

OFFICE OF PERSONNEL MANAGEMENT

Federal Funds

General and special funds:

SALARIES AND 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, **[\$119,498,000] \$131,291,000**, of which \$2,000,000 shall remain available until expended for the cost of the [enterprise human resources integration] *Enterprise Human Resources Integration* project[, and \$2,500,000]; **\$6,615,000** shall remain available until expended for the cost of leading the government-wide initiative to modernize the Federal payroll systems and service delivery [and \$2,500,000]; **\$800,000** shall remain available until expended for the cost of the *e-Human Resources Information System* project; **\$2,000,000** shall remain available until expended for the cost of the *e-Clearance* project; and **\$5,000,000** shall remain available through September 30, [2005] 2006 to coordinate and conduct program evaluation and performance measurement; and in addition **[\$135,914,000] \$128,462,000** 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 **[\$36,700,000] \$27,640,000** 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), [8909(g),] and 9004(f)(1)(A) and (2)(A) of title 5, United States Code: *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year [2004] 2005, accept donations of money, property, and personal services [in connection with the development of a publicity brochure]: *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. (*Division F, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Strategic HR policy	12	57	36
00.02 Human capital leadership and merit system accountability	23	30	31
00.03 HR products and services	117	129	117
00.04 Management services	70	74	86
00.05 Executive services	14	15	15
09.00 Reimbursable program	3	34	34
10.00 Total new obligations	239	339	319
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	11	26	.....

22.00 New budget authority (gross)	254	313	319
23.90 Total budgetary resources available for obligation	265	339	319
23.95 Total new obligations	-239	-339	-319
24.40 Unobligated balance carried forward, end of year	26	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	129	119	131
40.35 Appropriation permanently reduced	-1	-1	.....
43.00 Appropriation (total discretionary)	128	118	131
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	114	195	188
68.10 Change in uncollected customer payments from Federal sources (unexpired)	12	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	126	195	188
70.00 Total new budget authority (gross)	254	313	319
Change in obligated balances:			
72.40 Obligated balance, start of year	10	34	60
73.10 Total new obligations	239	339	319
73.20 Total outlays (gross)	-232	-313	-317
73.40 Adjustments in expired accounts (net)	22	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-12	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	7	.....	.....
74.40 Obligated balance, end of year	34	60	60
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	175	298	302
86.93 Outlays from discretionary balances	57	15	15
87.00 Total outlays (gross)	232	313	317
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-138	-195	-188
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-12	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	24	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	128	118	131
90.00 Outlays	94	118	129

It is OPM's mission to have a highly qualified and diverse Federal workforce, one based on merit system principles that America needs to guarantee freedom, promote prosperity, and ensure the security of this great Nation. The 2005 budget will allow OPM to help deliver on President Bush's promise to improve the Federal Government and provide the highest possible quality of service to the American taxpayers.

OPM responded to President Bush's call to make homeland security and the defeat of terrorism the Nation's top priority. OPM directed resources toward initiatives that had an immediate impact on the Government's ability to protect and defend our Nation and respond to emergencies, including the design and implementation of emergency hiring flexibilities and building the new Department of Homeland Security (DHS), which involved pulling together 170,000 employees from 22 different agencies.

Additionally, President Bush has identified the Strategic Management of (the Federal Government's) Human Capital as one of his Administration's top priorities and directed that OPM be responsible for making it happen. OPM is committed to the President's Management Agenda (PMA) and has made Federal agency performance in implementing the Strategic Management of Human Capital a measure of OPM's own success.

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

To ensure that OPM was organized to carry out its new roles and responsibilities, the agency successfully implemented a major overhaul and restructuring, aligning resources to Strategic Plan goals and reorganized 12 “stovepiped” components into four central divisions to form a more results-oriented structure to deliver results and value to the community of Federal agencies and the American people. 2004 is the first full year that OPM is operating in its new structure. The newly restructured OPM is providing more efficient service and better coordinated responses to the human capital needs of Federal agencies.

Building on this success, the 2005 budget will allow OPM to advance the agenda of supporting Federal employees and their work to protect National Security and implementing long-term human capital strategies that deliver results for the American people. Through its leadership in the Governmentwide effort to transform Human Capital Management, OPM is creating an environment in which agencies are held accountable for managing their workforce.

The functions and objectives of the restructured OPM are:

1. *Strategic Human Resources Policy (SHRP)*—strives to: (1) Ensure agencies use OPM policy and guidance to develop and maintain the capacity of their workforce to continue to meet and improve their strategic performance targets; (2) Implement new Human Resource systems; (3) Provide the Federal Government with a modern compensation system that is performance-oriented, market-sensitive, and assists Federal agencies in meeting their strategic goals; and (4) Increase the effectiveness and efficiency of the Federal hiring process and make Federal employment attractive to high-quality applicants of diverse backgrounds. In 2003, OPM helped set up the Department of Homeland Security and implemented other aspects of the Homeland Security and Chief Human Capital Officers Acts, all of which had an immediate impact on the Government’s capacity for homeland security and the war on terrorism. Also, OPM’s Recruitment One-Stop initiative, through which agencies can advertise job vacancies and job seekers can apply for these vacancies, expanded the capabilities of the USAJOBS Federal Employment Information System and became a single application point to streamline the Federal employment application process. During 2004, the Enterprise Human Resources Integration project will provide a model and supporting tools for workforce planning, analysis and forecasting to improve human capital management. In 2005, OPM will continue to lead the design, development, and implementation of innovative, flexible, merit-based human resource policies and strategies that will aid Federal agencies in adopting human resource management systems that improve their ability to build successful high performance organizations.

Program Performance.—As part of a larger effort to improve the hiring process, OPM will develop new and improved data collection methods to solicit input from new hires, employees, managers, and human capital staff in areas ranging from Federal hiring and pay/benefit systems to leadership, accountability, and workforce planning. Additionally, OPM will continue to implement changes to the Federal Employees Health Benefits Program (FEHBP) to maximize resources and obtain the flexibilities that produce the most cost beneficial benefits package.

2. *Human Capital Leadership and Merit System Accountability (HCLMSA)*—leads the transformation of Human Capital Management by providing technical support to Federal agencies so they can better accomplish their missions through effective human capital programs and practices that integrate technology and by measuring their results. OPM helped agen-

cies use new hiring flexibilities provided by the Homeland Security Act, such as direct-hire authority, category rating, academic degree training authority, and voluntary early retirement authority. In addition, OPM assisted agencies in their human capital management, which resulted in more agencies showing an improved status in PMA—Strategic Management of Human Capital (SMHC). OPM will continue to conduct periodic evaluations of agency human resource operations to assess compliance with merit system principles, law and regulations, including efficiency and effectiveness. OPM will hold agencies accountable for their efforts to diversify their workforce and uphold veterans’ preference. In addition, OPM will promote and manage innovative departmental and agency demonstration projects as well as consult with stakeholder groups to support the strategic management and transformation of human capital. OPM will also conduct feedback and action planning with focus groups and management to address opportunities identified through surveys. In 2005, OPM will continue to work with all agencies to help them implement further the PMA—SMHC and move their human capital scorecards toward “Green.” OPM will also work with agencies to address human capital competency gaps and knowledge transfer management, and to establish and implement agency accountability systems for human resources management that assess agency adherence to merit system principles and supporting requirements. Furthermore, OPM will ensure that agencies implement investigative policies and standards to ensure that Federal employees meet certain necessary suitability standards.

Program Performance.—OPM will develop an enhanced Federal Human Capital Survey (FHCS) to measure human capital accountability across Government. The FHCS will provide broad governmentwide indicators of the status of federal human capital that would benefit lawmakers, managers, employees, and citizens. OPM administered the FHCS in 2002 to over 200,000 employees. In 2005, OPM will improve upon the function and applicability of the FHCS to realize the full potential of the tool as a measure of Human Capital Transformation Accountability. Also, OPM will continue to train HR personnel to improve their counseling with employees and annuitants on federal benefit programs.

3. *Human Resources Products and Services (HRPS)*—is committed to: (1) Provide direct human capital products and services that are cost-effective, relevant and useful to agencies; (2) Facilitate retirement income security for Federal employees by making the transition from active employment to retirement seamless and expeditious; (3) Allow Federal employees, annuitants and their families to choose from among quality and fiscally responsible carriers to address their specific insurance needs.

During 2004, OPM will continue to reengineer the retirement systems. OPM will implement the full electronic exchange of information for imaging and convert existing employee retirement files to electronic format. By reengineering processes and updating technology, OPM will be able to deliver retirement services in a more timely, cost-efficient way while also expanding the number of services. Additionally, OPM will add functionality to a retirement benefits calculator and estimator tool that will process over 90% of the FERS workload and improve CSRS benefits calculation. OPM also will continue to provide Federal retirees and their dependents with health insurance benefits, and will upgrade telephone systems and supplement in-house staff capacity through contractor assistance to provide customer service to retirees. OPM will continue to provide a range of reimbursable products and services including recruitment, assessment, selection, and staffing to help agencies meet their human capital needs. OPM will ensure the fitness and suitability of applicants for, and appointees to, positions in the Federal service, including conducting background investigations for Federal agencies.

OPM will continue to negotiate and contract with private insurance companies to offer a flexible range of health insurance benefits, and will provide technical oversight, execution and maintenance of the newly offered Flexible Spending Accounts program.

Program performance.—OPM establishes annual performance goals and objectives designed to achieve long-term strategic goals. Customer service is measured through OPM's Customer Satisfaction Survey, surveys of attendees at conferences, workshops, and/or seminars, and feedback from users of the OPM website and email. Progress is monitored through program performance indicators.

The Retirement Systems Modernization (RSM) project is OPM's central strategy for meeting its long term retirement program customer service, financial management, business process, and workforce performance goals. OPM is moving from a paper-based to an electronic record keeping system. During 2003, the RSM project continued to work on implementation segments, electronic data planning and foundation elements. Two critical factors have influenced the course of this project: the need to evaluate and leverage recent advancements from e-Gov projects, and the need to thoroughly assess alternatives to implementing RSM.

In 2005, RSM will continue to capture and convert retirement-related paper and electronic data at the agencies as well as paper files at the Retirement Operations Center facility. RSM will begin to establish electronic portals to receive recurring feeds of agency data, as well as to move to production-level use of the Coverage Determination Application.

OPM processes 170,000 Civil Service and Federal Employees' Retirement System (CSRS and FERS) annuity and survivor claims annually. Since 2000, the processing time for interim annuity payments has been reduced from five days to an average of three days and in 2003, nearly 71 percent of interim payments were authorized within one to five days. As OPM leveraged technology investments to increase its claims processing capacity and efficiency, FERS claims processing times dropped from 185 days in 2000 to 82 days in 2003. OPM projects FERS claims processing times will be 76 days in 2005.

By constructing benefit choices that are comprehensive and competitive for Federal employees, OPM seeks to enable agencies to be competitive employers to recruit and retain talent needed to meet their missions. For 2004, OPM negotiated health insurance premiums in the Federal Employees Health Benefits Program (FEHBP) that were held below the national average increase and Federal employees will have 205 health plan choices. Beginning in 2004, Federal employees can review health insurance carriers' initiatives and programs for patient safety in addition to the decision-support tools and a plan-comparison feature available on the FEHBP website. Flexible Spending Accounts (FSAs) became available to Federal employees beginning July 1, 2003. The FSA program allows deductions from pretax salary of employees, which can be used to pay for eligible medical expenses and dependent-care expenses not covered under the Federal Employees Health Benefits Program. The program has nearly 120,000 Federal accounts with a third party administrator. To make sure that the FSA program remains competitive, OPM allows over-the-counter drugs and medicines, in accordance with IRS guidelines, to be covered under the program and has increased the FSA allowance for medical expenses to \$4,000 per year.

The Federal Long Term Care Insurance Program (FLTCIP) authorized under the Long-Term Care Security Act of 2000, has about 200,000 enrollees. The program features customized plans in the areas of coverage, benefits and waiting periods or participants have the choice of four pre-packaged plans. The program has been expanded to include new groups eligible to apply for this insurance, some District of Columbia

government employees, entitled Federal deferred annuitants and certain eligible reservists.

The Administration will work with stakeholders to better coordinate the Medicare and Federal Employees Health Benefits programs and look to the practice of the private sector to ensure high quality, cost-conscious choices for retirees. These important programs jointly finance health insurance for about 2 million Federal retirees and their dependents.

4. Management Services—Includes: OPM human resources, equal employment opportunity, security, facilities, telecommunications, publishing, acquisitions, information resources management, strategic planning and financial management to support all of OPM's goals. In 2005, this organization will continue to develop and enhance the evaluation function formed in 2004 to assess the use and impact of OPM programs in a unified and coordinated manner.

5. Executive Services—Includes: executive direction, legal advice and representation, public affairs, legislative activities, and the operating expenses of the President's commission on White House Fellows.

6. Reimbursable Programs.—OPM provides administrative, information resources management, and executive services to other OPM accounts on a reimbursable basis. OPM also performs a small amount of reimbursable work under the Economy Act at the request of other agencies.

Object Classification (in millions of dollars)

Identification code 24-0100-0-1-805	2003 actual	2004 est.	2005 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	106	117	117
11.3 Other than full-time permanent	5	7	7
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	115	128	128
12.1 Civilian personnel benefits	26	30	30
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	17	17	17
23.3 Communications, utilities, and miscellaneous charges	6	10	10
24.0 Printing and reproduction	2	2	2
25.2 Other services	62	107	87
26.0 Supplies and materials	2	3	3
31.0 Equipment	3	5	5
99.0 Direct obligations	236	305	285
99.0 Reimbursable obligations	3	34	34
99.9 Total new obligations	239	339	319

Personnel Summary

Identification code 24-0100-0-1-805	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,848	1,958	1,982
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	141	141	141

HUMAN CAPITAL PERFORMANCE FUND
(INCLUDING TRANSFER OF FUNDS)

For a human capital performance fund, **[\$1,000,000: Provided, That such amount shall not be available for obligation or transfer until enactment of legislation that establishes a human capital performance fund within the Office of Personnel Management:] as authorized by 5 U.S.C. 5408, \$300,000,000: Provided [further], That such amounts as determined by the Director of the Office of Personnel Management may be transferred to Federal agencies to carry out the purposes of this fund as authorized[: Provided further, That no funds shall be available for obligation or transfer to any Federal agency until the Director has notified the relevant subcommittees of jurisdiction of the Committees on Appropriations of the approval**

General and special funds—Continued

HUMAN CAPITAL PERFORMANCE FUND—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

of a performance pay plan for that agency, and the prior approval of such subcommittees has been attained] by 5 U.S.C. 5403. (Division F, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 24-0700-0-1-805	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Human capital performance fund		1	300
10.00 Total new obligations (object class 11.1)		1	300
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	300
23.95 Total new obligations		-1	-300
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		1	300
Change in obligated balances:			
73.10 Total new obligations		1	300
73.20 Total outlays (gross)		-1	-300
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		1	300
Net budget authority and outlays:			
89.00 Budget authority		1	300
90.00 Outlays		1	300

The Human Capital Performance Fund is designed to create performance-driven pay systems for employees and reinforce the value of employee performance management systems. It will provide additional pay over and above any annual, across-the-board pay raise to certain civilian employees based on individual or organizational performance and/or other critical agency human capital needs. Ninety percent of funds appropriated are to be distributed to agencies on a pro rata basis, upon OPM approval of an agency's plan. The remainder, and any amount withheld from agencies due to inadequate plans, will be allocated at the discretion of OPM.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, [\$1,498,000] \$1,627,000, and in addition, not to exceed [\$14,427,000] \$16,461,000 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. (Division F, H.R. 2673, Consolidated Appropriations Bill, FY 2004.)

Program and Financing (in millions of dollars)

Identification code 24-0400-0-1-805	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program activity	1	1	2
09.00 Reimbursable program	11	15	16
10.00 Total new obligations	12	16	18
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	12	16	18
23.95 Total new obligations	-12	-16	-18
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2	1	2
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	9	15	16

68.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
68.90 Spending authority from offsetting collections (total discretionary)	10	15	16
70.00 Total new budget authority (gross)	12	16	18
Change in obligated balances:			
73.10 Total new obligations	12	16	18
73.20 Total outlays (gross)	-10	-16	-18
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	10	16	18
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9	-15	-16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
Net budget authority and outlays:			
89.00 Budget authority	2	1	2
90.00 Outlays	1	1	2

This appropriation provides agency-wide audit, investigative, evaluation, inspection, and administrative sanction functions to identify management and administrative deficiencies that may create conditions for fraud, waste, abuse, and mismanagement. The audits function provides internal agency audit, insurance audit, contract audit, and information systems audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. Information systems audits review both general controls and application controls for the agency's systems and programs. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees. These Inspector General activities resulted in positive financial impacts of approximately \$116 million, 24 criminal convictions, and 3,827 administrative sanctions in 2002.

These Inspector General activities resulted in positive financial impacts of approximately \$40 million, 13 criminal convictions, and 3405 administrative sanctions in 2003.

Additional resources in 2004 will finance more audit staff, special agent criminal investigators, and improved information systems. OPM expects to reduce the audit cycle to 2.9 years for FEHBP carriers. Total recoveries are expected to increase by \$14 million annually.

In 2005, OPM will add audits of pharmacy benefit managers and expand the scope of audits for the largest community-rated health plans (comprehensive medical plans commonly referred to as health maintenance organizations) participating in FEHBP.

Object Classification (in millions of dollars)

Identification code 24-0400-0-1-805	2003 actual	2004 est.	2005 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	1	1	1
12.1 Civilian personnel benefits			1
99.0 Direct obligations	1	1	2
99.0 Reimbursable obligations	10	14	15
99.5 Below reporting threshold	1	1	1

99.9	Total new obligations	12	16	18
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Personnel Summary

Identification code 24-0400-0-1-805	2003 actual	2004 est.	2005 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	17	17	18
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	83	106	122

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary. (*Division F, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 24-0206-0-1-551	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Government contribution for annuitants benefits (1959 Act)	6,672	7,356	8,044
00.02 Government contribution for annuitants benefits (1960 Act)	2	2	2
10.00 Total new obligations (object class 13.0)	6,674	7,358	8,046
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	6,674	7,358	8,046
23.95 Total new obligations	-6,674	-7,358	-8,046
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	6,674	7,358	8,046
Change in obligated balances:			
72.40 Obligated balance, start of year	605	675	730
73.10 Total new obligations	6,674	7,358	8,046
73.20 Total outlays (gross)	-6,604	-7,303	-8,011
74.40 Obligated balance, end of year	675	730	765
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	5,999	6,628	7,281
86.98 Outlays from mandatory balances	605	675	730
87.00 Total outlays (gross)	6,604	7,303	8,011
Net budget authority and outlays:			
89.00 Budget authority	6,674	7,358	8,046
90.00 Outlays	6,604	7,303	8,011

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

The budget authority for this account recognizes the amounts being remitted by the U.S. Postal Service (USPS) to finance a portion of its post-1971 annuitants' health benefit costs.

	2003 actual	2004 est.	2005 est.
Annuitants:			
FEHB	1,836,789	1,863,000	1,890,000
(USPS non-add)	430,153	430,000	429,000
REHB	2,362	1,960	1,627
Total, annuitants	1,839,151	1,864,960	1,891,627

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary. (*Division F, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 24-0500-0-1-602	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Direct program activity	34	35	35
10.00 Total new obligations (object class 25.2)	34	35	35
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	34	35	35
23.95 Total new obligations	-34	-35	-35
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	34	35	35
Change in obligated balances:			
72.40 Obligated balance, start of year	4	4	4
73.10 Total new obligations	34	35	35
73.20 Total outlays (gross)	-34	-35	-35
74.40 Obligated balance, end of year	4	4	4
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	30	31	31
86.98 Outlays from mandatory balances	4	4	4
87.00 Total outlays (gross)	34	35	35
Net budget authority and outlays:			
89.00 Budget authority	34	35	35
90.00 Outlays	34	35	35

This appropriation finances the Government's share of premiums, which is one-third the cost, for Basic life insurance for annuitants retiring after December 31, 1989, and who are less than 65 years old.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund. (*Division F, H.R. 2673, Consolidated Appropriations Bill, FY 2004.*)

Program and Financing (in millions of dollars)

Identification code 24-0200-0-1-805	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.02 Payment of Government share of retirement costs	9,933	9,800	9,700
00.03 Transfers for interest on unfunded liability and payment of military service annuities	11,876	16,100	16,600
00.05 Spouse equity payment	69	70	72
10.00 Total new obligations	21,878	25,970	26,372
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	21,878	25,970	26,372
23.95 Total new obligations	-21,878	-25,970	-26,372
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	11,876	16,100	16,600
60.00 Appropriation	10,002	9,870	9,772
62.50 Appropriation (total mandatory)	21,878	25,970	26,372
Change in obligated balances:			
73.10 Total new obligations	21,878	25,970	26,372
73.20 Total outlays (gross)	-21,878	-25,970	-26,372
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	21,878	25,970	26,372
Net budget authority and outlays:			
89.00 Budget authority	21,878	25,970	26,372

General and special funds—Continued

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 24-0200-0-1-805	2003 actual	2004 est.	2005 est.
90.00 Outlays	21,878	25,970	26,372

Payment of Government share of retirement costs.—This payment amortizes increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases.

Transfers for interest on static unfunded liability and payment of military service annuities.—This transfer covers interest on the static unfunded liability and annuity disbursements attributable to military service.

Payments for spouse equity.—This payment provides survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage.

Object Classification (in millions of dollars)

Identification code 24-0200-0-1-805	2003 actual	2004 est.	2005 est.
12.1 Civilian personnel benefits	10,002	9,870	9,772
13.0 Benefits for former personnel	11,876	16,100	16,600
99.9 Total new obligations	21,878	25,970	26,372

Intragovernmental funds:

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24-4571-0-4-805	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
09.01 Talent services	96	130	136
09.02 Investigation services	391	641	849
09.03 Leadership capacity services	39	41	41
10.00 Total new obligations	526	812	1,026
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	81	170	170
22.00 New budget authority (gross)	610	812	1,026
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	696	982	1,196
23.95 Total new obligations	-526	-812	-1,026
24.40 Unobligated balance carried forward, end of year	170	170	170
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	428	812	1,026
68.10 Change in uncollected customer payments from Federal sources (unexpired)	182		
68.90 Spending authority from offsetting collections (total discretionary)	610	812	1,026
Change in obligated balances:			
72.40 Obligated balance, start of year	55	-61	-61
73.10 Total new obligations	526	812	1,026
73.20 Total outlays (gross)	-455	-812	-1,026
73.45 Recoveries of prior year obligations	-5		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-182		
74.40 Obligated balance, end of year	-61	-61	-61
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	455	812	1,026
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-428	-812	-1,026

88.95	Against gross budget authority only: Change in uncollected customer payments from Federal sources (unexpired)	-182	
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	27	

OPM's Revolving Fund supports the President's Management Agenda by fully or partially funding three e-Government projects: e-Clearance; e-Training; and Recruitment One-Stop. The Revolving Fund also provides financing on a reimbursable basis for several products and services to Federal agencies.

Talent Services.—OPM provides assistance to Government agencies in managing the development of training and human resources management solutions that meet their specific short-term and long-range objectives. This is accomplished through an expedited contracting process, which is managed by an experienced team of HR and contracting professionals. Much of the Training Management Assistance (TMA) workload supports development of training programs for anti-terrorism, emergency preparedness, and intelligence activities at the U.S. Customs Service, Department of Defense (DOD), U.S. Air Force, Federal Aviation Administration, Federal Emergency Management Agency, and the Immigration and Naturalization Service. About 250 programs are managed annually.

OPM delivers employment information, testing and recruiting services, automated staffing, and related human resource management services to Federal agencies nationwide. Nationwide testing involves work planning, scheduling, and administration of written examinations upon request from agencies including the DOD and the Department of Homeland Security.

Investigations.—Through contracts with private companies, OPM conducts National Agency Check and Inquiry cases and background security/suitability investigations for Federal agencies on a reimbursable basis through the Revolving Fund. When OPM is required to pay fees for national, State, or other records provided, agencies are also required to reimburse OPM for such fees through the Revolving Fund.

The Defense Authorization Act of 2004 provided OPM the option to accept a transfer of functions and personnel from the Department of Defense, Defense Security Service (DSS). The Director of OPM has statutory discretion to accept or decline full transfer of functions and personnel from DSS. No decision has been made at this time for a full transfer of functions in either 2004 or 2005. The figures that appear in the Budget Appendix are illustrative only if such a transfer occurs and are subject to change.

In 2004, OPM will partner with DSS to provide certain investigative services as an initial step toward building an integrated program. OPM agreed to accept for automated processing through the Revolving Fund over 350,000 new DSS requests for investigative services. In addition, OPM plans to enter into a reimbursable agreement with DSS to cover all costs associated with the use of OPM's automated processing infrastructure for field investigations and any training required for DSS staff.

OPM may accept a full transfer of activities and employees from DSS. OPM may provide a full range of services to DSS—including all accounting functions such as billings and collections—through a cross servicing agreement. All reimbursable investigative work and related functions such as billings, collections, and associated preparation and instruction on use of OPM systems will be completed by the OPM Federal staff or through contracts with private companies for investigative services, and will be carried out through the Revolving Fund.

This language appears concurrently in the DOD chapter of the Budget Appendix. In addition, the schedules/tables in the Appendix include a footnote qualifying the budget, workload and FTE estimates.

Leadership Capacity Services.—OPM conducts residential and nonresidential programs for Federal executives and managers to improve the effectiveness and efficiency of Federal programs.

WORKLOAD COUNT

	2003 actual	2004 est.	2005 est.
Participant training days	86,354	83,186	84,850
Background security investigations processed	101,022	273,655	273,655
National and special agency check and inquiry cases closed ..	419,230	1,021,212	1,021,212
Special agreement checks closed	548,856	271,838	271,838

Object Classification (in millions of dollars)

Identification code 24-4571-0-4-805	2003 actual	2004 est.	2005 est.
Personnel compensation:			
11.1 Full-time permanent	25	112	173
11.3 Other than full-time permanent	5	5	6
11.5 Other personnel compensation	2	7	13
11.9 Total personnel compensation	32	124	192
12.1 Civilian personnel benefits	8	9	41
21.0 Travel and transportation of persons	4	8	12
23.1 Rental payments to GSA	7	10	14
23.3 Communications, utilities, and miscellaneous charges ..	11	16	19
24.0 Printing and reproduction	2	2	3
25.2 Other services	451	626	723
26.0 Supplies and materials	3	7	11
31.0 Equipment	8	10	11
99.9 Total new obligations	526	812	1,026

Personnel Summary

Identification code 24-4571-0-4-805	2003 actual	2004 est.	2005 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	669	1,701	2,601

Resource levels, workload, and personnel estimates for FY 2004 and FY 2005 in this account reflect a transfer of DOD's Defense Security Service activities beginning in 2004 and completed in 2005 and are subject to change. No decision has been made at this time for any transfer of functions and employees.

Trust Funds

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Unavailable Receipts (in millions of dollars)

Identification code 24-8135-0-7-602	2003 actual	2004 est.	2005 est.
01.99 Balance, start of year	569,480	597,334	626,887
Receipts:			
02.00 Employee contributions, Civil service retirement and disability	4,004	4,087	3,990
02.01 District of Columbia contributions, Civil service retirement and	53	46	42
02.02 Employee deposits, redeposits and other contributions, Civil ser	518	543	569
02.40 Agency contributions, Civil service retirement and disability fu	11,288	11,566	12,769
02.41 Postal Service agency contributions, Civil service retirement an	3,331	4,101	4,187
02.42 Postal Service supplemental contributions, Civil service retirem .....	.....	263	263
02.43 FFB, TVA, and USPS interest, Civil service retirement and disabili	1,932	.....	.....
02.44 Treasury interest, Civil service retirement and disability fund	35,329	36,035	37,926
02.45 General fund payment to the civil service retirement and disabili	21,878	25,970	26,372
02.46 Re-employed annuitants salary offset, Civil service retirement a	33	34	36
02.99 Total receipts and collections	78,366	82,645	86,154
04.00 Total: Balances and collections	647,846	679,979	713,041
Appropriations:			
05.00 Civil service retirement and disability fund	- 87	- 124	- 116
05.01 Civil service retirement and disability fund	-78,278	-82,521	-86,038

05.02 Civil service retirement and disability fund	27,853	29,553	30,944
05.99 Total appropriations	-50,512	-53,092	-55,210
07.99 Balance, end of year	597,334	626,887	657,831

Program and Financing (in millions of dollars)

Identification code 24-8135-0-7-602	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
00.01 Annuities	50,102	52,664	54,792
00.02 Refunds and death claims	291	276	275
00.03 Administration—operations	113	146	139
00.04 Transfer to MSPB	3	3	.....
00.05 Administration—OIG	3	3	4
10.00 Total new obligations	50,512	53,092	55,210
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	50,512	53,092	55,210
23.95 Total new obligations	-50,512	-53,092	-55,210
New budget authority (gross), detail:			
Discretionary:			
40.26 Appropriation (trust fund)	87	124	116
Mandatory:			
60.26 Appropriation (trust fund)	78,278	82,521	86,038
60.45 Portion precluded from balances	-27,853	-29,553	-30,944
62.50 Appropriation (total mandatory)	50,425	52,968	55,094
70.00 Total new budget authority (gross)	50,512	53,092	55,210
Change in obligated balances:			
72.40 Obligated balance, start of year	4,258	4,402	4,664
73.10 Total new obligations	50,512	53,092	55,210
73.20 Total outlays (gross)	-50,368	-52,830	-55,033
74.40 Obligated balance, end of year	4,402	4,664	4,841
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	87	124	116
86.97 Outlays from new mandatory authority	46,023	48,304	50,253
86.98 Outlays from mandatory balances	4,258	4,402	4,664
87.00 Total outlays (gross)	50,368	52,830	55,033
Net budget authority and outlays:			
89.00 Budget authority	50,512	53,092	55,210
90.00 Outlays	50,368	52,830	55,033
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	573,713	601,709	631,547
92.02 Total investments, end of year: Federal securities: Par value	601,709	631,547	662,668

This fund: (1) Pays annuities to retired employees or their survivors; (2) makes refunds to separated employees for amounts withheld and to beneficiaries of employees who died before retirement or before annuities equaled the amount withheld; and (3) pays expenses of the Office of Personnel Management for administering the program.

The fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

CSRS is basically a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a thrift savings plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS.

The Budget proposes that the United States Patent and Trademark Office (PTO) will fund the full cost for retirement pay for PTO's employees covered under the Civil Service Retirement System.

	2003 actual	2004 est.	2005 est.
Active employees	2,661,997	2,660,000	2,660,000
Annuitants:			
Employees	1,757,673	1,790,235	1,823,261
Survivors	632,004	633,549	634,675
Total, annuitants	2,389,677	2,423,784	2,457,936

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

Status of Funds (in millions of dollars)

Identification code 24-8135-0-7-602	2003 actual	2004 est.	2005 est.
Unexpended balance, start of year:			
0100 Treasury balance	26	28	8
U.S. Securities:			
0101 Par value	573,713	601,709	631,547
0102 Unrealized discounts	-2	-2	-4
0199 Total balance, start of year	573,738	601,736	631,551
Cash income during the year:			
Current law:			
Receipts:			
1200 Employee contributions, Civil Service Retirement and Disability Fund	4,004	4,087	3,990
1201 District of Columbia contributions	53	46	42
1202 Employee deposits, redeposits, and voluntary contributions	518	543	569
Offsetting receipts (intragovernmental):			
1240 Agency contributions, Civil Service Retirement and Disability Fund	11,288	11,566	12,769
1241 Postal Service agency contributions, Civil Service Retirement and Disability Fund	3,331	4,101	4,187
1242 Postal Service supplemental contributions, Civil Service Retirement and Disability Fund		263	263
1243 Federal Financing Bank interest, Civil Service Retirement and Disability Fund	1,932		
1244 Treasury interest, Civil Service Retirement and Disability Fund	35,329	36,035	37,926
1245 General fund payment to the Civil Service Retirement and Disability Fund	21,878	25,970	26,372
1246 Re-employed annuitant salary offset, Civil Service Retirement and Disability Fund	33	34	36
1299 Income under present law	78,366	82,645	86,154
Cash outgo during year:			
Current law:			
4500 Payment of claims to retired employees	-42,018	-44,102	-45,853
4500 Payment of alternative annuity refunds	-4	-4	-4
4500 Payment of claims to survivor annuitants	-7,951	-8,296	-8,759
4500 Lump sum payments to estates or beneficiaries of deceased annuitants and employees	-153	-163	-171
4500 Refunds to living separated employees	-123	-113	-104
4500 Administration—Operations	-116	-149	-139
4500 Administration—OIG	-3	-3	-4
4599 Outgo under current law (-)	-50,368	-52,830	-55,033
Unexpended balance, end of year:			
8700 Uninvested balance	28	8	8
Federal securities:			
8701 Par value	601,709	631,547	662,668
8702 Unrealized discounts	-2	-4	-4
8799 Total balance, end of year	601,736	631,551	662,672

Object Classification (in millions of dollars)

Identification code 24-8135-0-7-602	2003 actual	2004 est.	2005 est.
25.2 Other services	119	152	143
42.0 Insurance claims and indemnities	50,102	52,664	54,792
44.0 Refunds and death claims	291	276	275
99.9 Total new obligations	50,512	53,092	55,210

EMPLOYEES LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 24-8424-0-8-602	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
09.01 Regular program premiums	1,186	1,217	1,274
09.02 Optional program premiums	831	847	885
09.03 Beneficial program premiums	3	2	2
09.04 Administration	1	2	2
09.05 Long term care administration	1	1	1
10.00 Total new obligations (object class 25.2)	2,022	2,069	2,164
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	24,595	26,039	27,674
22.00 New budget authority (gross)	3,466	3,703	3,724

23.90 Total budgetary resources available for obligation	28,061	29,742	31,398
23.95 Total new obligations	-2,022	-2,069	-2,164
24.40 Unobligated balance carried forward, end of year	26,039	27,674	29,235

New budget authority (gross), detail:

Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	2	2
Mandatory:			
69.00 Offsetting collections (cash)	3,498	3,702	3,721
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-33	-1	1
69.90 Spending authority from offsetting collections (total mandatory)	3,465	3,701	3,722
70.00 Total new budget authority (gross)	3,466	3,703	3,724

Change in obligated balances:

72.40 Obligated balance, start of year	210	243	258
73.10 Total new obligations	2,022	2,069	2,164
73.20 Total outlays (gross)	-2,022	-2,053	-2,151
74.00 Change in uncollected customer payments from Federal sources (unexpired)	33	1	-1
74.40 Obligated balance, end of year	243	258	270

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1	2	2
86.93 Outlays from discretionary balances	210		
86.97 Outlays from new mandatory authority	1,811	2,051	2,149
87.00 Total outlays (gross)	2,022	2,053	2,151

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions	-428	-481	-508
88.20 Interest on Federal securities	-1,355	-1,417	-1,317
88.40 Regular program	-696	-739	-784
88.40 Optional program	-1,020	-1,067	-1,114
88.90 Total, offsetting collections (cash)	-3,499	-3,704	-3,723
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	33	1	-1

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-1,477	-1,651	-1,572

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	25,350	26,778	27,749
92.02 Total investments, end of year: Federal securities:			
Par value	26,778	27,749	29,322

This fund finances payments to private insurance companies for Federal employees' group life insurance and expenses of the Office of Personnel Management in administering the program.

The Budget proposes that the United States Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

Budget program.—The status of the basic (regular and optional) life insurance program on September 30 is as follows:

Life insurance in force (in billions of dollars):	2003 actual	2004 est.	2005 est.
On active employees	523.8	523.5	523.5
On retired employees	56.6	58.2	59.7
Total	580.4	581.7	583.2

Number of participants (in thousands):

Active employees	2,443	2,442	2,442
Annuitants	1,583	1,630	1,679
Total	4,026	4,072	4,121

Financing.—Non-Postal Service employees and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies pay the remaining third. Optional and certain post-retirement Basic coverages are paid entirely by enrollees. The status of the reserves at the end of the year is as follows:

Status of Reserves	2003 actual	2004 est.	2005 est.
Held in reserve (in millions of dollars):			
Contingency reserve	100	100	100

Beneficial association program reserve	1	1	1
U.S. Treasury reserve	26,778	27,765	29,349
Total reserves	26,879	27,866	29,450

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

Program and Financing (in millions of dollars)

Identification code 24-9981-0-8-551	2003 actual	2004 est.	2005 est.
Obligations by program activity:			
09.01 Benefit payments	25,078	28,569	30,926
09.02 Payments from OPM contingency reserve	176	250	250
09.03 Government payment for annuitants (1960 Act)	2	2	2
09.04 Administration—operations	14	15	15
09.05 Administration—OIG	8	11	13
10.00 Total new obligations (object class 25.6)	25,278	28,847	31,206
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5,267	6,554	7,538
22.00 New budget authority (gross)	26,566	29,830	32,229
23.90 Total budgetary resources available for obligation	31,833	36,384	39,767
23.95 Total new obligations	-25,278	-28,847	-31,206
24.40 Unobligated balance carried forward, end of year	6,554	7,538	8,561
New budget authority (gross), detail:			
<i>Discretionary:</i>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	22	26	28
<i>Mandatory:</i>			
69.00 Offsetting collections (cash)	26,424	29,670	32,096
69.10 Change in uncollected customer payments from Federal sources (unexpired)	120	134	105
69.90 Spending authority from offsetting collections (total mandatory)	26,544	29,804	32,201
70.00 Total new budget authority (gross)	26,566	29,830	32,229
Change in obligated balances:			
72.40 Obligated balance, start of year	2,289	2,484	2,536
73.10 Total new obligations	25,278	28,847	31,206
73.20 Total outlays (gross)	-24,964	-28,661	-31,102
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-120	-134	-105
74.40 Obligated balance, end of year	2,484	2,536	2,535
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	14	26	28
86.97 Outlays from new mandatory authority	23,920	27,485	29,791
86.98 Outlays from mandatory balances	1,030	1,150	1,283
87.00 Total outlays (gross)	24,964	28,661	31,102
Offsets:			
<i>Against gross budget authority and outlays:</i>			
<i>Offsetting collections (cash) from:</i>			
88.00 Agency contributions	-7,205	-8,186	-8,745
88.00 Postal Service for Active Employees	-3,992	-4,466	-4,768
88.00 Postal Service for Annuitants	-1,140	-1,338	-1,467
88.00 Government contributions for annuitants	-6,604	-7,303	-8,011
88.20 Interest on Federal securities	-270	-272	-335
88.40 Contributions from D.C. Government	-64	-82	-89
88.40 Employee salary withholdings	-3,822	-4,303	-4,683
88.40 Annuity withholdings	-3,349	-3,746	-4,026
88.90 Total, offsetting collections (cash)	-26,446	-29,696	-32,124
<i>Against gross budget authority only:</i>			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-120	-134	-105
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1,482	-1,035	-1,022
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	7,554	9,037	10,081
92.02 Total investments, end of year: Federal securities: Par value	9,037	10,081	11,103

This display combines the Federal Employees Health Benefits (FEHB) fund and the Retired Employees Health Benefits (REHB) fund.

The FEHB fund provides for the cost of health benefits for: (1) active employees; (2) employees who retired after June

1960, or their survivors; (3) those annuitants transferred from the REHB program as authorized by Public Law 93-246; and (4) the related expenses of the Office of Personnel Management (OPM) in administering the program.

The REHB fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for: (1) the cost of health benefits for retired employees and survivors who enroll in a Government-sponsored uniform health benefits plan; (2) the contribution to retired employees and survivors who retain or purchase private health insurance; and (3) expenses of OPM in administering the program.

Budget program.—The balance of the FEHB fund is available for payments without fiscal year limitation. Numbers of participants at the end of each fiscal year are as follows:

	2003 actual	2004 est.	2005 est.
Active employees	2,215,000	2,214,000	2,213,000
Annuitants	1,837,000	1,863,000	1,890,000
Total	4,052,000	4,077,000	4,103,000

In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

The REHB fund is available without fiscal year limitation. The amounts contributed by the Government are paid into the fund from annual appropriations. The number of participants at the end of each fiscal year are as follows:

	2003 actual	2004 est.	2005 est.
Uniform plan	639	530	440
Private plans	1,723	1,430	1,187
Total	2,362	1,960	1,627

Financing.—The funds are financed by: (1) withholdings from active employees and annuitants; (2) agency contributions for active employees; (3) Government contributions for annuitants appropriated to OPM; and (4) contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508 and Public Law 103-66.

Operating results.—Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods.

OPM maintains a contingency reserve, funded by employee and Government contributions, that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates.

The budget proposes that the United States Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement health benefits for PTO's employees.

Status of Funds (in millions of dollars)

Identification code 24-9981-0-8-551	2003 actual	2004 est.	2005 est.
Unexpended balance, start of year:			
0100 Treasury balance	11	12	5
U.S. Securities:			
0101 Par value	7,554	9,037	10,081
0102 Unrealized discounts	-10	-10	-11
0199 Total balance, start of year	7,556	9,038	10,074
Cash income during the year:			
<i>Current law:</i>			
<i>Offsetting collections:</i>			
1280 Contributions from Employing Agencies	7,205	8,186	8,745
1280 Contributions from Postal Service for Active Employees	3,992	4,466	4,768
1280 Contributions from Postal Service for Annuitants	1,140	1,338	1,467

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS—
Continued

Status of Funds (in millions of dollars)—Continued

Identification code 24-9981-0-8-551	2003 actual	2004 est.	2005 est.
1280 Government Payment for Annuitant Health Benefits	6,604	7,303	8,011
1280 Interest Earned	270	272	335
1280 Contributions from DC Government	64	82	89
1280 Contributions from Active Employees	3,822	4,303	4,683
1280 Contributions from Annuitants	3,349	3,746	4,026
1299 Income under present law	26,446	29,696	32,124

Cash outgo during year:				
Current law:				
4500	Benefit Payments (-)	-24,773	-28,384	-30,824
4500	Payments to Carriers from OPM Contingency Reserves (-)	-176	-250	-250
4500	Administration—Operations (-)	-12	-15	-15
4500	Administration—OIG	-2	-11	-13
4599	Outgo under current law (-)	-24,964	-28,661	-31,102
Unexpended balance, end of year:				
8700	Uninvested balance	12	5	5
Federal securities:				
8701	Par value	9,037	10,081	11,103
8702	Unrealized discounts	-10	-11	-12
8799	Total balance, end of year	9,038	10,074	11,096