.0	11.0	17.0	10.0
CTS Revolving Fund Resources	\$148.000	\$156.420	\$208.764	\$218.679	\$231.676
CTS Revolving Fund FTE	489.0	489.0	516.0	533.0	535.0

\* Overall customer satisfaction with CTS products and services based on American Customer Satisfaction Index equivalent.

**Strategic Objective F:**

**OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.**

**Program:** Talent Services  
**Program Activity:** Talent Services

**Operational Goals:**

(F-4) Identify two national professional organizations focusing on human resources policy, benefits, and employee development and achieve leadership positions in them during FY 2006 and each year thereafter.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
CTS Revolving Fund Resources	n/a	n/a	\$0.079	\$0.080	\$0.081
CTS Revolving Fund FTE	n/a	n/a	1.0	1.0	1.0

**Strategic Objective G:**

**OPM will have constructive and productive relationships with external stakeholders.**

**Program:** Talent Services  
**Program Activity:** Talent Services

**Operational Goals:**

(G-5) Identify at least one initiative per year to partner and implement beginning in 2006.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
CTS Revolving Fund Resources	n/a	n/a	\$0.157	\$0.241	\$0.243
CTS Revolving Fund FTE	n/a	n/a	2.0	3.0	3.0

**USAJOBS****Strategic Objective C:**

**Federal agencies will be employers of choice.**

**Program:** Talent Services  
**Program Activity:** USAJOBS

**Operational Goals:**

(C-10) Increase number of CHCO agencies using the USAJOBS resume format and integrating online applications with their assessment systems to 50% by April 1, 2007; 75% by April 1, 2008; and 100% by April 1, 2010.

(C-11) Increase % of CHCO agencies using USAJOBS position announcement template to 85% by December 31, 2006.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Agency human capital systems are aligned with its Strategic Plan	% of CHCO agencies using the USAJOBS resume format and integrating online applications with their assessment systems	n/a	n/a	35%	50%	75%
	% of CHCO agencies using USAJOBS position announcement template	n/a	n/a	86%	85%	100%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
USAJOBS Revolving Fund resources	n/a	n/a	\$0.300	\$0.320	\$0.340
USAJOBS Revolving Fund FTE	n/a	n/a	0.3	0.3	0.3

**Strategic Objective E:**  
**OPM will be a model of performance for other Federal agencies.**

**Program:** Talent Services  
**Program Activity:** USAJOBS

**Operational Goals:**

(E-21) Achieve full cost recovery annually for each Revolving Fund program.

Budgetary Resources (\$ in millions)	FY 2004 Actual*	FY 2005 Actual*	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
USAJOBS Revolving Fund resources	\$3.790	\$4.167	\$7.970	\$8.040	\$8.260
USAJOBS Revolving Fund FTE	5.0	5.0	8.7	8.7	8.7

\*Salaries and Expenses portion funded through OPM HR LOB.

**Center for Leadership Capacity Services**

**Strategic Objective B:**  
**The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.**

**Program:** Leadership Capacity Services  
**Program Activity:** Leadership Capacity Services

**Operational Goals:**

(B-17) Work with CHCO Council to develop marketing and implementation guidance for agencies to maximize return on distance learning investments by October 1, 2007.

(B-27) Develop business case in CLCS for Candidate Development Program /succession planning by August 1, 2006.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
CLCS Revolving Fund \$	n/a	n/a	n/a	\$0.050	\$0.050
CLCS Revolving Fund FTE	n/a	n/a	n/a	0.5	0.5



**Strategic Objective E:**  
**OPM will be a model of performance for other Federal agencies.**

**Program:** Leadership Capacity Services  
**Program Activity:** Leadership Capacity Services

**Operational Goals:**  
(E-21) Achieve full cost recovery annually for each Revolving Fund program.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Offer Federal executives, managers, and supervisors high-quality training to meet the leadership, management development, and succession planning needs of their organizations and develop or renew their commitment to public service.	Overall customer satisfaction *	4.70	4.61	4.68	4.68	4.69
	Individual impact – % increase in perceived learning	41%	40%	40%	41%	43%
	Full-cost recovery	No	No	No	Yes	Yes
	Number of Presidential Management Fellow hires	403	366	355	400	413
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
CLCS Revolving Fund \$		\$45.000	\$46.000	\$46.800	\$47.150	\$48.250
CLCS Revolving Fund FTE		81.0	84.0	97.0	99.5	100.5

\* Based on a five-point scale.

**GoLearn**

**Strategic Objective E:**  
**OPM will be a model of performance for other Federal agencies.**

**Program:** Go-Learn  
**Program Activity:** Go-Learn

**Operational Goals:**  
(E-21) Achieve full cost recovery annually for each Revolving Fund program.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Support career development for the Federal workforce by increasing return on training investments.	Increased annual # of GoLearn courses completed (all Learning Management Systems)	178,207	136,878	2,009,267	2,100,000	2,300,000
	Increased # of eligible (registered) users of GoLearn sites	261,154	235,748	1,048,896	1,100,000	1,200,000
	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	No	Yes	Yes
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
GoLearn Revolving Fund \$		\$25.932	\$31.655	\$34.181	\$42.000	\$45.000
GoLearn Revolving Fund FTE		2.0	2.0	2.0	3.0	3.0

### Human Resources Products and Services Salaries and Expenses – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$1,139,000	\$1,039,000	(\$100,000)
Personnel benefits	\$141,000	\$129,000	(\$12,000)
Travel and transportation of persons	\$639,000	\$582,000	(\$57,000)
Transportation of things	\$12,000	\$5,000	(\$7,000)
Communications, utilities, and rent	\$34,000	\$19,000	(\$15,000)
Printing and reproduction	\$0	\$0	\$0
Other services	\$7,000	\$3,000	(\$4,000)
Supplies and materials	\$18,000	\$9,000	(\$9,000)
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$1,990,000</b>	<b>\$1,786,000</b>	<b>(\$204,000)</b>
FTE	18	11	(7)

### Human Resources Products and Services Trust Fund – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$33,785,000	\$34,314,000	\$529,000
Personnel benefits	\$9,363,000	\$9,517,000	\$154,000
Travel and transportation of persons	\$171,000	\$105,000	(\$66,000)
Transportation of things	\$20,000	\$10,000	(\$10,000)
Communications, utilities, and rent	\$2,854,000	\$2,142,000	(\$712,000)
Printing and reproduction	\$658,000	\$609,000	(\$49,000)
Other services	\$8,985,000	\$8,069,000	(\$916,000)
Supplies and materials	\$385,000	\$250,000	(\$135,000)
Equipment	\$164,000	\$100,000	(\$64,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$56,385,000</b>	<b>\$55,117,000</b>	<b>(\$1,268,000)</b>
FTE	515	505	(10)

**Human Resources Products and Services  
Trust Fund – No-Year  
Retirement Systems Modernization – Obligations by Object Class**

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$0	\$2,129,000	\$2,129,000
Personnel benefits	\$0	\$495,000	\$495,000
Travel and transportation of persons	\$0	\$20,000	\$20,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$0	\$0	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$0	\$12,356,000	\$12,356,000
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>
FTE	15	20	5



## Federal Investigative Services Division

### FISD Resource Summary by Strategic Objective (in millions; includes all resources)

Budgetary Resources	FY 2006 Enacted	FY 2007 Request	FY 2008 Request	FY 2007–08 Variance
Objective A –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective B –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective C –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective D –\$	\$0.000	\$66.055	\$34.685	(\$31.370)
FTE	0.0	57.0	57.0	0.0
Objective E –\$	\$673.628	\$845.331	\$948.391	\$103.060
FTE	1,923.0	2,295.9	2,296.9	1.0
Objective F –\$	\$0.000	\$0.049	\$0.051	\$0.002
FTE	0.0	0.1	0.1	0.0
Objective G –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
<b>Total –\$</b>	<b>\$673.628</b>	<b>\$911.435</b>	<b>\$983.127</b>	<b>\$71.692</b>
<b>Total FTE</b>	<b>1,923.0</b>	<b>2,353.0</b>	<b>2,354.0</b>	<b>1.0</b>

#### Strategic Objective D:

*Federal agencies will be recognized as leaders in having exemplary human resources practices.*

<b>Program:</b> Federal Investigative Services	<b>Program Activity:</b> Background Investigations
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#### Operational Goals:

(D-26) Develop capacity to transmit completed investigations electronically to all clearance granting agencies by October 1, 2007.

(D-27) Operate e-QIP with capacity to receive and process 100% of all national security investigation requests through FY 2007.

(D-28) Operate fingerprint transmission system with sufficient capacity to receive and process electronically generated fingerprints in lieu of hard cards (up to 100% of transmissions).

(D-11) Maintain completed investigations in an imaged format, with agency option for full electronic receipt by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
FISD Revolving Fund \$	n/a	n/a	n/a	\$66,055	\$34,685
FISD Revolving Fund FTE	n/a	n/a	n/a	57.0	57.0

**Strategic Objective E:**  
**OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Federal Investigative Services	<b>Program Activity:</b> Background Investigations
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**Operational Goals:**

- (E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top 5 agencies in the 2008 survey.
- (E-8) Maintain agency prompt payment performance at 98%; improve divisional performance (non-investigative services) 10% by October 1, 2006, and additional 10% by October 1, 2007.
- (E-13) Support Administration strategies to address pandemic threats throughout planning period.
- (E-21) Achieve full cost recovery annually for each Revolving Fund program.
- (E-24) Complete 90% of initial clearance investigations within an average of 40 days by end of 2009.
- (E-25) Complete 80% of all other investigations completed by predetermined deadline by end of 2007.
- (E-26) Achieve rate of no more than 1% of completed investigations returned as deficient from agency security/adjudication offices each year.
- (E-39) Support agency's HSPD-12 hiring investigative requirement of 90% advance results within an average of 10 days by October 1, 2007.
- (E-40) Achieve a total staffing level of 9,500 (Federal employee and contractor combined) if workload projections are realized by October 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
Carry out high-quality, timely background investigations for Federal agencies to determine individuals' suitability for Federal civilian, military or Federal contract employment, and determine eligibility for access to classified national security information.	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes
	Timely Investigations - initial clearances	43.5%	38.3%	50.4%	80% w/in an average of 90 days	80% w/in an average of 90 days
	Timely Investigations – All others	80.1%	84.2%	81.2%	80% w/in an average of a pre-determined number of days	80% w/in an average of a pre-determined number of days
	Case returns	.056%	.030%	.127%	<1%	<1%
	Aged inventory – 95 <sup>th</sup> percentile initial clearances	570	463	475	425	365
	Aged inventory –95 <sup>th</sup> percentile other clearances	994	552	650	575	475
	% customers satisfied with quality and service of its products, policies and guidance	96%	95%	92%	95%	95%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
FISD Revolving Fund \$	\$290,000	\$551,178	\$673,628	\$845.331	\$948.391
FISD Revolving Fund FTE	136.0	973.0	1,923.0	2,295.9	2,295.9

**Strategic Objective F:**

**OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.**

<b>Program:</b> Federal Investigative Services	<b>Program Activity:</b> Background Investigations
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**Operational Goals:**

(F-9) Conduct 6 educational programs for personnel security specialists on security and suitability topics by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
FISD Revolving Fund \$	n/a	n/a	n/a	\$0.049	\$0.051
FISD Revolving Fund FTE	n/a	n/a	n/a	0.1	0.1





## Management Services

### Management Services Resource Summary by Strategic Objective (in millions; includes all resources)

Budgetary Resources	FY 2006 Enacted	FY 2007 Request	FY 2008 Request	FY 2007–08 Variance
Objective A –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective B –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective C –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective D –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective E –\$	\$99.728	\$101.302	\$87.258	(\$14.044)
FTE	467.0	474.0	461.0	(13.0)
Objective F –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
Objective G –\$	–	–	–	\$0.000
FTE	0.0	0.0	0.0	0.0
<b>Total –\$</b>	<b>\$99.728</b>	<b>\$101.302</b>	<b>\$87.258</b>	<b>(\$14.044)</b>
<b>Total FTE</b>	<b>467.0</b>	<b>474.0</b>	<b>461.0</b>	<b>(13.0)</b>

## Management Services Division

### **Strategic Objective E:** **OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Management Services
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#### **Operational Goals:**

- (E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top five agencies in the 2008 survey.
- (E-8) Maintain agency prompt payment performance at 98%; improve divisional performance (non-investigative services) 10% by October 1, 2006, and an additional 10% by October 1, 2007.
- (E-13) Support Administration strategies to address pandemic threats throughout planning period.
- (E-50) Convert current resource center to electronic Web-based research capability by October 1, 2007.
- (E-51) Develop and implement internal rotational/professional development program by October 1, 2007.
- (E-52) Expand the performance management beta site by June 1, 2007.
- (E-53) Implement supervisory training for managers by October 1, 2007.
- (E-54) Begin to issue new HSPD-12 identification badges to current employees and contractors by October 1, 2007.
- (E-55) Finalize comprehensive space management plan for Theodore Roosevelt Building and implement for selected organizations by October 1, 2007.
- (E-56) Develop information technology roadmap and funding requirements to address future needs by June 1, 2007.)
- (E-57) Complete progress reviews for OPM employees by May 1, 2007 and every year thereafter except for new staff that have not been under standards the requisite period of time.
- (E-58) Implement new general inquiry call system by October 1, 2007.
- (E-59) Develop and implement a new employee orientation program by July 1, 2007.
- (E-60) Meet OMB data encryption requirements for protecting sensitive agency information
- Encrypt all OPM Blackberry devices by April 1, 2007.
  - Encrypt all OPM server backup tapes that leave OPM facilities by July 1, 2007.
  - Establish the policy, procedure, and infrastructure to encrypt data on OPM laptop computers by August 1, 2007.
  - Successfully complete field testing of laptop data encryption by October 1, 2007.
  - Develop and publish a privacy policy and OPM privacy training plan by October 1, 2007.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
OPM is a model of performance for other Federal agencies.	% of time computer network available during agreed-upon service hours	99%	99%	99%	99%	99%
	% of hires within 45-day model	60%	60%	81%	85%	85%
	Cost savings that result from competitions	\$2.1M	\$1.5M	\$2.7M	\$3.4M	\$3.4M
	% of existing OPM employees and contractors issued new Personal Identity Verification cards	n/a	n/a	n/a	n/a	50%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
MSD Salaries & Expenses Annual \$	\$0.000	\$0.000	\$0.575	\$0.000	\$0.000
MSD Salaries & Expenses Annual FTE	0.0	0.0	0.0	0.0	0.0
MSD Revolving Fund \$	\$0.000	\$0.000	\$3.040	\$3.990	\$4.322
MSD Revolving Fund FTE	0.0	0.0	37.0	37.0	37.0
MSD Common Services \$	\$57.651	\$59.488	\$60.057	\$63.550	\$52.071
MSD Common Services FTE	240.0	253.0	239.0	246.0	242.0
Title V \$	\$1.000	\$0.958	\$1.000	\$1.000	\$1.000
Title V FTE	3.0	3.0	3.0	3.0	3.0
Trust Funds Annual \$	\$7.322	\$7.463	\$7.425	\$6.880	\$6.573
Trust Funds Annual FTE	40.0	36.0	40.0	35.0	37.0

## Office of the Chief Financial Officer

### **Strategic Objective E:** **OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Financial Management
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#### **Operational Goals:**

- (E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top five agencies in the 2008 survey.
- (E-16) Receive unqualified audit opinion and report no material weaknesses every year.
- (E-66) Develop acquisition strategy to procure software, integration, and application hosting services for new accounting system by April 1, 2007.
- (E-67) Publish pre-solicitation notice on Fedbizops.gov of OPM's intent to conduct a public-private competition to procure software, integration, and application hosting services for new accounting system by May 1, 2007.
- (E-42) Redesign and implement the budget formulation process for the FY 2009 budget cycle by June 1, 2007.
- (E-43) Issue Request for Quotation for new accounting system by August 1, 2007.
- (E-44) Complete review of accounting system evaluation proposals by January 1, 2008.
- (E-45) Award accounting system contract by March 1, 2008.
- (E-17) Develop and implement activity-based costing information available to program managers by July 1, 2008.
- (E-46) Write-off long-standing balances in revolving fund from discontinued lines of business by September 1, 2007.
- (E-47) Comply fully with OMB Circular A-123 and achieve unqualified assurance for agency control over financial reporting every year by October 1 for the period ending June 30.
- (E-48) Initiate corrective actions for prompt pay process by March 1, 2007, and implement by July 1, 2007.
- (E-49) Maintain prompt payment performance at 98% and improve non-FISD performance by 10% over FY 2006 results by October 1, 2007, and an additional 10% by October 1, 2008.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
OPM is a model of performance for other Federal agencies	Independent auditors' opinion on annual financial statements	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	# of material weaknesses	0	0	0	0	0
	% of payments within Prompt Pay Act guidelines	99.0%	99.9%	99.9%	98.0%	98.0%

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	FY 2008 Request
OCFO Salaries & Expenses Annual \$	\$0.000	\$3.662	\$3.049	\$0.200	\$0.341
OCFO Salaries & Expenses Annual FTE	0.0	0.0	0.0	0.0	0.0
OCFO Revolving Fund \$	\$0.000	\$0.000	\$1.842	\$1.575	\$1.551
OCFO Revolving Fund FTE	0.0	0.0	8.0	10.0	10.0
OCFO Common Services \$	\$11.849	\$13.690	\$15.411	\$17.124	\$14.496
OCFO Common Services FTE	86.0	86.0	85.0	89.0	81.0
OCFO Trust Funds Annual \$	\$8.177	\$6.919	\$7.183	\$7.067	\$6.902
OCFO Trust Funds Annual FTE	60.0	55.0	55.0	54.0	51.0

### Office of the Chief Financial Officer Salaries and Expenses/Common Services – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$8,509,000	\$8,530,000	\$21,000
Personnel benefits	\$2,107,000	\$2,118,000	\$11,000
Travel and transportation of persons	\$29,000	\$25,000	(\$4,000)
Transportation of things	\$3,000	\$3,000	\$0
Communications, utilities, and rent	\$30,000	\$38,000	\$8,000
Printing and reproduction	\$72,000	\$70,000	(\$2,000)
Other services	\$6,452,000	\$3,962,000	(\$2,490,000)
Supplies and materials	\$61,000	\$66,000	\$5,000
Equipment	\$61,000	\$26,000	(\$35,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$17,324,000</b>	<b>\$14,837,000</b>	<b>(\$2,487,000)</b>
Internal advances & reimbursements	(\$9,529,000)	(\$8,101,000)	\$1,428,000
Total appropriated	\$7,795,000	\$6,736,000	
FTE	89	81	(8)

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

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$3,488,000	\$3,428,000	(\$60,000)
Personnel benefits	\$900,000	\$890,000	(\$10,000)
Travel and transportation of persons	\$5,000	\$4,000	(\$1,000)
Transportation of things	\$3,000	\$3,000	\$0
Communications, utilities, and rent	\$3,000	\$5,000	\$2,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$2,618,000	\$2,529,000	(\$89,000)
Supplies and materials	\$40,000	\$33,000	(\$7,000)
Equipment	\$10,000	\$11,000	\$1,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$7,067,000</b>	<b>\$6,903,000</b>	<b>(\$164,000)</b>
FTE	54	51	(3)

## Executive Services

### Executive Services Resource Summary by Strategic Objective (in millions; includes all resources)

Budgetary Resources	FY 2006 Enacted	FY 2007 Request	FY 2008 Request	FY 2007–08 Variance
Objective A –\$	\$0.000	\$0.100	\$0.090	(\$0.010)
FTE	0.0	0.1	0.1	0.0
Objective B –\$	\$0.000	\$0.195	\$0.175	(\$0.020)
FTE	0.0	1.5	1.5	0.0
Objective C –\$	\$0.000	\$0.500	\$0.400	(\$0.100)
FTE	0.0	6.0	4.0	(2.0)
Objective D –\$	\$0.000	\$0.500	\$0.320	(\$0.180)
FTE	0.0	1.5	1.5	0.0
Objective E –\$	\$11.159	\$8.517	\$7.775	(\$0.742)
FTE	78.0	61.9	50.9	(11.0)
Objective F –\$	\$0.300	\$1.650	\$1.200	(\$0.450)
FTE	2.0	5.0	4.0	(1.0)
Objective G –\$	\$1.729	\$1.896	\$1.890	(\$0.006)
FTE	14.0	14.0	14.0	0.0
<b>Total –\$</b>	<b>\$13.188</b>	<b>\$13.358</b>	<b>\$11.850</b>	<b>(\$1.508)</b>
<b>Total FTE</b>	<b>94.0</b>	<b>90.0</b>	<b>76.0</b>	<b>(14.0)</b>

### Office of the Director

#### Strategic Objective B:

*The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.*

Program:	Program Activity:
Human Capital	Talent

#### Operational Goals:

(B-16) Work with CHCO Council to identify best practices and tools to measure the impact of training on Federal employees by July 1, 2007.

(B-17) Work with CHCO Council to develop marketing and implementation guidance for agencies to maximize return on distance learning investments by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
Office of the Director Common Services \$	\$0.000	\$0.000	\$0.000	\$0.075	\$0.075
Office of the Director Common Services FTE	0.0	0.0	0.0	0.5	0.5

**Strategic Objective E:****OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services –Office of the Director
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**Operational Goals:**

(E-4) Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 Federal Human Capital Survey and among the top five agencies in the 2008 survey.

(E-8) Maintain agency prompt payment performance at 98%; improve divisional performance (non-investigative services) 10% by October 1, 2006, and an additional 10% by October 1, 2007.

(E-9) Complete all routine OPM clearances in 7 business days.

(E-13) Support Administration strategies to address pandemic threats throughout planning period.

(E-37) Implement release 2 of the Document Management System by March 1, 2007.

(E-38) Develop OPM Pandemic Exercise After Action Report by December 15, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
Office of the Director Common Services \$	\$4.093	\$4.093	\$3.729	\$2.521	\$2.174
Office of the Director Common Services FTE	33.0	33.0	27.0	25.0	20.0

**Strategic Objective F:****OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.**

<b>Program:</b> Human Capital	<b>Program Activity:</b> Talent
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**Operational Goals:**

(F-4) Identify two national professional organizations for human resources policy, benefits, and employee development and achieve leadership positions in them during FY 2006 and each year thereafter.

(F-5) Host and lead a new forum, including private sector leaders, for exploring innovative human resources practices during FY 2007 and each year thereafter.

(F-8) Conduct employee information road shows regarding possible pandemic influenza with Homeland Security Council, Department of Health and Human Services, Chief Human Capital Officers, and Federal Executive Board by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
Office of the Director Common Services \$	\$0.000	\$0.000	\$0.300	\$0.850	\$0.900
Office of the Director Common Services FTE	0.0	0.0	2.0	3.0	3.0

**Strategic Objective G:****OPM will have constructive and productive relationships with external stakeholders.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services – Office of the Director
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**Operational Goals:**

(G-5) Identify at least one initiative per year to partner and implement beginning in 2006.

(G-9) Communicate the CHCO Council's mission and successes with stakeholders, including Congress, the media, and employee advocacy groups and stakeholders quarterly – January 1, 2007, April 1, 2007, July 1, 2007, and October 1, 2007.

(G-10) Work with the CHCO Council to develop Federal employee guest lecturer program with post high school institutes of higher learning by May 1, 2007.

(G-11) Develop and implement a plan by February 1, 2007 to encourage OPM employees to serve others as outlined in President Bush's Executive Order on Volunteerism.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
Office of the Director Common Services \$	\$0.000	\$0.000	\$0.000	\$0.075	\$0.080
Office of the Director Common Services FTE	0.0	0.0	0.0	0.5	0.5

**Office of the General Counsel****Strategic Objective E:****OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services – General Counsel
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**Operational Goals:**

(E-30) Implement work instruction letter regarding legal representation by February 1, 2007.

(E-31) Educate OPM programs on new Federal civil procedure rules regarding e-discovery by February 1, 2007.

(E-32) Conduct informational General Counsel meetings with Associate Directors and Office Heads quarterly – January 1, 2007; April 1, 2007; July 1, 2007; and October 1, 2007.

(E-33) Develop standard operating procedures for the Office of General Counsel by August 1, 2007.

(E-34) Create a centralized Combined Federal Campaign database for the verification process that all Combined Federal Campaign participating charities appear on the Internal Revenue Service master file as tax-exempt 501(c) (3) charities by July 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OGC Common Services \$	\$4.204	\$5.287	\$4.849	\$4.391	\$4.199
OGC Common Services FTE	36.0	37.0	34.0	30.0	25.0

## Office of Communications and Public Liaison

### Strategic Objective A:

*The Federal civilian workforce will be focused on achieving agency goals.*

<b>Program:</b> Human Capital	<b>Program Activity:</b> Performance Culture
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#### Operational Goals:

(A-9) Produce addendum to strategic plan by February 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCPL Common Services \$	\$0.000	\$0.000	\$0.000	\$0.100	\$0.090
OCPL Common Services FTE	0.0	0.0	0.0	0.1	0.1

### Strategic Objective B:

*The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.*

<b>Program:</b> Human Capital	<b>Program Activity:</b> Performance Culture
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#### Operational Goals:

(B-18) Produce retirement process educational video for Executive branch by April 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCPL Common Services \$	\$0.000	\$0.000	\$0.000	\$0.120	\$0.100
OCPL Common Services FTE	0.0	0.0	0.0	1.0	1.0

### Strategic Objective C:

*Federal agencies will be employers of choice.*

<b>Program:</b> Human Capital	<b>Program Activity:</b> Talent
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#### Operational Goals:

(C-14) Produce and place 6 new recruitment advertisements by October 1, 2007.

(C-15) Identify and recommend new types of outlets for advertising by March 1, 2007. Develop implementation plan for selected outlets by April 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCPL Common Services \$	\$0.000	\$0.000	\$0.000	\$0.500	\$0.400
OCPL Common Services FTE	0.0	0.0	0.0	6.0	4.0



**Strategic Objective D:**

**Federal agencies will be recognized as leaders in having exemplary human resources practices.**

<b>Program:</b> Human Capital	<b>Program Activity:</b> Performance Culture
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**Operational Goals:**

(D-12) Roll out results of the Federal Human Capital Survey report by March 1, 2007.

(D-24) Work with the CHCO Council to host and lead a new forum, including private sector thought leaders, for exploring innovative human resources practices by October 1, 2007, and each year thereafter.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCPL Common Services \$	\$0.000	\$0.000	\$0.000	\$0.200	\$0.100
OCPL Common Services FTE	0.0	0.0	0.0	0.5	0.5

**Strategic Objective E:**

**OPM will be a model of performance for other Federal agencies.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services – Communications and Public Liaison
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**Operational Goals:**

(E-35) Redesign and implement THEO intranet website by May 1, 2007.

(E-36) Develop method for routing and responding to general inquiry calls by June 1, 2007.

(E-58) Implement new general inquiry call system by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCPL Common Services \$	\$2.861	\$2.861	\$2.581	\$1.605	\$1.402
OCPL Common Services FTE	16.7	16.7	17.0	6.9	5.9

**Strategic Objective F:**

**OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services – Communications and Public Liaison
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**Operational Goals:**

(F-8) Conduct employee information road shows regarding possible pandemic influenza with Homeland Security Council, Department of Health and Human Services, CHCO, and Federal Executive Board by October 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCPL Common Services \$	\$0.000	\$0.000	\$0.000	\$0.800	\$0.300
OCPL Common Services FTE	0.0	0.0	0.0	2.0	1.0

**Strategic Objective G:****OPM will have constructive and productive relationships with external stakeholders.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services – Communications and Public Liaison
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**Operational Goals:**

(G-5) Identify at least one initiative per year to partner and implement beginning in 2006.

(G-9) Communicate the CHCO Council's mission and successes with stakeholders, including Congress, the media, and employee advocacy groups and stakeholders quarterly – January 1, 2007, April 1, 2007, July 1, 2007, and October 1, 2007.

(G-11) Develop and Implement a plan by February 1, 2007 to encourage OPM employees to serve others as outlined in President Bush's Executive Order on Volunteerism.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCPL Common Services \$	\$0.000	\$0.000	\$0.000	\$0.100	\$0.075
OCPL Common Services FTE	0.0	0.0	0.0	0.5	0.5

**Office of Congressional Relations****Strategic Objective D:****Federal agencies will be recognized as leaders in having exemplary human resources practices.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services – Office of Congressional Relations
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**Operational Goals:**

(D-25) Complete the OCR records management project by May 1, 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCR Common Services \$	\$0.000	\$0.000	\$0.000	\$0.300	\$0.220
OCR Common Services FTE	0.0	0.0	0.0	1.0	1.0

**Strategic Objective G:****OPM will have constructive and productive relationships with external stakeholders.**

<b>Program:</b> Internal Management	<b>Program Activity:</b> Executive Services – Office of Congressional Relations
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**Operational Goals:**

(G-12) Hold initial meetings with relevant new Members of Congress and/or staff by March 1, 2007.

(G-13) Update and inform relevant Congressional Members and staff regarding RSM during FY 2007.

(G-14) Hold meetings to educate relevant Congressional Members and/or staff regarding OPM's legislative agenda during FY 2007.

(G-15) Educate interested parties – in and out of Government – about high-priority legislative initiatives during FY 2007.

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OCR Common Services \$	\$2.046	\$2.046	\$1.729	\$1.721	\$1.735
OCR Common Services FTE	16.0	16.0	14.0	13.0	13.0

## Federal Prevailing Rate Advisory Committee and President's Commission on White House Fellows

### Strategic Objective E:

*OPM will be a model of performance for other Federal agencies.*

Program: Internal Management	Program Activity: Executive Services – Federal Prevailing Rate Advisory Committee and President's Commission on White House Fellows					
	Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
Federal Prevailing Rate Advisory Committee Salaries & Expenses \$		\$0.230	\$0.230	\$0.230	\$0.205	\$0.231
Federal Prevailing Rate Advisory Committee Salaries & Expenses FTE		1.0	1.0	1.0	1.0	1.0
White House Fellows Salaries & Expenses \$		\$0.895	\$0.000	\$0.895	\$0.819	\$0.805
White House Fellows Salaries & Expenses FTE		6.0	6.0	6.0	5.0	5.0

### MSD Executive Offices, Rent and CFI Salaries and Expenses/Common Services – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$29,514,000	\$31,085,000	\$1,571,000
Personnel benefits	\$8,146,000	\$7,430,000	(\$716,000)
Travel and transportation of persons	\$415,000	\$313,000	(\$102,000)
Transportation of things	\$94,000	\$37,000	(\$57,000)
Communications, utilities, and rent	\$23,175,000	\$19,249,000	(\$3,926,000)
Printing and reproduction	\$314,000	\$103,000	(\$211,000)
Other services	\$41,993,000	\$25,981,000	(\$16,012,000)
Supplies and materials	\$841,000	\$443,000	(\$398,000)
Equipment	\$2,658,000	\$596,000	(\$2,062,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$107,150,000</b>	<b>\$85,237,000</b>	<b>(\$21,913,000)</b>
Internal advances & reimbursements	(\$43,393,000)	(\$36,279,000)	\$7,114,000
Total appropriated	\$63,757,000	\$48,958,000	
FTE	342	324	(18)

### MSD, Executive Offices, Rent and CFI Trust Fund – Obligations by Object Class

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$2,818,000	\$3,724,000	\$906,000
Personnel benefits	\$1,264,000	\$1,142,000	(\$122,000)
Travel and transportation of persons	\$5,000	\$5,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$10,653,000	\$10,837,000	\$184,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$5,423,000	\$5,020,000	(\$403,000)
Supplies and materials	\$15,000	\$25,000	\$10,000
Equipment	\$27,000	\$0	(\$27,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$20,205,000</b>	<b>\$20,753,000</b>	<b>\$548,000</b>
FTE	35	37	2

## Office of the Inspector General

### Program Overview

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

The IG Act requires that each OIG:

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

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

Specific activities include:

### Audits

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

**Community-Rated FEHBP Audits.** Conduct audits of community-rated health plans (comprehensive medical plans, commonly referred to as health maintenance organizations [HMOs]) participating in the FEHBP. The community-rated HMO audit universe covers approximately 180 rating areas. Audits of these plans are designed to ensure the plans assess the appropriate premium rates in accordance with their respective FEHBP contracts and applicable Federal regulations.

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

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

compliance with Government auditing standards and other authoritative references pertaining to OPM's financial statements.

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

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

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

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

## Investigations

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

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

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

## Administrative Sanctions

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

### FY 2008 Annual Goals and Performance Targets

<b>Program:</b> Inspector General	<b>Program Activity:</b> Oversight
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Annual Performance Goal 1: Provide independent oversight of agency programs, functions, and activities.

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
OPM is a model of performance for other Federal agencies	Return on investment	\$7	\$8	\$4.5	\$6	\$5
	Carrier audit cycle (years)	2.9	3.0	4.0	4.0	5.0
	FEHBP audit recovery rate	86.9%	95.0%	76%	75%	75%
	Positive financial impact	\$95.2M	\$121.7M	\$70M	\$110M	\$88.6M*
	# of carriers not audited within 5-year retention period	34	36	27	n/a*	n/a*
	Average FEHBP unaudited years	3.5	3.2	2.9	n/a	n/a

Budgetary Resources (\$ in millions)	FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OIG Trust Funds Annual \$	\$9.889	\$11.524	\$10.896	\$10.723	\$11.191
OIG Trust Funds Annual FTE	74.0	83.0	80.0	77.0	75.0
OIG Salaries & Expenses Annual \$	\$1.078	\$1.117	\$1.635	\$1.471	\$1.410
OIG Salaries & Expenses Annual FTE	7.0	9.0	16.0	13.0	13.0

\* The positive financial impact is calculated based on the average of the previous five years' actual results. The retention cycle for the number of carriers audited is changing to 6 years in FY 2007. Therefore, the current workload measure does not apply. Please refer to the carrier audit cycle for our existing workload measures.

**Program:**

Inspector General

**Program Activity:**

Enforcement

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

Program Outcome	Performance Measures	FY 2004 Result	FY 2005 Result	FY 2006 Result	FY 2007 Target	FY 2008 Target
OPM is a model of performance for other Federal agencies	# of arrests	7	38	53	36	26
	# of indictments	22	43	56	36	26
	# of convictions	25	20	43	18	10
	# of debarments and suspensions	3,797	2,279	1,300	900	900
	# of administrative sanction actions based on investigative referrals	n/a	n/a	(125)	(100)	(100)
	# of e-debarments	n/a	n/a	(175)	(50)	(50)
	# of administrative sanction actions based on HHS action	n/a	n/a	(1,000)	(750)	(750)
	# of administrative sanction fact-finding hearings	n/a	n/a	n/a	3	3
	# of debarment inquiry responses	3,731	5,037	4,511	2,800	2,800
Budgetary Resources (\$ in millions)		FY 2004 Actual	FY 2005 Actual	FY 2006 Enacted	FY 2007 Request	FY 2008 Request
OIG Trust Funds Annual \$		\$3.570	\$4.850	\$5.271	\$5.281	\$5.290
OIG Trust Funds Annual FTE		30.0	30.0	36.0	36.0	34.0
OIG Salaries & Expenses Annual \$		\$0.411	\$0.471	\$0.415	\$0.111	\$0.108
OIG Salaries & Expenses Annual FTE		2.0	2.0	4.0	1.0	1.0

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

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$979,000	\$931,000	(\$48,000)
Personnel benefits	\$293,000	\$281,000	(\$12,000)
Travel and transportation of persons	\$50,000	\$50,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$176,000	\$176,000	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$71,000	\$71,000	\$0
Supplies and materials	\$19,000	\$19,000	\$0
Equipment	\$10,000	\$10,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$1,598,000</b>	<b>\$1,538,000</b>	<b>(\$60,000)</b>
FTE	14	14	0



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

Object Class	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Personnel compensation	\$9,757,000	\$9,939,000	\$182,000
Personnel benefits	\$2,928,000	\$3,043,000	\$115,000
Travel and transportation of persons	\$955,000	\$955,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$1,543,000	\$1,542,000	(\$1,000)
Printing and reproduction	\$0	\$0	\$0
Other services	\$756,000	\$756,000	\$0
Supplies and materials	\$197,000	\$197,000	\$0
Equipment	\$30,000	\$30,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$16,166,000</b>	<b>\$16,462,000</b>	<b>\$296,000</b>
FTE	113	109	(4)



## Part 4 – Payment Accounts

### Payment Accounts\*

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

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

	FY 2006 Enacted	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Budget authority	\$8,360	\$8,615	\$9,138	\$523
Obligations	\$8,360	\$8,615	\$9,138	\$523
Outlays	\$8,339	\$8,601	\$9,085	\$484

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

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

The budget reflects savings from a proposed technical change to the FEHBP statute that would allow the Service Benefit Plan and Indemnity Benefit Plan the ability to offer more than two levels of benefits. This flexibility is already available to other existing FEHBP health plans. The budget also reflects savings from a proposal to reduce the amount of the Government contribution for new annuitants with less than 10 years of Federal service.

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

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

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

	FY 2006 Enacted	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Budget authority	\$40	\$41	\$41	0
Obligations	\$40	\$41	\$41	0
Outlays	\$39	\$42	\$41	(1)

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

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

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

	FY 2006 Enacted	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Budget authority	\$28,151	\$32,105	\$33,544	\$1,439
Obligations	\$28,151	\$32,105	\$33,544	\$1,439
Outlays	\$28,151	\$32,105	\$33,544	\$1,439

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

### Current Appropriation

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

## Permanent Indefinite Authorization

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

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

### Detail of Payment Account (in millions)

	FY 2006 Enacted	FY 2007 Estimate	FY 2008 Request	FY 2007–08 Variance
Current appropriation	\$10,698	\$10,532	\$10,523	(\$9)
Permanent indefinite authorization	\$17,452	\$21,573	\$23,021	\$1,448
Total	\$28,151	\$32,105	\$33,544	\$1,439



## Part 5 – Legislative Proposals

Included as part of the President's Fiscal Year 2008 Budget are a number of legislative proposals. The first proposal is intended to close the gap for employees who may have **short-term disability** needs, such as maternity leave, but are unable to do more than patch together various forms of annual, sick, advance, or donated leave to fulfill those needs.

There also is a need for agencies to be able to retain recently retired Federal employees to assist with short-term projects, such as employee training, or fill, on a part-time basis, critical skill gaps so agencies can meet their mission goals. By enacting a **reemployed annuitant** provision that would allow retirees to receive a salary plus their annuity, agencies would be able to meet their staffing needs.

Finally, we look forward to working with Congress on **improvements to current retirement and health care law** that would benefit Federal employees. Those improvements include the following:

- Allowing individuals to work on a part-time basis before retirement without having their CSRS annuity reduced;
- Clarifying the provision for crediting service of military disability;
- Expanding OPM's contracting authority to cover additional types of health plan products not currently in the FEHBP;
- Replacing non-foreign area COLAs with locality pay; and
- Reducing Government contributions to the health insurance premiums for new annuitants with less than 10 years of Federal service.

All legislative proposals will be transmitted separately.

### Civil Service Retirement and Disability Fund Proposals

#### Transition Non-Foreign COLAs to Locality Pay (in millions)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Pension benefits	(\$1.0)	(\$3.0)	(\$3.8)	(\$3.2)	(\$1.4)
Employee contributions	\$0.5	\$1.8	\$3.0	\$4.1	\$5.1
<b>Net Value</b>	<b>(\$0.5)</b>	<b>\$1.2</b>	<b>(\$0.8)</b>	<b>\$0.9</b>	<b>\$3.7</b>

#### Part-Time Pension Benefits under CSRS (in millions)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Pension benefits	\$3.0	\$8.0	\$11.0	\$14.0	\$17.0

## Federal Employees Health Benefits Legislative Proposals

### Offer Third Option in Service Benefit and Indemnity Plans (in millions)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Employee premiums	(\$38.0)	(\$37.0)	(\$12.0)	(\$6.0)	\$13.0
Health insurance benefit payments	(\$81.0)	(\$186.0)	(\$256.0)	(\$326.0)	(\$366.0)
<b>PAYGO savings</b>	<b>(\$119.0)</b>	<b>(\$223.0)</b>	<b>(\$268.0)</b>	<b>(\$332.0)</b>	<b>(\$353.0)</b>

### Pro-Rated Government Share of Health Benefits Premium for New Retirees with Less Than 10 Years of Service (in millions)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Government share of premiums	\$0.0	(\$1.0)	(\$2.0)	(\$3.0)	(\$4.0)
Annuitant share of premiums	\$0.0	\$1.0	\$2.0	\$4.0	\$5.0
<b>PAYGO savings</b>	<b>\$0.0</b>	<b>(\$1.0)</b>	<b>(\$2.0)</b>	<b>(\$3.0)</b>	<b>(\$4.0)</b>