The Strategic and Operational Plan 2006–2010

As required by the Government Performance and Results Act of 1993, OPM updated its strategic plan during FY 2006 since its existing plan was three years old. More than an update, OPM's new Strategic and Operational Plan 2006–2010 is a complete re-statement of OPM's mission, vision, guiding principles, and strategic objectives.

In order for an organization to fulfill its mission, it is first necessary to have a clear understanding of that mission, with supporting strategic objectives and operational goals. These goals must be accompanied by strong oversight and accountability in order to reach optimal performance.

HOW THE PLAN WAS DEVELOPED

With these guiding principles in mind, OPM's Senior Executives formed a strategy group which identified and reviewed the external and internal challenges and opportunities facing the agency over the next several years and outlined the agency's response to them in terms of strategic objectives and operational goals *(See Table 18)*. The work of this strategy group was guided by an advisory group consisting of executives and senior General Schedule employees with OPM knowledge and expertise. The advisory group reviewed strategic objectives and goals drafted by the strategy group, identified important program needs and milestones, and played a critical role in the development of the plan.

The result is OPM's new Strategic and Operational Plan 2006–2010, providing a new structure by which the agency holds itself accountable for ensuring the Federal Government has an effective civilian workforce *(See Table 19)*. The plan provides the framework for implementing OPM's simple and direct mission statement comprising seven strategic objectives, each of which is supported by a string of straightforward and

TABLE 18—OPM'S CHALLENGES AND STRATEGIC RESPONSE

External Challenges	Strategic Response
Increasing accountability for individual performance	Operational Goals A-1 through A-6; D-1 and D-2; D-6
Increasing retirement workload	Operational Goals B-3 through B-7
Attracting and retaining talent	Operational Goals C-1 through C-13; D-3 through D-5; and G-4
Providing relevant training	Operational Goals B-1 and B-2; E-21
Need for 21st century compensation	Operational Goal B-12
Rising health care costs	Operational Goals B-8 through B-11
Keeping pace with change	Operational Goals D-7 through D-10 and G-5 and G-6
Internal Challenges	**Strategic Response**
Need for increased efficiency	Operational Goals E-7 through E-12; E-14 through E-22; G-1 through G-3
Succession planning	Operational Goals E-2
Need for forward thinking	Operational Goals E-13
Maintaining team spirit among OPM staff	Operational Goals E-1 through E-6
Increasing demand for OPM services	Operational Goals E-23 through E-29; G-7 and G-8
Keeping pace with change	Operational Goals F-1 through F-5

TABLE 19—OPM STRATEGIC STRUCTURE 2006—2010

Strategic Objective A	Strategic Objective B	Strategic Objective C	Strategic Objective D	Strategic Objective E	Strategic Objective F	Strategic Objective G
Six Operational Goals	Twelve Operational Goals	Thirteen Operational Goals	Ten Operational Goals	Twenty-nine Operational Goals	Five Operational Goals	Eight Operational Goals
PART Measures	PART and Other Measures	PART Measures	PART Measures	PART and Other Measures	No Additional Measures Used	No Additional Measures Used

readily identifiable operational goals. Supplementing the Strategic and Operational Plan are program performance measures stemming from OPM's PART assessments. Additional performance measures are used for activities not covered by the Strategic and Operational Plan, or a PART assessment.

THE IMPACT ON THIS PERFORMANCE AND ACCOUNTABILITY REPORT

The operational goals supersede the annual performance goals and many of the performance indicators that appeared in the FY 2006 and FY 2007 Congressional Budget Justifications. Thus, the operational goals pertinent to FY 2006 comprise the performance information included in this Performance and Accountability Report. In this part of the report,

the status of all of the operational goals scheduled for FY 2006 is disclosed. Because many of OPM's operational goals represent new initiatives, there is no historic performance information available for them. Performance results for all PART measures and information concerning the disposition of the FY 2006/2007 annual goals and performance indicators are provided in Appendix A.

THE STRATEGIC AND OPERATIONAL PLAN 2006—2010 RESULTS

OPM achieved all 53 operational goals scheduled for FY 2006 and an additional five goals scheduled for FY 2007, resulting in 58 goals completed. The operational goals reported in this section are organized first by strategic objective and then by program activity.

Strategic Objective A: The Federal Civilian Workforce will be Focused on Achieving Agency Goals

Strategic Objective A is critical in bringing about a culture of performance within the Federal workforce. The research supporting the Human Capital Accountability and Assessment Framework (HCAAF) indicates that organizational success is contingent upon everyone within the organization being focused on the organization's goals. OPM views this outcome as so critical to the future of the Federal workforce that it established this as its first strategic objective in the Strategic and Operational Plan. The strategy group identified three areas and developed operational goals addressing key milestones to achieving the objective: performance-based pay in the Senior Executive Service; evaluating the human resources reforms underway in the Departments of Defense and Homeland Security; and other agency reforms.

OPM completed both operational goals scheduled for FY 2006 and achieved ahead of schedule one goal for FY 2007 for this strategic objective.

Program: Human Capital—Performance Culture	Program Outcome: Promote an efficient and effective, merit-based Federal civil service			
Operational Goals	**Met**		**Date Scheduled**	**Date Achieved**
	Yes	**No**		
HCLMSA Operational Goal A-1 (SES): Review and assist, where needed, agencies in ensuring performance appraisal systems focus on goal achievement by October 1, 2006	√		10/01/2006	**09/15/2006**
SHRP Operational Goal A-2 (SES): Report on SES performance-based systems results each calendar year.	√		12/31/2006	**08/09/2006**
HCLMSA Operational Goal A-4 (DOD/DHS): Establish performance measurement criteria by July 1, 2006, and collect data for determination that DOD may implement NSPS beyond initial 300,000 employee limitation	√		07/01/2006	**06/22/2006**

OPM Actions:

OPM continues to assist Federal agencies in improving their Senior Executive Service (SES) performance appraisal systems. IN FY 2006 OPM reviewed 36 SES performance appraisal systems to ensure SES performance agreements were focused on achieving their agencies' goals. By the end of FY 2006 1 appraisal system had been fully certified and 27 agencies had provisional certification. OPM conducted a rigorous review of all requests for certification of senior employee appraisal systems covering CY 2006. Agencies were required to submit information on employees' summary performance ratings, pay, and awards showing the improvements the agency had made.

The agency issued a Report on Senior Executive Pay for Performance for FY 2005 in July 2006. This report shows that agencies are making meaningful distinctions in performance ratings and pay, reflecting the differences in mission accomplishment across Government agencies.

OPM established performance measurement criteria in June 2006 for DoD's National Security Personnel Security (NSPS) and is collecting data for implementing the system beyond the current scope. These criteria cover nine fields, including, among others: adherence to merit systems principles; fair, creditable, and transparent employee performance appraisal systems; and, linkages between performance management systems and agency strategic plans.

Public Value:

OPM involvement in the SES performance appraisal system helped the Federal Government adopt human capital practices to ensure employees are focused on results by deploying enabling tools. The evaluation of new personnel systems provides the foundational knowledge and experience that will be used to transform other pay and performance systems - the results are mission focused, results-oriented, and market-based agencies.

OPM's involvement has helped agency stakeholders to think seriously about the future and thereby to develop, select and manage the SES cadre. As a result, agencies are able to produce the executives needed to meet the leadership challenges of the 21st century.

Strategic Objective B: The Federal Civilian Workforce will have Opportunities, Benefits, and Service Delivery that Compares Favorably to Other Employers

OPM recognizes that Federal employment must be competitive with other job opportunities if agencies are to recruit and retain people with the talent—skills, qualifications, competencies, etc.—and capacity to implement their missions and serve and protect American citizens. This competitiveness involves fringe benefits for retirement, health benefits, life and other insurance Federal employees earn as a condition of their employment, as well as opportunities for training and development throughout their career. The operational goals established for Strategic Objective B demonstrate OPM's commitment to providing opportunities and benefits so agencies can place the right people, in the right job, at the right time.

OPM completed all eight of the operational goals scheduled for FY 2006 and achieved, ahead of schedule, one goal for FY 2007 for this strategic objective.

Program: Leadership Capacity Services	Program Outcome: Develop leaders committed to public service values through learning that measurably transforms individuals and organizations, while providing a public sector forum for networking and knowledge sharing.			
Operational Goals	**Met**		**Date** **Scheduled**	**Date** **Achieved**
	Yes	**No**		
HRPS Operational Goal B-1 (Professional Development): Issue a comprehensive catalogue of Federal Government-offered professional development opportunities by October 1, 2006.	√		10/01/2006	**09/29/2006**
HCLMSA Operational Goal B-2 (Professional Development): Evaluate/update OPM educational curricula for relevance and effectiveness in the current HR environment by October 1, 2006.	√		10/01/2006	**09/14/2006**
OPM Actions: OPM updated the curricula for the Management Development Centers and the Federal Executive Institute and issued a catalogue of development opportunities available to Federal employees—the result, the focus of the training provided at these facilities meets the standards established under the Human Capital Assessment and Accountability Framework (HCAAF) as well as current OPM initiatives such as Career Patterns.				
Public Value: These development centers provide critical training for current and future leaders of the Federal community, instilling common human capital standards and practices across agencies. The HCAAF is the guiding document in the assessment and evaluation of human capital programs. Through the HCAAF, agencies ensure they have a high performing workforce that meets citizens' expectations for efficient and effective services.				

Program: **Federal Employees Retirement**	Program Outcome: Provide Federal employees options and tools for retirement planning for their and their families' financial future.			
Operational Goals	Met		Date	Date
	Yes	No	Scheduled	Achieved
HRPS Operational Goal B-3 (Retirement Benefits Administration): Award RSM contracts and begins administration of Defined Benefit Technology Solution and Business Transformation/Information Technology Service by May 1, 2006, and June 1, 2006, respectively.	√ √		05/01/2006 06/01/2006	**04/28/2006** **05/23/2006**
HRPS Operational Goal B-4 (Retirement Benefits Administration): Make final 90 percent of initial retirement benefits in 30 days by October 1, 2006.	√		10/01/2006	**09/28/2006**
HRPS Operational Goal B-5 (Retirement Benefits Administration): Complete and mail notices in 10 working days for 80 percent of subsequent change requests by October 1, 2006.	√		10/01/2006	**09/14/2006**
HRPS Operational Goal B-6 (Retirement Benefits Administration): Answer 85 percent of general inquiries within 72 hours by October 1, 2006.	√		10/01/2006	**09/28/2006**
HRPS Operational Goal B-7 (Retirement Benefits Administration): Develop pilot program for eliminating interim payments; identify two agency participants in pilot program by April 1, 2006.	√		04/01/2006	**03/30/2006**

OPM Actions:
OPM awarded contracts and began implementation on schedule for the Retirement Systems Modernization (RSM) for the Defined Benefit Technology Solution (DBTS) and the Business Transformation)/Information Technology Services. These are the first two steps in OPM's three-prong approach towards implementing RSM, which establishes the electronic format to compute and expedite the payment of Federal retirement benefits. OPM signed a contract for DBTS to improve the storage, retrieval and transfer of employment and benefits information, and to develop models designed to complement the agency's transition to an electronic retirement system, in terms of people, processes, organization and technology to achieve maximum benefits and efficiencies of the DBTS solution.

A main priority for FY 2006 has been improving the retirement claims process. For operational goal B-4, initial retirements for FY 2006 continue to be processed through October 30 to achieve this goal; over 91 percent of claims received in September have been processed in 30 days. Over 95 percent of change requests received since August 1 are processed and confirmed in less than 10 days, significantly exceeding the goal of 80 percent. Over 93 percent of general inquiries received since August 1 are answered within 72 hours of receipt, notably exceeding the goal of 80 percent.

For operational goal B-7, the pilot was established as planned with four agency participants, exceeding the goal of two agency participants.

Public Value:
Federal annuitants and their survivors received improved services and the groundwork was laid to establish a new system which enhances the financial security of new retirees and dramatically improved the process of computing Federal retirement benefits.

Program: Health Benefits and Other Insurance	Program Outcome: Federal employee benefits are competitive and support agencies' efforts to recruit and retain the workforce they need to meet their mission and Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs.			
Operational Goals	Met		Date	Date
	Yes	No	Scheduled	Achieved
HRPS Operational Goal B-9 (Health and Other Benefits): Implement limited-expense health care flexible spending accounts by August 1, 2006.	√		08/01/2006	**07/14/2006**
SHRP/HRPS Operational Goal B-10 (Health and Other Benefits): Promote affordable FEHB Program options, which may include additional health savings plan options each year during the strategic planning period.	√		12/31/2006	**04/04/2006**

OPM Actions:

In FY 2006, OPM implemented limited-expense health care flexible spending accounts for enrollees participating in High-Deductible Health Care Plans (HDHP) with Health Savings Accounts (HSA). IRS guidelines do not allow employees enrolled in HDHPs with HSAs to participate in a regular health care flexible spending account. As HSAs are a key consumer option for OPM customers, OPM introduced a limited-expense health care flexible spending account for eligible dental and vision out-of-pocket expenses for employees with an HSA.

The Office of Personnel Management has sent a legislative proposal to Congress seeking to increase the options in the FEHBP. If passed into law, it would lift the cap on the number of options insurance providers can offer; now set at two. This Action would allow the Service Benefit Plan to offer a third option. OPM has mandated this option be a high deductible health plan option. These kinds of plans include health savings accounts that participants can use to cover current or future medical costs. High deductible health plans encourage consumers to take more responsibility for their own health care costs.

Public Value:

A benefits package that meets the needs of current and potential Federal employees can lead to lower turnover and the recruitment of better performers, as well as aiding employees and annuitants to maintain good health. Customer satisfaction surveys indicate that the overall package of benefits and the level of services provided meet the needs of participants.

Strategic Objective C: Federal Agencies will be Employers of Choice

If Federal agencies are to be employers of choice, they must anticipate the needs and characteristics of the workforce both now and into the future, create recruiting opportunities to attract job seekers, and streamline their hiring processes to bring them on-board as quickly as other major employers. OPM developed 13 operational goals to bring about these outcomes and scheduled six of these goals for FY 2006.

OPM completed all six of the operational goals scheduled for FY 2006 and achieved, ahead of schedule, one goal for FY 2007 for this strategic objective.

Program: Human Capital	Program Outcome: Promote an efficient and effective, merit-based Federal civil service.			
Operational Goals	Met		Date	Date
	Yes	**No**	**Scheduled**	**Achieved**
HCLMSA Operational Goal C-1 (Workforce of the Future): Identify Federal Government Workforce Career Patterns for the future with accompanying requirements/impact by June 1, 2006.	√		06/01/2006	**05/26/2006**
HCLMSA Operational Goal C-4 (Recruiting Opportunities): Work with CHCO Council to roll out a more targeted (by learning institution, profession) job fair process in 2006 and expand it through the Strategic and Operational Plan period.	√		12/13/2006	**08/22/2006**
SHRP Operational Goal C-5 (Recruiting Opportunities): Update Executive Core Qualifications by October 1, 2006 and complete development of enhanced automated examining by April 1, 2007.	√		10/01/2006	**08/10/2006**
SHRP Operational Goal C-6 (Recruiting Opportunities): Streamline and improve the examination rating schedules for common occupations by July 1, 2006.	√		07/01/2006	**06/12/2006**
HCLMSA & HRPS Operational Goal C-7 (Recruiting Opportunities): Develop and roll out a plan with the CHCO Council to work with the PMF program to recruit top talent for positions in management by July 1, 2006.	√		07/01/2006	**06/19/2006**
HCLMSA Operational Goal C-8 (Hiring Process): Decrease hiring decision timeframes to 45 days from close of job announcement to date of offer for 50 percent by the end of FY 2006, increasing by 10 percent each year thereafter to 90 percent in FY 2010.	√		10/01/2006	**09/15/2006**
SHRP Operational Goal C-13 (Effective Leadership): Set guidelines for managerial development by October 1, 2006.	√		10/01/2006	**09/12/2006**

OPM Actions:

OPM identified Federal Government workforce career patterns. OPM launched on OPM.gov, a resource center that features a Career Patterns Guide. OPM's Human Capital Officers worked with Federal agencies on the next Operational Goal which is to categorize their positions using career patterns.

In addition to the implementation of a recruitment strategy, OPM participated in eight job fairs this fiscal year. Each of these events is targeted at mission critical jobs and will include keynote speakers on Federal employment topics; workshops on navigating USAJOBS, résumé-writing and interviewing; internship opportunities; presentations by agencies that are recruiting for mission-critical occupations/skills); and an exhibit booth area with representatives from OPM and other Federal agencies speaking to students/alumni about employment opportunities.

OPM completed updating the Executive Core Qualifications in June 2006, well ahead of the target date.

OPM developed in concert with the Chief Human Capital Officer (CHCO) Council a Presidential Management Fellows (PMF) program to recruit talent for management positions. This program will be ready for the 2007 PMF recruitment cycle.

Working with the CHCO Council and the PMF Program, OPM initiated a marketing plan to attract highly qualified applicants with preferred degrees to Federal service. This program will continue through FY 2007.

OPM worked with the Chief Human Capital Officer (CHCO) Council to implement a recruitment strategy that identifies specific national organizations and learning institutions to partner with for Federal career outreach.

OPM successfully worked with Federal agencies in the past three years as initiative owner in the President's Management Agenda to improve hiring timeframes. Through programs such as Hiring Makeover and eGovernment initiative, Human Resources Line of Business, hiring processes are becoming not only streamlined, but include the capability to interact with applicants providing up-to-date status on applications. At the end of FY 2006, 67 percent of agency hires (24,452 of 36,320 reported during the 4th fiscal quarter for the April–June 2006 period) were made within the 45 day timeframe and the average time to hire ranged between 34-39 days from the close of the announcement to offer. OPM is partnering with agencies to have ninety percent of hires made within 45 days by 2010.

Public Value:

OPM involvement in helping agencies develop workforce career patterns enable agencies to incorporate into their human capital plan and workforce analysis the types of employees (students, new professional, retirees, mid-career, highly mobile, excreta) and work environments necessary to attract and retain the right talent for their job categories. The OPM Career Patterns Guide will serve as the primary source for agencies to familiarize themselves with career patterns and helping them learn how to incorporate career patterns in the organizations. The long term results will help agency managers to strategically align workforce plans to keep pace with changing employee demographics and market conditions in order to compete successfully and thus sustain a high performing environment into the future. As Government keeps pace with other high performing human capital practices, citizens will be increasing satisfied with Government performance.

Through outreach efforts such as the PMF, citizens will have a better opportunity to evaluate the broad range of opportunities and consider the Federal Government as an employer and as a career whether they are a new professional or an established one looking to make a change.

OPM actions to implement a recruitment strategy establishes a strong partnerships along a diverse spectrum of association—a result—the Federal community can ensure that job opportunities will reach high potential applicants even in areas where such recruitment efforts have not been as visible.

OPM's work to improve hiring timeframes, through programs such as Hiring Makeover and eGovernment initiative, and Human Resources Line of Business, realize streamlined hiring processes; the improve hiring processes provides applicants the capability to receive up-to-date status on applications.

Through the achievement of these goals, OPM's strategic objective—Federal agencies will be employers of choice—is being advanced.

Success Story—Career Pattern Initiative at Work in the Patent and Trademark Office

The Office of Personnel Management has helped human resources officials to identify which jobs could be done by people working non-traditional work schedules or career paths. OPM launched OPM.gov and provided agencies with an online tool to guide the analysis of jobs for nontraditional work arrangements. "We believe that this is a change of mindset," Springer said. "Our job is to work with managers...to get them to embrace it, to understand it. It does make sense." The aim is to reverse the notion that the typical federal job is performed in an office from 8 or 9 in the morning to 4 or 5 in the afternoon by an employee who devotes his or her entire career to a single agency—ultimately, help Federal agencies win talent. A specific example highlighting how OPM has helped federal agencies promote an efficient and effective merit-based workforce is available from the Patent and Trademark Office (Federal Times, June 12, 2006): Lauren Ailes, a budget analyst at the Patent and Trademark Office, splits the workday with her husband Benjamin, who is a patent examiner. Benjamin works early in the morning and late in the evenings; Lauren goes to work while her husband is off. Splitting their schedule allows the couple to look after their 7-month-old daughter without needing day care while both parents work full-time shifts at the office. "This is wonderful for us. We're so lucky. I get my mornings and evenings with her. And my husband—which not many dads get to do—spends the bulk of his day with her at home," Lauren Ailes said. The Patent and Trademark Office, for example, has 224 patent examiners working from home four days a week under a program that began in March, and it expects to have 3,000 telecommuting by 2011, said Vickers Meadows, chief administrative officer for the Commerce Department bureau.

Strategic Objective D: Federal Agencies will be Recognized as Leaders in having Exemplary Human Resources Practices

Improving the management and performance of the Federal Government is the impetus behind the President's Management Agenda (PMA). In the Strategic Management of Human Capital reform initiative, linking organizational mission, vision, goals and objectives to human capital strategies was essential in ensuring the workforce understood and was accountable for achieving mission outcomes.

OPM achieved all six of the operational goals scheduled for FY 2006 for this strategic objective.

Program: Human Capital	Program Outcome: Promote an efficient and effective, merit-based Federal civil service.			
Operational Goals	**Met**		**Date**	**Date**
	Yes	**No**	**Scheduled**	**Achieved**
HCLMSA Operational Goal D-1 (Performance Development and Management): Develop and operate beta sites at 18 CHCO agencies by October 1, 2006.	√		10/01/2006	**08/22/2006**
HCLMSA Operational Goal D-3 (Staffing): Have written succession plans in place at 15 CHCO agencies by October 1, 2006, and meet milestones; all other agencies by October 1, 2007.	√		10/01/2006	**09/15/2006**
HCLMSA Operational Goal D-5 (Human Resources Leadership): Set targets for closing competency gaps in Human Resources Management Specialists occupation by October 1, 2006 in all CHCO agencies.	√		10/01/2006	**09/14/2006**
HR LOB Operational Goal D-8 (e-Government): Obtain commitment from three agencies for migration to HR LOB shared service centers by October 1, 2006.	√		10/01/2006	**05/03/2006**
SHRP Operational Goal D-10 (e-Government): Develop policy and functional requirements for nine non-core HR LOB sub-functions by October 1, 2006.	√		10/01/2006	**06/08/2006**

OPM Actions:

OPM helped 25 agencies establish operational beta sites, well above the target of 18. The increasing retirements anticipated among Federal employees has focused attention on succession strategies and agencies are putting such plans are in place. Ensuring agencies have a cadre of potential leaders ready to assume management positions during times of transition or vacancy is critical to maintaining organizational integrity and a focus on mission. OPM's Human Capital Officers provided technical assistance and helped agencies develop written succession plans that sets targets and includes milestones to track progress.

OPM, through the CHCO Council implemented an HR competency assessment tool for human resources management specialist occupation staff.

The vision of the HR LOB is to create Governmentwide, modern, cost effective, standardized, and interoperable human resource solutions providing common core functionality to support the strategic management of human capital. Five agencies migrated to shared service centers; this exceeded the goal of 3 agencies.

SHRP established a workgroup composed of staff from HR LOB, Federal agencies and shared service centers to develop policy and functional requirements for HR LOB sub-functions. Policy and functional requirements for HR LOB sub-functions cover the data standards related to HR, payroll and training information. The objectives of policy and functional requirements are to effectively maintain and protect Federal civilian personnel data and to avoid unnecessary duplication and incompatibility in the collection, processing, and dissemination of such data. Once all policy and functional requirements were written, this information was incorporated into the "Guide to HR Reporting" which is available on www.opm.gov. Agencies rely on this guide to properly submit HR, payroll and training data to OPM.

Public Value:
OPM's actions for succession planning ensure leaders are ready to assume a position during times of transition or vacancy are critical to maintaining organizational integrity and continues focus on mission.

Improving the management and performance of the Federal Government is the impetus behind the PMA. Linking organizational mission, vision, goals and objectives to human capital strategies is essential in ensuring the workforce understands and is accountable for achieving mission outcomes. The concept of the Beta site is that agencies demonstrate through an organizational unit within the agency the linking of performance-related outcomes and accountability down through all levels of that unit. Based upon the actions of OPM, agencies now show linkage and accountability through their appraisal system and evaluate appraisal results to improve performance management practices using a performance appraisal system. By focusing the workforce on mission results and holding them accountable, citizens will recognize improved Government service and performance.

OPM, through the CHCO Council and the implementation of a HR competency assessment tool helped all agencies meet their HRM competency targets in FY 2006. OPM helped human resources specialist staff, Governmentwide, develop the right competencies and level of proficiency to ensure that they are providing the level of expertise that is demanded of them.

Shared services enable departments and agencies to work more effectively to meet the human capital goals of the PMA. The 5 shared services centers provide technology solutions to support multiple agencies with HR management and back office activities, allowing the agencies to benefit from economies of scale, standardized approaches, and maximizing automation of processes, thereby improving the efficient use of resources.

Program: Merit System Compliance	Program Outcome: Ensure executive agencies exercise their delegated personnel management authorities in accordance with Merit System Principles, civil service laws and regulations, and OPM standards.		
Operational Goals	**Met**	**Date**	**Date**
	Yes	**No**	**Scheduled**	**Achieved**
HCLMSA Operational Goal D-6 (Accountability): Implement a human capital accountability system, including compliance with Merit Systems 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.	√		10/01/2006	**09/15/2006**

OPM Actions:
Twenty-three agencies developed and implemented OPM-approved accountability systems in FY 2006.

Public Value:
Accountability is an essential part of an agency's human capital system and the evaluation of program results that contributes to improving the alignment between strategic planning and program performance. Under the President's Management Agenda, OPM as owner of the Strategic Management of Human Capital Initiative has been assisting agencies in the development of their own accountability systems for human capital. The accountability system provides agency leadership with a consistent means to monitor and analyze agency performance on all aspects of human capital management policies, programs, and activities, which must themselves support mission accomplishment and be effective, efficient, and compliant with Merit System Principles.

Success Story—HR LOB Initiative at work in HUD

Human Resources Line of Business Initiative at Work in HUD:
OPM Human Resources Line of Business (HR LoB) initiative has helped Federal agencies to link organizational mission, vision, goals and objectives to help the workforce achieve mission outcomes. OPM HR LoB shared services is an effective strategy to consolidate human resource information systems and business operations. mission outcomes. OPM HR LoB shared services is an effective strategy to consolidate human resource information systems and business operations. The OPM established a workgroup helped agencies to migrate to shared service centers and to develop policy and functional requirements for HR LOB sub-functions. OPM developed the "Guide to HR Reporting" which is available on www.opm.gov. Agencies rely on this guide to properly submit HR, payroll and training data to OPM A specific example highlighting how OPM has helped federal agencies promote an efficient and effective merit-based workforce is available from the Department of Housing and Urban Development (HUD), (Federal Times, June 23, 2006): HUD recently aligned its human resources systems to a shared-service provider "line of business." Keith Nelson, assistant secretary for administration at the Housing and Urban Development Department, described the impact of HUD Integrated Human Resources and Training System (HIHRTS – pronounced "high hearts"). A key reason for selecting the Treasury Department's line of business over an in-house HR system was the promise of $10 million in cost savings over 10 years. In fact, the latest projections show that savings will be significantly higher, including accelerated retirements of some legacy systems. HUD has shut down six legacy systems and s capability continues to be added to HIHRTS, five more legacy systems will be retired. All HUD employees can get direct access to their personal information and make corrections or changes. At the time of this writing, 72 percent of HUD employees are registered on HIHRTS. Since implementing HIHRTS, HUD has been able to reduce the number of human resources employees through attrition by 10. The HR employees who have remained have shed many of their clerical tasks and are better able to provide more consultative, substantive customer support.

Strategic Objective E: OPM will be a Model of Performance for Other Federal Agencies

Improving management and performance of the Federal Government is the advancement behind the President's Management Agenda (PMA). In the Strategic Management of Human Capital Initiative, linking organizational mission, vision, goals and objectives to human capital strategies is essential in ensuring that the workforce is accountable for achieving mission outcomes. To achieve this objective OPM not only set the highest standards for itself to be a model of performance for other Federal agencies, but will provide expertise mentoring other agencies with best practices in implementing performance elements, professional development programs, and recognition programs for all employees.

OPM achieved all twenty-four of the operational goals scheduled for FY 2006 for this strategic objective.

Program: Internal Management	Program Outcome: These are enabling goals that ultimately support OPM performance across all programs.			
Operational Goals	**Met**		**Date Scheduled**	**Date Achieved**
	Yes	**No**		
All Operational Goal E-1 (Employee Satisfaction and Development): Implement performance elements and standards for all OPM employees that support the OPM Strategic and Operational Plan by July 1, 2006.	√		07/01/2006	**06/29/2006**
All Operational Goal E-2 (Employee Satisfaction and Development): Implement a professional development program for OPM employees by October 1, 2006.	√		10/01/2006	**09/29/2006**
All Operational Goal E-3 (Employee Satisfaction and Development): Implement an employee recognition program at OPM by July 1, 2006.	√		07/01/2006	**06/19/2006**
HCLMSA Operational Goal E-5 (Employee Satisfaction and Development): The OPM Beta site will be operational by June 1, 2006.	√		06/01/2006	**05/31/2006**

OPM Actions:
In FY 2006, OPM was one of 25 agencies Governmentwide to establish an operational Beta site. In FY 2007 and beyond, OPM will expand the beta site across the entire agency. By December 2006, OPM's evaluation of the beta site as reported through OPM's Performance Appraisal Assessment Tool will be concluded. The results from this evaluation will help strengthen the existing Beta site and support the successful implementation of a similar appraisal system throughout the agency.

By focusing the workforce on mission results and holding them accountable, citizens will recognize improved Government service and performance.

Public Value:
Operational goals E-1 through E-5 focus on improving OPM employees' job satisfaction and development. OPM believes that achieving these goals will result in OPM employees performing at a higher level and thus deliver better human resources policy, advice and assistance to agencies, better services to Federal employees, perspective employees, and retirees. In turn, these individuals will provide improved services and protections to the American people.

Program: Internal Management			Program Outcome: These are enabling goals that ultimately support OPM performance across all programs.	
Operational Goals	Met		Date	Date
	Yes	**No**	**Scheduled**	**Achieved**
MSD, OCFO Operational Goal E-7 (Customer Satisfaction and Timeliness): Develop performance standards for OPM common services by July 1, 2006, and implement by October 1, 2006.	√ √		07/01/2006 10/01/2006	**06/15/2006** **09/01/2006**
All Operational Goal E-8 (Financial Management and Internal Control): Maintain agency prompt payment performance at 98 percent; improve divisional performance (non-Investigative Services) 10 percent by October 1, 2006.	√		10/01/2006	**09/29/2006**
All Operational Goal E-9 (Financial Management and Internal Control): Complete all routine OPM clearances in seven business days starting April 1, 2006.	√		04/01/2006	**03/31/2006**
All Operational Goal E-10 (Financial Management and Internal Control): Operate under a fully implemented set of delegated authorities and clearance protocols by May 1, 2006.	√		05/01/2006	**04/28/2006**
OD Operational Goal E-11 (Financial Management and Internal Control): Use the agency-wide Document Management System in a 250-person pilot group by March 1, 2006, and extend through the agency by October 1, 2006.	√ √		03/01/2006 10/01/2006	**02/27/2006** **07/31/2006**
OD, SHRP Operational Goal E-12 (Financial Management and Internal Control): Publish eight proposed/final human resources regulations during FY 2006.	√		10/01/2006	**05/08/2006**
OD Operational Goal E-13 (Financial Management and Internal Control): Support Administration strategies to address pandemic threats throughout the planning period.	√		Recurring	**09/29/2006**

OPM Actions:

As a part of its commitment to help create an effective and efficient Federal Government, OPM recognizes that the same quality of service put forth to its external customers is required internally. In April 2006, OPM convened a working group to determine the most equitable basis from which to allocate common services expenses. The working group focused on identifying performance standards for common services organizations, established a foundation for Service Level Agreements and developed costs for the services rendered to customer organizations. Program offices and common services organizations identified service levels needed and associated level of effort. Common Services supports the operational capability necessary for managerial direction, external communication, legal guidance, and basic business operations providing management with greater information on which to base financial decision making.

OPM continued to meet the performance standards embodied in the Prompt Pay Act, making nearly all vendor payments on time. In addition, the agency received its seventh consecutive unqualified audit opinion on its consolidated financial statements for FY 2006, and reported no material weaknesses in internal controls.

OPM implemented the Executive Correspondence Tracking system (ECTS) to track and control correspondence within its organization. It provides on-line review of controlled documents, data inputs, suspense dates, and progressive updates to boost responsiveness and productivity. The success has improved the control and timely handling of agency actions and correspondence. The new system has now been extended beyond the pilot phase to full implementation to new users throughout all divisions and offices at OPM.

Public Value:

Common services performance standards were negotiated and developed to focus more clearly on the quality of service levels needed to allocate resources and organize as close as possible with desired outcomes and less on organization structure to support the agency in meeting its goals to better align to an efficient, effective, and results-oriented agency.

Program: Internal Management		Program Outcome: These are enabling goals that ultimately support OPM performance across all programs.		
Operational Goals	**Met**		**Date**	**Date**
	Yes	**No**	**Scheduled**	**Achieved**
OCFO Operational Goal E-14 (Financial Management and Internal Control): Develop new common services methodologies by July 1, 2006; implement by October 1, 2006.	√ √		07/01/2006 10/01/2006	06/23/2006 09/01/2006
OCFO Operational Goal E-15 (Financial Management and Internal Control): Issue new internal control guidelines by July 1, 2006.	√		07/01/2006	04/24/2006
OCFO Operational Goal E-16 (Financial Management and Internal Control): Receive an unqualified audit opinion and report no material weaknesses every year.	√		11/15/2006	11/15/2006
OCFO Operational Goal E-18 (Financial Management and Internal Control): Set up a Capital Investment Committee that will review and approve major capital expenditures by July 1, 2006.	√		07/01/2006	04/19/2006

OPM Actions:

OPM developed a new common services methodology. The Common Services account provides funding to organizations that provide governance, support and administrative functions for the rest of OPM. This funding covers these organizations' salaries and benefits and other object expenses related to their day-to-day administration and operation. The Center for Financial Services produces a "cost distribution" based on each organization's Full Time Equivalent (FTE), building square footage occupied, relative share of program obligations and estimates of services received. Non-common service organizations have an understanding of the formulas used to determine costs for services received.

OPM developed the Charter of the Agency's Capital Investment Committee (CIC) to identify capital assets necessary for achieving goals. The CIC has established a review threshold for investments of $250,000 or more and for high risk or high visibility investments of any value that would reduce and eliminate performance gaps. Training sessions focused on the CIC exhibit requirements and linking importance to the strategic and performance goals.

Public Value:

OPM is accountable and actively accepts the role as stewards of the public trust to make operations and results transparent and continually strive to improve value delivery, and respond to new challenges and opportunities.

Program: **Federal Employees Health Benefits**	Program Outcome: Federal employee benefits are competitive and support agencies' efforts to recruit and retain the workforce they need to meet their mission and provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs.			
Operational Goals	Met		Date	Date
	Yes	No	Scheduled	Achieved
SHRP/HRPS Operational Goal E-19 (Financial Management and Internal Control): Develop guiding principles to be updated, published and required for FEHBP carriers by the FY 2007 Call Letter mailing.	√		04/01/2006	**03/24/2006**

OPM Actions:

OPM developed guiding principles to be updated, published and required for Federal Employee Health Benefits Program (FEHBP) carriers by the FY 2007 Call Letter mailing. The agency's annual Call Letter, a blueprint of priorities for carriers participating in the FEHBP Program, urges carriers to expand their plan options and make benefits, coverage and costs more transparent to simplify plan comparisons for health care consumers. The FEHB with 278 plan options in 2006, covers approximately eight million Federal employees, Federal retirees and their dependents. The Call Letter includes initiatives that carriers should focus on for the 2007 contract year including:

• Offering High Deductible Health Plans and Health Savings Accounts;

• Expanding their use of health IT to automate enrollee medical information, with the long- term goal of improving patient care and reducing medical errors:

• Promoting health-care cost and transparency by asking carriers to put provider quality and prices on their web sites, including information to compare the cost of network versus non-network procedures:

• Solicit proposals on enhanced drug management.

Public Value:

OPM is committed to positioning the Federal Government as a model employer by ensuring employees have access to a broad range of health benefits plan choices with affordable premiums.

Program: Internal Management	Program Outcome: These are enabling goals that ultimately support OPM performance across all programs.			
Operational Goals	Met		Date	Date
	Yes	**No**	**Scheduled**	**Achieved**
OCFO Operational Goal E-22 (Financial Management and Internal Control): Revalidate requirements for financial management system migration to the Bureau of Public Debt by May 1, 2006, complete implementation by February 1, 2007.	√		05/01/2006	**04/28/2006**
MSD, OCPL Operational Goal E-27 (Financial Management and Internal Control): Redesign the OPM web site by October 1, 2006.	√		10/01/2006	**08/31/2006**
OCPL Operational Goal E-28 (Financial Management and Internal Control): Inform OPM customers of the agency's success in meeting the stated customer goals in the 2006-2010 OPM Strategic and Operational Plan within two weeks of each success.	√		Recurring	**07/07/2006**
MSD, OCPL Operational Goal E-29 (Financial Management and Internal Control): Develop and post on the internal OPM web site a functional organizational directory by July 1, 2006.	√		07/01/2006	**05/11/2006**

OPM Actions:

OPM redesigned its web site, OPM.gov, offering a more contemporary, attractive, and user-friendly and competitive source to deliver its products and services. The format of the site was overhauled to improve navigation through streamlined, graphically appealing pages for a more targeted user experience. More than 5,000 pages of information have been restructured to this new format, providing significantly improved service to public users. As the major agency for human resources information and policy for the Federal Government, OPM.gov was launched offering a contemporary, attractive, user-friendly and competitive website to deliver its products and services. The format of the site has been overhauled to improve navigation through stream-lined graphically appealing pages for a more targeted user experience.

The Federal agency human capital program page is a gateway to practical tools and resources such as laws, regulations, guidance, operating manuals, forms, and much more. It is a beneficially easy and efficient function as the portal to the important programs managed at OPM. It also facilitates communication and directory information to inform the customer of OPM's success in meeting the stated customer goals in the new Strategic and Operational Plan 2006-2010 to be a model agency.

Public Value:

OPM understands the importance of organizational effectiveness as part of a larger Government system and works in collaborative ways using the website to cultivate working relationships with other agencies, organizations, and the public as stakeholders.

Program: Center for Talent Services	Program Outcome: Provide agencies with relevant, cost-effective reimbursable human capital products and services, based upon Merit System Principles, needed to build high-quality workforce and become high-performance organizations.			
Operational Goals	Met		Date Scheduled	Date Achieved
	Yes	No		
HRPS Operational Goal E-6 (Employee Satisfaction and Development): Develop a new employee incentive program (group incentive plan) for HRPS that factor in the uniqueness of HRPS as a reimbursable business operation by July 1, 2006 implement pilot program in CTS by October 1, 2006.	√ √		07/01/2006 10/01/2006	**06/26/2006** **09/28/2006**
HRPS Operational Goal E-21 (Financial Management and Internal Control): Achieve full cost recovery annually for each Revolving Fund Program.	√		End of each fiscal year	**10/01/2006**

OPM Actions:

OPM developed a new group incentive program covering employees who perform reimbursable business operations. This program will be piloted in FY 2007. Employees will be eligible for business development incentives for generating new business for the organization, and incentives will be tied to achievement of financial and customer satisfaction goals. These incentives will be distributed at three levels; Center, Group, and individual. This approach maximizes motivation and fosters cooperation and collaboration, and leads to better services being provided to agency customers.

Public Value:
OPM is committed to a high-performance agency by fostering a performance culture commensurate with rewards and reflective of enthusiasm for delivering public value.

Program: Federal Investigative Services	Program Outcome: Carry out high-quality, timely background investigations which will be used by Federal agencies to determine individuals' suitability for Federal, military or Federal contract employment, and to determine individuals' eligibility for access to classified national security information.			
Operational Goals	Met		Date Scheduled	Date Achieved
	Yes	No		
FISD Operational Goal E-21 (Financial Management and Internal Control): Achieve full cost recovery annually for each Revolving Fund Program.	√		End of each fiscal year	**10/01/2006**
FISD Operational Goal E-26 (Investigative Services): Achieve rate of no more than one percent of completed investigations returned from agency security/adjudication offices each year.	√		End of each fiscal year	**10/01/2006**

OPM Actions:
OPM achieved full cost recovery in its Investigations Program in FY 2006. The agency undertook a number of actions to lower future costs and to improve performance. These included major investments in technology to reduce costly manual processes and standardization of training delivered to all Federal and contract investigators. Very few cases (0.13 percent) were returned by agencies for correction.

Public Value:
By pricing investigative services appropriately and minimizing errors, OPM ensures taxpayer dollars are used efficiently and that agencies can begin their adjudication process without delay.

Strategic Objective F: OPM will be a Leader in the Human Resources Professional Community and have Positive Name Recognition Outside the Federal Government

The human resources community looks to OPM for leadership and guidance as the central human resources policy agency for the Federal Government. OPM recognizes the importance of this role and pursued a two-pronged strategy during FY 2006. First, OPM sought to increase public awareness of the importance of public service in general. Second, OPM sought leadership positions in national professional organizations through which it will provide leadership to the various communities of practice involved in human resources management.

OPM achieved both operational goals scheduled for FY 2006 for this strategic objective.

Program: Internal Management		Program Outcome: This is an enabling goal that ultimately supports OPM performance across all programs		
Operational Goals	Met		Date	Date
	Yes	No	Scheduled	Achieved
OCPL Operational Goal F-1 (Public Awareness): Implement a plan to increase the public awareness of the importance of service in the Federal workforce by July 1, 2006.	√		07/01/2006	**05/02/2006**
SHRP Operational Goal F-4 (Professional Organizations): 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.	√		10/01/2006	**08/31/2006**

OPM Actions:

One of the key goals for June was to implement a plan to increase public awareness of professional opportunities and the importance of service in the Federal workforce. This project included using television ads to promote service in the Federal Government and encouraged viewers to visit www.USAJOBS.gov. It included four television ads featuring actual Federal workers and showcasing the Government's vast array of jobs. The media campaign entered its seventh television market. With 22,000 openings throughout the Federal Government talented and dedicated workers are needed and OPM wants them to recognize its name as a leader in human resources.

OPM achieved leadership positions in three professional organizations in FY 2006—the International Public Management Association (Human Resources), the Federal Executive Board, and the Human Resources Planning Society. This ensures the agency stays on top of current thinking in fields relating to human capital issues and introduces initiatives in the private sector and State and local governments into the Federal Government.

Public Value:

This ensures the agency stays on top of current thinking in fields relating to human capital issues and introduces initiatives in the private sector and State and local governments into the Federal Government.

Strategic Objective G: OPM will have Constructive and Productive Relationships with External Stakeholders

OPM recognizes the benefits of partnerships in fulfilling its mission. Congress, Veterans, Unions and Employee Advocacy Groups, the Combined Federal Campaign, and the media are all examples that are part of the responsive communication plan to be a model of performance and a leader in the human resources professional community with positive name recognition outside and inside the Federal Government.

OPM completed all five of the operational goals scheduled for FY 2006 and achieved ahead of schedule two goals for FY 2007 for this strategic objective.

Program: Internal Management	Program Outcome: This is an enabling goal that ultimately supports OPM performance across all programs.			
Operational Goals	Met		Date	Date
	Yes	**No**	**Scheduled**	**Achieved**
OCR Operational Goal G-1 (Congress): Acknowledge receipt of all Congressional inquiries with 24 hours by July 1, 2006.	√		07/01/2006	**05/16/2006**
OCR Operational Goal G-2 (Congress): Provide communications of OPM positions on routine issues within two days by July 1, 2006.	√		07/01/2006	**06/12/2006**
OCR Operational Goal G-3 (Congress): Identify and initiate at least one project on which to work with members of Congress by March 1, 2006.	√		03/01/2006	**03/01/2006**
HCLMSA Operational Goal G-4 (Veterans Outreach): Expand the Walter Reed Army Medical Center post-service employment support model to one additional hospital in both 2006 and 2007	√		12/31/2006	**09/25/2006**
All Operational Goal G-5 (Union and Employee Advocacy Groups): Identify at least one initiative per year to partner and implement beginning in 2006.	√		12/31/2006	**09/27/2006**
All Operational Goal G-7 (Union and Employee Advocacy Groups): Respond to routine inquiries within two hours 95 percent of the time.	√		Recurring	**09/15/2006**
All Operational Goal G-8 (Union and Employee Advocacy Groups): Hold Director media briefings twice per year.	√		Recurring	**08/08/2006**

OPM Actions:
As of May 16, 2006, OPM improved its inquiry tracking system to ensure the agency could acknowledge receipt of such inquiries within 24 hours. OPM formed a partnership with Local 32, AFGE, to develop and implement a group incentive program for employees in an organization funded through reimbursable services, and also in developing a Communications Plan and a Staff Development Plan for this unit.

Public Value:
Constructive relationships with OPM's stakeholders and customers are seated in responsiveness. Operational goal G-1 (see table above) embodies one aspect of this as it commits the agency to a high standard of responsiveness when OPM is contacted by Members of Congress through the thousands of written inquiries, and telephone, and personal contacts from members or their staff.

The combined efforts of the partnership between the Local 32, AFGE and OPM create and simplify the classification system for greater flexibility in classifying work and paying employees. The group incentive program will establish a performance management and rewards system to improve individual and organizational performance and improve recruitment and retention to attract highly qualified candidates. The success will foster constructive and productive relationships with all participants.

The Completeness and Reliability of Performance Data

The performance information used by OPM in this Performance and Accountability Report for FY 2006 is reasonably complete and reliable, as defined by the Government Performance and Results Act. Since all data are imperfect in some fashion, pursuing perfection in agency performance data may consume substantial public resources without achieving appreciable value. OPM has chosen an approach to data collection and analysis that provides sufficient accuracy and timeliness within reasonable cost constraints.

OPM's performance measures deal with the achievement of an operational goal within the timeframes established in the FY 2006-2010 Strategic and Operational Plan. The nature of these measures varies widely, from readily quantifiable outputs, such as the issuance of regulations and reports or the awarding of contracts, to recurring actions, such as the timeliness of responding to inquiries and retirement applications, to less quantifiable issues, such as providing advice and assistance to agencies on an as needed basis and promoting policy options. The first two types of measures are routinely the product of internally maintained databases and/or external publications. The third type of measure is generally tied to customer satisfaction surveys and/or indicators of results of the services provided, such as agency scores on the President's Management Agenda.

COMPLETENESS OF DATA

Most data in this report are produced on an annual cycle tied to the fiscal year, often with quarterly updates which make it easier to track progress during the year. In some instances in which fiscal year data are unavailable, calendar year data have been substituted and so labeled. This occurred most often with data reported from outside sources.

Given the November 15 date for the submission of the Performance and Accountability Report, some data were not compiled and finalized. The Federal Human Capital Survey was conducted in August and September, but the results of the survey have not yet been completely analyzed. Therefore, performance measures tied to this instrument are incomplete. OPM routinely conducts a survey of agency customers of investigative services every 12 to 18 months. The next survey is scheduled for November 2006.

RELIABILITY OF DATA

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

Assessing and eliminating sources of errors in data collection systems continues to be an important task for program managers. As a part of this ongoing task, program managers use quality control techniques to identify where errors can be introduced into the collection system. They use automated edit checks to minimize data entry errors and follow-up with reasonableness checks before the data are entered in the Performance and Accountability Report. These include verification of data collection techniques and coding, response and non-response rates, and computation of margins of error. OPM has a three-tiered approach over the completeness and reliability of performance information, collections, and reporting. Data quality standards are established by the agency's Chief Financial Officer, data evidence is validated and submitted to the Director for approval, and OPM uses findings from audits by the OIG, the GAO, and independent auditors. Collectively, these tools verify that the data presented in this Report are complete and reliable, and accurately reflect actual performance during FY 2006.

Program Evaluations Used During FY 2006

OPM's Research and Evaluation Plan is an ongoing agency-wide strategy intended to strengthen OPM's ability to assess and evaluate agency programs and initiatives. By using objective measurement and systematic analysis, the evaluation plan determines the method and extent to which programs achieve their intended objectives. OPM revisits annually planned research and evaluation proposals in the Congressional Budget Justification. This allows the Director to determine research priorities for the agency.

Evaluations play an integral role in the delivery and management of OPM programs and are an invaluable budget performance integration tool. Among the most frequently applied are: internal (conducted by OPM staff and OPM's Inspector General); independent, as in the case of programs that have undergone PART exercises and; Federal Government audits, studies and evaluations performed by agencies like the GAO and the Merit Systems Protection Board. Evaluations can also be carried out by a specific OPM program independent of the annual Research and Evaluation Plan.

During FY 2006 OPM was the focus of a GAO study considering the types of measures OPM was taking to strengthen its internal capacity in order to lead Governmentwide human capital reform; and Merit Systems Protection Board analysis of Federal hiring practices. The agency also benefited significantly from internal and independent evaluations of programs, including those having undergone PART exercise.

PROGRAM ASSESSMENT AND RATING TOOL (PART)

Developed to evaluate the effectiveness of Federal programs, the PART has become a practical component of OPM's Research and Evaluation Plan by incorporating the findings and recommendations of prescribed independent evaluations into overall program management. What results from each exercise is a set of dedicated actions that a program enacts to improve its performance. Since 2002, nine OPM programs have completed the PART process (see table 20). Human Capital, the Federal Personnel Background Investigations, and Leadership Capacity Programs were, in 2006, the most recent to have undergone the PART and are preparing to implement recommendations.

OPM has benefited by the PART process through program structural changes, improved performance measures and more efficient service and product delivery to agency customers. For example, the Center for Talent Services which provides Federal agencies with human capital products and services designed to build a high-quality workforce, has undergone a reorganization that has resulted in an upgrade in structure and performance. The Inspector General Oversight of Federal Health Benefits Program is completing a health benefits claims data warehouse to detect incorrect benefit payment transactions more efficiently which will allow the office to increase proactive investigations. Merit System Compliance has developed and is now refining standardized data collection systems and methodologies that will be used by OPM for improved Governmentwide analysis. An independent evaluation of the Human Capital Program is currently in progress.

TABLE 20—PARTS OF OPM PROGRAMS

Program	Year	Actions taken
Center for Talent Services—HR Products and Services for Federal Agencies	2002	• Developing a three-year evaluation plan and conducting an independent evaluation for the whole business or independent evaluations for different lines of business • Refining annual and long-term measures to assess the direct impact (such as pre-and post-service) of the human capital services and products • Presenting the program resource needs in a transparent manner in the program's budget -- particularly how indirect costs assessments are developed
Inspector General Oversight of Federal Health Benefits Program	2002	• Developing evaluation capacity and analytical abilities through computer assisted audit techniques and tools. • Building a health benefits claims data warehouse to detect incorrect benefit payment transactions more efficiently and to allow the Office to conduct proactive investigations. • Incorporating independent evaluation into program management.
Merit System Compliance	2003	• Developing and refining standardized data collection systems and methodologies that will be used by OPM for improved Governmentwide analysis. • Evaluating whether an agency's compliance with veterans' preference laws can be used as a leading indicator to measure an agency's overall compliance with all other personnel laws and rules. • Identifying efficiency measures for review activities so that resources are used effectively.
Federal Employees Retirement	2004	• Establishing ambitious targets for the newly developed long-term goals and demonstrating adequate progress in achieving these performance goals. • Holding program managers and partners accountable for cost, schedule and performance results and demonstrating that the program and its partners are achieving their annual performance goals. • Conducting an independent program evaluation of sufficient scope and quality and using the information to demonstrate that the program is effective and is achieving results.
Federal Employees Health Benefits	2005	• Improving budget requests to show what results to expect with the requested funds and provide evidence to demonstrate how OPM holds program managers and partners accountable for results. • Establishing ambitious targets for long-term and annual measures and demonstrating adequate progress in achieving these performance targets. • Conducting an independent evaluation of sufficient scope and quality and using the information to improve performance or demonstrate that OPM is helping agencies recruit and retain quality employees.
Federal Employees Group Life Insurance	2005	• Establishing ambitious targets for the long-term goals and demonstrating adequate progress in achieving these performance goals. • Holding program managers and partners accountable for cost, schedule and performance results, and demonstrating that the program and OPM's partners are achieving its annual performance goals. • Conducting an independent evaluation of sufficient scope and quality to asses whether the program is meeting its intended purpose and is achieving results.
Human Capital	2006	• Establishing ambitious targets for the long-term goals and demonstrating adequate progress in achieving these performance goals. • Holding program managers and partners accountable for cost, schedule and performance results, and demonstrate that the program and OPM's partners are achieving its annual performance goals. • Conducting an independent evaluation of sufficient scope and quality to assess whether the program is meeting OPM's intended purpose and is achieving results.

Table 20—PARTs of OPM Programs (cont.)

Federal Investigations	2006	• Working with OMB to revise its customer satisfaction survey to gather information on all phases of OPM's investigations and interactions with customer agencies.
		• Developing additional performance indicators to focus its efforts on ensuring that all agencies develop better caseload projections, adopt automated information processing applications and adjudicate complete cases in a timely manner.
		• Arranging for an independent evaluation for its operations to determine if the program meets its goals.
Leadership Capacity	2006	• Conducting an independent evaluation of its training program values and impacts on trainees and their organizations.
		• Developing and achieve targets showing that the Presidential Management Fellows program continues in the federal government at high rates and that agencies are satisfied with the quality of the fellows hired.
		• Assessing the utility of new performance measures, together with the actual data collected in coming months and determine whether to revise current measures.

GOVERNMENT ACCOUNTABILITY OFFICE REPORTS

OPM is Taking Steps to Strengthen Its Internal Capacity for Leading Human Capital Reform. GAO-06-861T

There is general recognition exists of a need to continue to develop a Governmentwide framework for human capital reform to enhance performance and ensure accountability. Such reform will require OPM to assist, guide and certify agencies' readiness to implement reforms. The report addresses management challenges that could affect OPM's ability to lead Governmentwide human capital reforms. GAO concluded that OPM has made commendable efforts towards transforming itself to be a more effective leader of human capital reform.

MERIT SYSTEMS PROTECTION BOARD REPORTS

A study, by the Merit Systems Protection Board, concluded that despite efforts to alter the Federal hiring process, the process remains cumbersome.

Changes have largely resulted in short-term remedies that focus on making the hiring process faster and cheaper. While these are worthy goals, faster and cheaper are not always better. Hiring a poor performer faster and at a lower cost will not benefit the employer, the employee, or the public. To achieve significant reform, the Federal Government must not only attempt to meet the objectives of "faster" and "cheaper," but must also balance those objectives with "better."

The report provided specific recommendations to the Office of Personnel Management to make Governmentwide changes, including:

- Working with Chief Human Capital Officers, Congress and the administration to develop a Governmentwide framework for Federal hiring reform

- Streamlining and consolidating appointing authorities to simplify the hiring process

- Improving assistance to agencies by developing and implementing valid and practical assessment tools

- Working with the Attorney General to petition the district court to sunset the *Luevano* consent decree and its related special hiring program

- Expanding efforts to develop competency-based qualification standards

A copy of this report can be found at *http://www. mspb.gov/studies/rpt_09-06_reforming/reforming federalhiring.htm*