

**FY 2009**

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

CBJ Submission  
February 4, 2008



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# Abbreviations

BFE	Budget Formulation and Execution
CFI	Centrally Funded Items
CHCO	Chief Human Capital Officers
CLCS	Center for Leadership Capacity Services
COLA	Cost-of-living Adjustment
CR	Continuing Resolution
CRIS	Center for Retirement & Insurance Services
CSRS	Civil Service Retirement System
CTS	Center for Talent Services
DSS	Defense Security Service (Department of Defense)
e-Gov	Electronic Government
EHRI	Enterprise Human Resources Integration
FEHBP	Federal Employees Health Benefits Program
FEGLI	Federal Employees Group Life Insurance
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FISD	Federal Investigative Services Division
FLTCIP	Federal Long-Term Care Insurance Program
FSAFEDS	Flexible Savings Account Program
FSM	Financial Systems Modernization
FTE	Full-time Equivalent
FY	Fiscal Year
GSA	General Services Administration
HCLMSA	Human Capital Leadership and Merit System Accountability Division
HMO	Health Maintenance Organization
HR LOB	Human Resources Line of Business
HRPS	Human Resources Products and Services Division
HSPD	Homeland Security Presidential Directive
IT	Information Technology
LOB	Line of Business
MSD	Management Services Division
OCFO	Office of the Chief Financial Officer
OCPL	Office of Communications and Public Liaison

OCR	Office of Congressional Relations
OD	Office of the Director
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAAT	Performance Assessment Accountability Tool
PART	Program Assessment Rating Tool
P.L.	Public Law
RSM	Retirement Systems Modernization
SES	Senior Executive Service
SHRP	Strategic Human Resources Policy Division

# Part 1 – Executive Summary

## Overview

The Office of Personnel Management's (OPM's) FY 2009 Performance Budget reflects how the agency will continue to fulfill its mission to ensure the Federal Government has an effective civilian workforce while also exercising the fiscal discipline outlined in the Presidents Budget.

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

For Fiscal Year 2009, OPM is requesting **\$228,911,000** in discretionary resources, a decrease of **\$15.355** million (or 6.3%) below its FY 2008 appropriation. These resources will enable OPM to carry out its core business and also accomplish the following:

- Complete the transition to new technology supporting the retirement program;
- Procure and begin implementing a new financial system;
- Undertake new human resources policy initiatives; and
- Maintain the Merit System Accountability (Compliance) Program.

The specific elements of this request are described in the pages that follow.

## OPM FY2009 Appropriations Request

### Accounts Requiring Congressional Action

Fund	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Salaries & Expenses Annual	\$93,913,000	\$85,627,000	(\$8,286,000)
Salaries & Expenses No-Year – Enterprise Human Resource Initiative (EHRI)	\$5,991,000	\$5,851,000	(\$140,000)
Salaries & Expenses No-Year – Human Resources Line of Business (HR LOB)	\$1,351,000	\$1,351,000	\$0
Salaries & Expenses No-Year – E-Payroll	\$340,000	\$0	(\$340,000)
Salaries & Expenses No-Year – E-Training	\$170,000	\$0	(\$170,000)
<b>Salaries &amp; Expenses total</b>	<b>\$101,765,000</b>	<b>\$92,829,000</b>	<b>(\$8,936,000)</b>
Trust Fund Annual	\$96,936,000	\$102,882,000	\$5,946,000
Trust Fund No-Year (RSM)	\$26,965,000	\$15,200,000	(\$11,765,000)
<b>Trust Fund limitation total</b>	<b>\$123,901,000</b>	<b>\$118,082,000</b>	<b>(\$5,819,000)</b>
<b>OPM Total Discretionary Appropriated</b>	<b>\$225,666,000</b>	<b>\$210,911,000</b>	<b>(\$14,755,000)</b>
OIG Salaries & Expenses	\$1,519,000	\$1,538,000	\$19,000
OIG Trust Fund	\$17,081,000	\$16,462,000	(\$619,000)
<b>OIG Total Discretionary Appropriated</b>	<b>\$18,600,000</b>	<b>\$18,000,000</b>	<b>(\$600,000)</b>
<b>Total Discretionary Appropriated</b>	<b>\$244,266,000</b>	<b>\$228,911,000</b>	<b>(\$15,355,000)</b>
<b>Mandatory Payments: (estimated)</b>	<b>\$39,056,000,000</b>	<b>\$40,626,000,000</b>	<b>\$1,570,000,000</b>
Civil Service Retirement and Disability Fund	\$30,185,000,000	\$30,985,000,000	\$800,000,000
Federal Employees Health Benefits Fund	\$8,826,000,000	\$9,595,000,000	\$769,000,000
Federal Employees Group Life Insurance Fund	\$45,000,000	\$46,000,000	\$1,000,000

#### Major Changes from 2008

- Salaries and Expenses Reductions:
  - DOJ reimburses OPM for direct cost of Voting Rights observations
  - Increase in revolving fund financed activities share of common OPM services
  - Conversion of some HCLMSA services to revolving fund financing
- Transfers from Trust Fund Changes:
  - Reduction of developmental costs as RSM is implemented (no-year authority)
  - Normalization of retirement costs as RSM is operational (annual authority)



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

OPM's Strategic and Operational Plan 2006–2010 was developed and released during FY 2006 as the agency reassessed its external and internal challenges, and its mission, guiding principles, and priorities to create a more transparent and accountable agency. The Strategic and Operational Plan begins with a concise mission statement and continues with seven strategic objectives (see OPM's Mission and Strategic Objectives table below), each of which is supported by a series of operational goals. During FY 2007, OPM issued an addendum to the Strategic and Operational Plan describing additional operational goals through 2010, and is developing an addendum for the new operational goals for FY 2008 and FY 2009 stemming from this budget request. OPM's operational goals are the means and strategy through which the agency will fulfill its mission and improve program performance.

OPM's mission is simple and direct: to ensure the Federal Government has an effective civilian workforce. This mission is accomplished by achieving seven strategic objectives. Objectives A and B focus on the Federal workforce, Objectives C and D focus on what OPM needs to achieve through Federal agencies, and Objectives E, F, and G, describe what OPM should accomplish internally. The Strategic and Operational Plan 2007–2010 is available on the OPM website at [www.opm.gov/strategicplan](http://www.opm.gov/strategicplan). OPM also regularly updates progress in achieving its operational goals at the same site link.

### OPM's Mission and Strategic Objectives

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

Additional detail on OPM's strategic objectives can be found in Part 2 – Budget Tables and in Part 4 – Budget by Strategic Objective.

### OPM's Organizational Structure

OPM's organizational structure reflects the agency's primary business lines: developing Federal human resources management policy, supporting agencies in the implementation of that policy through while adhering to the Merit System Principles, and supporting these with human resources products and services. Through these business lines, OPM implements its programs and achieves its strategic objectives. As shown in Figure 1 on page 12, OPM is composed of the following organizational components:

## Executive Offices

- The **Office of the Director (OD)** The Office of the Director includes the Deputy Director, Chief of Staff and Director of External Affairs, the Office of the Combined Federal Campaign, and Executive Director of the Chief Human Capital Officers Council.
- The **Office of Communications and Public Liaison (OCPL)** is responsible for coordinating and communicating the official internal and external messages concerning the agency's mission and actions, as well as human capital issues which impact the Federal workforce. The office networks with Federal employee groups and stakeholders to further the mission of the agency.
- The **Office of Congressional Relations (OCR)** oversees and coordinates all of OPM's Congressional relations; provides strategic advice and legislative analysis to OPM's Director and program offices; and responds to Congressional initiatives that affect Federal human resources management issues.
- The **Office of the General Counsel (OGC)** provides legal services to OPM's Director, Deputy Director, and divisions. It advises Government agencies in understanding and carrying out their civil service responsibilities and meeting the Merit System Principles. The office provides civil service-related legal assistance to members of the public, as needed, to serve the American people fairly and professionally.

## Program Divisions

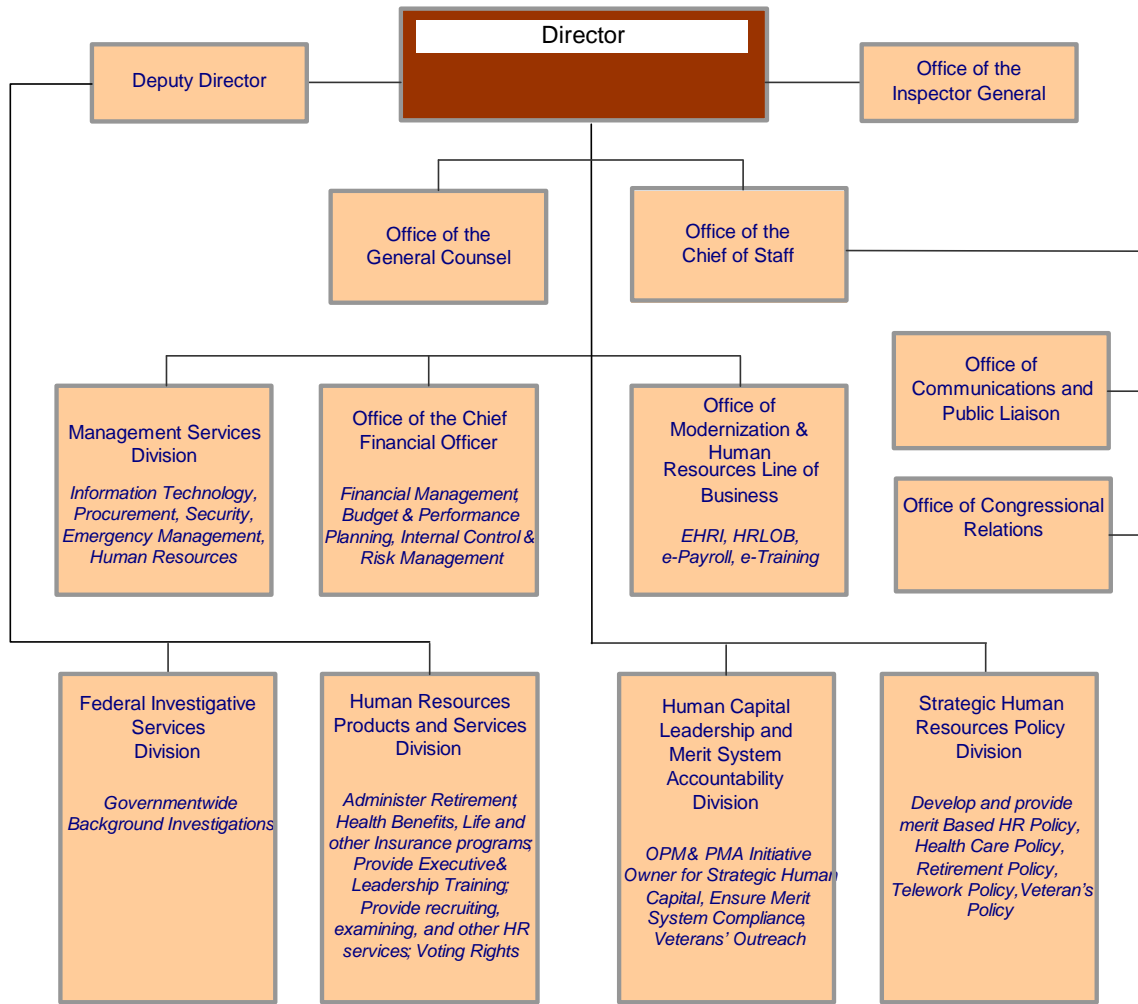
- The **Federal Investigative Services Division (FISD)** houses the Investigations Program through which it provides Federal agencies personnel background investigative and employment suitability services on a reimbursable basis to ensure Federal employees meet critical personnel security standards. FISD strives to provide these services within the timeframes mandated by the Intelligence Reform and Terrorism Prevention Act of 2004.
- The **Human Capital Leadership and Merit System Accountability Division (HCLMSA)** supports the Human Capital Program by leading the transformation of human capital management across Government by proactively engaging agencies in the implementation of the Human Capital Standards for Success and providing them with technical advice and assistance. HCLMSA also supports the Merit System Compliance Program by assessing and reporting agencies' adherence to the Merit System Principles, veterans preference, and other Government-wide standards.
- The **Office of Modernization and Human Resources Line of Business (HR LOB)** is responsible for the development of world-class, secure, modern, cross-agency, human resources solutions so that Federal agencies can build successful, high-performing organizations. The initiative is modernizing human resources business processes and establishing both Federal and private sector providers with shared common solutions. The solutions will provide more efficient management of the automated information systems that support human resource activities thus allowing Federal agencies to transform their internal human resource focus from an emphasis on administrative processing to strategic planning support for agency leadership and improved customer service.
- The **Human Resources Products and Services Division (HRPS)** provides retirement and insurance benefits to Federal employees, retirees, and their families. It also provides expert solutions to support Federal agencies' human resources needs that span the employment life cycle. HRPS services include tailored recruitment and selection tools and strategies; testing services, competency assessment, training and development, and succession planning.

- The **Management Services Division** (MSD) provides OPM offices with the full range of administrative services, including human capital and equal employment opportunity management, contracting and administrative management, information technology, and security and emergency services. These services enable OPM to build mission capacity and maintain a high-quality and diverse workforce.
- The **Office of the Chief Financial Officer** (OCFO) is responsible for implementing the President's Management Agenda within the agency and providing OPM offices with the full range of financial management, strategic planning, and budget services. OCFO also performs OPM's oversight of internal controls and risk assessments.
- The **Strategic Human Resources Policy Division** (SHRP) designs, develops, and leads the implementation of innovative, flexible, merit-based human resources policies and strategies enabling Federal agencies to meet their missions and achieve their goals. The majority of SHRP's activities support the Human Capital Program, but the division also provides policy leadership to the employee benefits programs (retirement, health benefits, life, long term care, and other insurance).

### Office of the Inspector General

- The **Office of the Inspector General** (OIG) conducts comprehensive and independent audits, investigations, and evaluations relating to OPM programs and operations. It is responsible for administrative actions against health care providers that commit sanctionable offenses with respect to the Federal Employees Health Benefits Program (FEHBP) or other Federal programs. The OIG keeps the Director and Congress fully informed about problems and deficiencies in the administration of agency programs and operations, and the necessity for corrective action.

Figure 1 – OPM Organizational Structure



The budget request and related discussion for individual organizations can be found in Part 3.

## Overview of FY 2009 Request

OPM's total FY 2009 discretionary request of **\$228,911,000** represents a net decrease of **\$15,355,000** from the FY 2008 enacted amount.

OPM's budget request consists of two appropriations accounts, the Office of Personnel Management Salaries and Expenses account, and the Office of the Inspector General Salaries and Expenses account. Both contain general funds and limitations on transfers from the earned benefit trust funds under OPM management. These trust funds are the Civil Service Retirement and Disability Fund, the Federal Employees Health Benefits Fund, and the Federal Employees Group Life Insurance Fund. OPM's three mandatory payment appropriations provide resources from the general fund to the three earned benefit trust funds, and finance benefits for Federal employees and annuitants. These payment accounts are discussed in Part 5, beginning on page 129.

In FY 2009, OPM's administrative accounts will support **4,940** full-time-equivalent employees (FTE) as compared to **4,988** FTE in FY 2008. Of these, the discretionary appropriations and mandatory Trust Fund transfers will support **1,809** FTE, a decrease from **1,861** FTE in FY 2008. The remaining allocation of **3,131** FTE is in the Revolving Fund.

## Discretionary Appropriations

### Salaries & Expenses

**General Funds.** OPM's General Funds request for basic operating expenses totals **\$92,829,000**.

The FY 2009 request includes **\$85,627,000** in annual funds and **\$7,202,000** in no-year funds for Human Resources Line of Business projects. This reflects a decrease of **\$8,936,000** below the FY 2008 budget level.

**Transfers from Trust Funds.** For the administration of the civil service retirement and insurance programs, OPM requests a total of **\$118,082,000** in transfers from the Trust Funds. The FY2009 request includes **\$102,882,000** in annual funds and **\$15,200,000** in no-year funds, a net decrease of **\$5,819,000** below the FY 2008 limitation.

This FY 2009 request includes new funding for the implementation and normalization of the new business processes and technology for the retirement program, while maintaining the current processes during this transition. The No-Year funding will be used to implement licensed software technology, and improve the availability of electronic retirement data. The Annual Trust Fund resources will be used to maintain timely processing of retirement benefits claims, responding to retirement program customer inquiries, and maintain and adjust benefit payment accounts for retirees and survivor annuitants.

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

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

## Office of the Inspector General

### Salaries & Expenses

The FY 2009 request for the Office of the Inspector General totals **\$18,000,000** and **123 FTE**, and includes **\$1,538,000** and **14 FTE** in General Funds and **\$16,462,000** and **109 FTE** in transfers from the Trust Funds to enable the OIG to carry out its audit, investigative, and oversight responsibilities. This request, which is **(\$600,000)** below the 2008 appropriation, will enable the OIG to continue its investigative oversight of the FEHBP and Civil Service Retirement System/Federal Employees Retirement System programs, to audit FEHBP plans and carrier information systems, and to continue its prescription drug audit plan established in FY 2006.

### Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2009 budget includes an estimated **\$1,051,000,000** in new budget authority and **3,131 FTE** to be financed by other agencies' payments for OPM services. These services include providing professional development and continuous learning for Federal managers and executives; providing one-stop access to high-quality e-Government products and services; testing potential military personnel for the Department of Defense in those locations where it is cost effective for OPM to do so; providing employment information and assessment services; automating other agencies' staffing systems; providing examining services upon request from an agency; providing technical assistance and general consultation services on all facets of human resources management; and managing the selection, coordination, and development of Presidential Management Fellows.

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

Agency contributions through the Revolving Fund for the HR LOB in FY 2009 are expected to be approximately **\$3,000,000**. These funds will be used to further develop the HR LOB including enterprise architecture and requirements development, planning and governance support, and assistance with the set-up and operation of Shared Service Centers and agency migration to established centers. Details on these contributions from other agencies to develop OPM's e-Government programs can be found in Part 3, starting on page 53.

## Appropriations Language

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

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee

basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$92,829,000 of which \$5,851,000 shall remain available until expended for the Enterprise Human Resources Integration project; \$1,351,000 shall remain available until expended for the Human Resources Line of Business project; and in addition, \$118,082,000 for administrative expenses, to be transferred from the appropriate Trust Funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which \$15,200,000 shall remain available until expended for the cost of automating the retirement recordkeeping systems: Provided, That the provisions of this appropriation shall not affect the authority to use applicable Trust Funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of Title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2009, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

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

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$1,538,000, and in addition, not to exceed \$16,462,000 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.





## Highlighted Activities

The following pages provide at-a-glance summaries of OPM activities. Responsibility for some of these activities spans multiple OPM organizations, and they are financed by appropriated and non-appropriated resources. Generally, each of these activities can be mapped to a single OPM strategic objective. Some of these activities are subject to recurring PART reviews.

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### OPM's Activities

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Combined Federal Campaign	18
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## Combined Federal Campaign

### Budget (\$ thousands)

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses	\$922	7.7	\$875	7.2	(\$47)	(0.5)

### Workloads / Performance Information

Workload / Performance	2005*	2006*	2007*
Amount of Contributions (all campaigns)	\$268.5 million	\$271 million	**
Number of Participating Charities	(approx.) 22,000	(approx.) 22,000	(approx.) 23,000

\*Campaigns are held in the fall of each year. For example, the recently concluded 2007 campaign was held during FY 2008.

\*\* Amount of contributions for 2007 campaign will be available April 2008

### Description

The Combined Federal Campaign (CFC) was established in 1961 by President Kennedy via Executive Order. CFC is the world's largest and most successful annual workplace charity campaign, with more than 300 CFC campaigns throughout the country and internationally, generating approximately \$270 million in contributions annually. Pledges made by Federal civilian, postal and military donors during the campaign season support eligible non-profit organizations throughout the world. Executive Orders 12353 and 12404 authorize OPM to prescribe rules and regulations for operating the CFC and ensuring that recipient agencies are responsible in the use of the funds raised.

The Office of Personnel Management (OPM) monitors performance among local campaigns across the Federal Government, to assure Federal employees that their designations will be honored and distributed to the charitable organization of their choice, and that all charitable organizations listed in the CFC have met strict eligibility requirements.

OPM is responsible for ensuring that all participating charities are in compliance with CFC Regulations found in Title 5, Part 950 of the Code of Federal Regulations. The Director of OPM has designated to the Office of the Combined Federal Campaign (OCFC), within the Office of the Director, responsibility for day-to-day management of the CFC.

### 2009 Issues and Challenges

The Office of Personnel Management (OPM) has taken steps to ensure all CFC participating charities have a tax exempt status. Of the 22,000 charities participating in the CFC during the 2005 and 2006 campaigns, only 132 were not completely verified, and were suspended. They may be reinstated if they submit proof they have re-established tax exempt status with the IRS under Section 501(c)(3). OPM is working with the IRS to establish a more efficient process of ensuring participating charities are indeed tax exempt, and we have adopted Government Accountability Office (GAO) recommendations for the current campaign.

OPM has created a centralized Combined Federal Campaign (CFC) database which provided, for the first time, a single repository of all charitable organizations that applied to participate in the CFC. This information was previously decentralized among OPM and approximately 270 local campaigns across the country. A centralized database has allowed OPM to compare all charitable organizations that applied to participate in the CFC against the IRS Master File in order to determine whether each one was recognized by IRS as a Section 501(c)(3) tax exempt organization as required by the CFC regulations.

Creation of the CFC database also ensured that a key eligibility requirement was met by all of the charitable organizations participating in the 2007 campaign and it allowed OPM the ability to issue new five-digit codes to all of the charitable organizations. By taking these actions, it allowed OPM to remove geographical restrictions on contributions made by Federal employees. Federal employees can now contribute to any charity of their choice even if that charitable organization is outside of their work area.

In addition to its ongoing responsibility for management of CFC, in FY 2009, OPM will implement on-line charity registry update capacity for local campaign administrators.

### References in this Document

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## e-Government

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
EHRI	\$5,991,000	3	\$5,851,000	3	(\$140,000)	0
e-Payroll	\$340,000	0	\$0	0	(\$340,000)	0
e-Training	\$170,000	0	\$0	0	(\$170,000)	0
HR LOB	\$1,351,000	7	\$1,351,000	7	\$0	0
<b>OPM total</b>	<b>\$7,852,000</b>	<b>10</b>	<b>\$7,202,000</b>	<b>10</b>	<b>(\$650,000)</b>	<b>(0)</b>

### Workloads / Performance Information

Workload / Performance	FY 2007	FY 2008 Estimate	FY 2009 Estimate
Number of agencies migrated to e-Payroll	23	3	3
Number of agencies migrated to HR LOB Shared Service Centers (including the migration of additional human resources functions)	5	3	3
Percent of hard copy official personnel files converted to electronic format	33%	50%	70%
Number of hard copy official personnel files converted to electronic format	600,000	900,000	1,260,000

### Description

In FY 2009, OPM will continue to be a leader in the President's Management Agenda for Expanding Electronic Government (e-Gov). The requested resources will support the Human Resources Line of Business (HR LOB) and Enterprise Human Resources Integration (EHRI). For a detailed description of OPM e-Gov initiatives, refer to section 3 (page 108 of this document).

HR LOB is a strategic and transformational initiative to improve HR services through the establishment of Shared Service Centers and appropriate service delivery models and strategies for federal agencies. The HR LOB continues to identify and document common functional, technical, and data requirements and best practices consistent with federal human resources policies and the Federal Enterprise Architecture. As part of the HR LOB, OPM continues to manage the e-Training initiative which works with both partner agencies and training service providers to foster federal agencies' implementation of Enterprise Learning Management Systems.

EHRI is a comprehensive electronic personnel recordkeeping and analysis system that supports human resources management across the Federal Government. This system spans the careers of 1.8 million Federal employees—from hiring to retiring—and provides employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge management, workforce analysis, forecasting, and reporting Government-wide in support of the strategic management of human capital. When fully implemented, EHRI will replace the current Official Personnel Folder with an electronic employee record for all Executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of federal employment.

E-Payroll is an effort to standardize payroll services and processes across the Federal Government. The e-Payroll initiative has consolidated twenty-six Executive branch Federal payroll providers to four,

standardizing payroll policies and procedures, and simplifying and better integrating payroll, human resources, and finance functions.

E-Training is an initiative which supports the Learning and Development Advisory Council (LDAC), several working groups under the LDAC and the Training Service Provider Consortium. The LDAC aims to share best practices and provide advice to the Chief Human Capital Officers Subcommittee on Learning and Development as well as foster and evaluate best practices and standards for e-Learning systems and Service Providers government-wide.

HR LOB is an initiative to create government-wide, modern, cost-effective, standardized, and interoperable HR solutions to provide common core functionality to support the strategic management of Human Capital through the establishment of Shared Service Centers (SSCs). Driven from a business perspective rather than a technology focus, these solutions will address distinct business improvements enhancing the government's performance of HR services in support of agency missions.

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

### 2009 Issues and Challenges

A challenge common to all e-Gov projects is the willingness and capability of Federal agencies to continue funding investments in the technologies. These initiatives will continue to address the challenges of data security and privacy facing Federal technologies initiatives.

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## Government-wide Training

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund (Center for Leadership Capacity Services)	\$48,910,000	104.0	\$50,931,000	107.0	\$2,021,000	3
Revolving Fund (GoLearn)	\$36,503,000	3.0	\$33,503,000	3.0	(\$3,000,000)	0
<b>OPM total</b>	<b>\$85,413,000</b>	<b>107.0</b>	<b>\$84,434,000</b>	<b>110.0</b>	<b>(\$979,000)</b>	<b>3</b>

### Workloads / Performance Information

Workload / Performance	FY 2007	FY 2008 (est.)	FY 2009 (est.)
CLCS Programs--# of Training Participants	14,096	13,214	13,600
# of GoLearn courses completed annually (all Learning Management Systems)	2,278,513	2,300,000	2,500,000
# of eligible (registered) users of GoLearn sites	1,371,165	1,200,000	1,300,000

### Description

To strengthen the leadership capacity of the Federal workforce, OPM provides Government-wide training through Center for Leadership Capacity Services (CLCS) Open Enrollment, Custom, and Succession Planning programs including the Presidential Management Fellows Program and Federal Candidate Development Program. The purpose of these programs is to ensure that Federal executives, managers, and supervisors have the opportunity for high-quality training to meet the leadership, management development, and succession planning needs of their organizations and develop or renew their commitment to public service.

OPM also provides Government-wide training through the GoLearn program. GoLearn's availability to all Federal agencies and employees makes it the ideal choice for addressing a wide range of training needs. E-Training courses are available on a variety of subjects, including legislatively mandated and agency required topics (e.g., Computer Security Awareness and Prevention of Sexual Harassment), high-interest training topics (e.g., supervisory and managerial training, homeland security), and IT courses. For larger agencies, GoLearn facilitates the implementation of Learning Management Systems, enabling more effective management of Human Capital and helping to grow a more effective and productive Federal workforce.

### 2009 Issues and Challenges

In FY 2009, the Center for Leadership Capacity Services will increase custom tailored programs, strengthen the Federal Candidate Development Program (FedCDP), and implement a certificate of education program for Federal managers, and maintain its ongoing core executive and managerial development programs. In FY 2008 and FY 2009, OPM will continue to monitor the performance of GoLearn contract vendors' performance and conduct a vendor satisfaction survey to assess the value and delivery of GoLearn products and services.

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## Health Care

### Budget (\$ thousands)

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Annual Trust Fund Limitation (OPM)	\$13,981	87	\$13,425	85	(\$556)	(2)
Annual Trust Fund Limitation (OIG)	\$13,246	96	\$12,766	96	(\$480)	0
Salaries and Expenses	\$109	1	\$109	1	\$0	0
<b>Subtotal, Discretionary Authority</b>	<b>\$27,336</b>	<b>184</b>	<b>\$26,300</b>	<b>182</b>	<b>\$(1,036)</b>	<b>(2)</b>
Mandatory Authority, Dental & Vision Benefits (5 USC 8958 (f)(2)(A) & 5 USC 8988(f)(2)(A))	\$4,000	9	\$4,800	7	\$800	(2)
<b>OPM total</b>	<b>\$31,336</b>	<b>193</b>	<b>\$31,100</b>	<b>189</b>	<b>\$(236)</b>	<b>(4)</b>

### Workloads / Performance Information

Workload / Performance	FY 2007	FY 2008 Estimate	FY 2009 Estimate	Variance 2009 – 2008
Amount of FEHB Benefit Payments (\$ millions)	\$33,679	\$35,105	\$37,413	\$2,308
Number of FEHB Enrollments	4,012,319	4,034,000	4,086,000	52,000

### Description

OPM administers three major programs that address the health care needs of Federal employees, annuitants and their dependents. Since 1959, The Federal Employees Health Benefit Program (FEHBP) has offered group health insurance to Federal employees. Federal retirees were added to the program in the 1960's. The FEHBP currently offers 283 health care plans which cover over 8 million Federal employees, annuitants, and their dependents. In 2006, OPM initiated the Federal Employee Dental and Vision Program which established group dental and vision care benefits. OPM also administers a flexible spending account program, FSAFEDS, which permits Federal employees to set aside money on a pre-tax basis to pay for non-reimbursed health and dependent care expenses.

The Government contributes approximately 72% of the total premium cost of enrollments within the FEHBP. Federal agencies, as employers, pay their share of premiums out of the same resources appropriated or otherwise available for the payment of employee salaries. The governments share of retiree premiums is paid from the General Fund via "such sums as necessary" annual appropriation.

### 2009 Issues and Challenges

The ever-increasing cost of health care is a national challenge. OPM, through tough contract negotiations and extensive program oversight, has had remarkable success, with annual average premium increases of only about 2 percent in both 2007 and 2008 contracts.

OPM is committed to expanding the use of health information technology (HIT) within the FEHBP. Included among these initiatives are electronic personnel health records, e-Prescriptions, and disease management programs. OPM believes that these and other HIT initiatives will improve the quality of care and reduce the cost of health care by eliminating manual tasks, improving the coordinated quality of care and reducing medical errors. OPM's major challenges to expanding the use of HIT within the FEHBP will be managing considerable implementation costs and ensuring that participant data is secure and safe from unauthorized access.



The Administration has submitted a legislative proposal to permit the FEHBP's Service Benefit Plan and Indemnity Benefit Plan to offer a third benefit option. Current statute permits both plans to only offer two tiers of benefits. The proposal also would also allow OPM to broaden the types of health plans offered within the FEHBP. These flexibilities will permit OPM to expand high-deductible and consumer-driven choices, and to explore other types of health plans that are emerging on the market, such as those offered by regional preferred provider networks.

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## Human Resources Services

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
CTS Revolving Fund	\$192,000,000	541.0	\$198,000,000	535.0	\$6,000,000	(6)
HCLMSA Revolving Fund	0	0	\$650,000	5.9	\$650,000	5.9
<b>OPM total</b>	<b>\$192,000,000</b>	<b>541.0</b>	<b>\$198,650,000</b>	<b>540.9</b>	<b>\$6,650,000</b>	<b>(.1)</b>

### Workloads / Performance Information

Workload / Performance	FY 2007	FY 2008 Target	FY 2009 Target
% of customers expressing repurchase intention for CTS products and services	94%	94%	94%
# of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards	25	25	25

### Description

In addition to the Human Resources Line of Business and related e-Gov initiatives including USAJOBS, OPM offers other services through HRPS' Center for Talent Services (CTS). The services included are: fee-based staffing, training, assessment, and other human resources services. OPM also manages the Executive and Schedule C System database (ESCS), and provides training and certification of HR professionals to conduct delegated examining operations. ESCS contains a variety of information on the Senior Executive Service (SES), Schedule C (political) appointees and other senior executives in the Federal Government. It is the only real time database in existence that provides data to the Government on these appointment types. OPM also offers training and certification services to ensure that Federal HR specialists acquire the competences needed to make human capital management decisions in accordance with the merit system principles, and in compliance with Federal laws, rules, and regulations.

### 2009 Issues and Challenges

To continue to maintain high levels of performance, in FY 2008 and 2009 CTS will deploy and integrate Customer Relationship Management software to effectively manage customer accounts across business lines, review the business life cycle of two mature product or service offerings to determine short and long-term viability and closely monitor the performance of the Training and Management Assistance (TMA) business line to match products and services with customer agencies' workforce needs.

In the FY 2009 President's Budget, for the first time, OPM will provide ESCS and related services and delegated examining unit training and certification to agencies through the Revolving Fund.

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## Pay and Leave Benefits

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses	2,493	19.8	2,542	19.3	120	0.5
<b>OPM total</b>	<b>2,493</b>	<b>19.8</b>	<b>2,542</b>	<b>19.3</b>	<b>120</b>	<b>0.5</b>

### Workloads / Performance Information

Workload / Performance	FY 2007
Number of active demonstration projects	3
Number of new demonstration projects	2

### Description

OPM leads the Federal Government's efforts to implement, manage, and improve Government-wide pay and leave administration policies and programs to assist Federal agencies in meeting their human capital goals to attract, motivate, and retain high quality employees from diverse backgrounds. OPM has responsibility for setting the pay rates for the General Schedule, which covers 1.3 million employees; manages the Federal Wage System, covering roughly 200,000 employees, and the certification process for the Senior Executive Service performance-based pay system covering approximately 7,000 employees.

In addition, OPM administers special pay rates; regulates recruitment, relocation and retention incentives and conducts and evaluates demonstration projects and alternative personnel systems. Ongoing activities include providing guidance on pay and leave benefits for employees who are unable to work in an area affected by severe weather conditions or other emergency situations (e.g., California wildfires); implementing the annual determination of January pay adjustments, approved by Executive Order, for the General Schedule and other Government-wide pay systems, and administering more than 60 statutes and regulations involving a broad range of Government-wide and single-agency pay and leave authorities.

### 2009 Issues and Challenges

In FY 2009, OPM will continue to develop market-sensitive pay systems (e.g., General Schedule locality pay system), policies and programs. OPM took action during FY 2007 to support the Administration's philosophy that Federal pay rates be based on labor market considerations. In accordance with the President's FY 2008 budget, OPM drafted proposed legislation, which was cleared by OMB and transmitted to Congress on May 30, 2007, that would extend the General Schedule (GS) locality pay system to U.S. non-foreign areas, such as Alaska, Hawaii, Guam, Puerto Rico, and the U.S. Virgin Islands. Nearly 50,000 employees in these areas currently receive a Cost of Living Allowance (COLA), which is based on living costs relative to Washington, DC and which is not creditable for retirement benefit calculations. The proposed legislation would bring these employees under the market-based GS locality pay system, phasing in GS locality pay and concurrently phasing out COLA. The proposed legislation comports with the Administration's market-based pay philosophy and benefits employees by increasing the compensation on which retirement calculations are based and Thrift Savings Plan contributions are made.

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## Retirement

### Budget (\$ thousands)

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Annual Trust Fund Limitation (OPM)*	81,792	477.7	88,341	464.1	6,549	(13.6)
Annual Trust Fund Limitation (OIG)	\$3,539	19.0	\$3,411	19.0	(\$128)	0
No-Year Trust Fund Limitation	\$26,965	20.0	15,200	16.0	\$(11,765)	(4.0)
<b>Subtotal – Discretionary Resources</b>	<b>\$112,296</b>	<b>516.7</b>	<b>\$106,952</b>	<b>499.1</b>	<b>\$(5,344)</b>	<b>(17.6)</b>
Mandatory Auth. 5 USC 8348(a)(1)(B)	\$28,995	281.0	\$31,103	281.0	\$2,108	0
Mandatory Auth. FERCCA	\$1,930	13.8	\$1,430	10.0	(\$500)	(3.8)
<b>Subtotal – Mandatory Authority</b>	<b>\$30,925</b>	<b>294.8</b>	<b>\$32,533</b>	<b>291.0</b>	<b>\$1,608</b>	<b>(3.8)</b>
<b>OPM total</b>	<b>\$143,221</b>	<b>811.5</b>	<b>\$139,485</b>	<b>790.1</b>	<b>(\$3,726)</b>	<b>(21.4)</b>

\* Dollars include direct retirement operations, retirement policy, share of agency rent costs and share of centrally managed "common" services. FTE shown are directly related to retirement operations, policy and oversight.

### Workloads / Performance Information

Workload / Performance	FY 2007	FY 2008 Estimate	FY 2009 Estimate	Variance 2008– 2009
Number of Retirees added to roll	92,349	92,900	96,900	4,000
Number of Annuitants & Survivors on annuity roll	2,477,940	2,493,799	2,512,737	18,938
Annual Value of Annuity Payments (\$ millions)	\$60,860	\$63,915	\$67,574	\$3,659

### Description

OPM administers two Federal retirement programs; the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). Combined, these two systems cover over 1.8 million employees, and disburse monthly benefits to approximately 2.5 million retirees and survivors. Multiple OPM organizations have a role in the administration of the retirement program. The Strategic Human Resources Policy Division provides policy guidance and actuarial support for the program. The Human Resource Products and Services Division calculates and authorizes program benefits, maintains program records, and provides customer services. The Office of the Chief Financial Officer performs accounting financial reporting services for the program. The Management Services Division develops and maintains the program's automated systems, and the Office of the Inspector General provides program oversight and investigates allegations of waste, fraud, and abuse.

### 2009 Issues and Challenges

During 2009, OPM will complete the transition of active employees into our modernized retirement administration environment. During the transition, we will need to maintain our existing legacy processes while standing up the new systems.

Within the next 12 months, we will begin feeding electronic personnel and payroll data from over 1.8 million active employees into our new electronic environment in a series of five waves. Once transitioned, employees will be able to electronically access their retirement accounts, and utilize new retirement planning tools. As employees become eligible for benefits, claims will be handled within the new system, delivering benefits on the first day they are due. In the same timeframe, payments to our

existing retirees and survivors will be transitioned to this system. Throughout this process, our high standards for timely and accurate benefit payments and customer service must be maintained. OPM executive leadership and all staff supporting the retirement program are actively engaged in this transition.

OPM has several legislative proposals in various stages of development to improve benefit equity and the efficiency of program administration. A proposal to change the annuity computation formula for individuals covered under the CSRS with part-time service was transmitted to Congress during 2007. That same proposal requested technical corrections to improve administration of the retirement program. We are exploring a proposal to change how we determine when an individual who has retired on disability has regained earning capacity. This proposal would permit us to automate much of this process.

OPM's pay policy proposal to transition from cost-of-living allowances in certain areas to locality pay will have a future impact on the value of retirement benefits.

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## Security Clearances

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$689,703,000	2,416	\$709,626,000	2,416	\$19,923,000	0
Salaries and Expenses	\$0	0	\$0	0	\$0	0
<b>OPM total</b>	<b>\$689,703,000</b>	<b>2,416</b>	<b>\$709,626,000</b>	<b>2,416</b>	<b>\$19,923,000</b>	<b>0</b>

### Workloads / Performance Information

Workload / Performance	FY 2007	FY 2008 Estimate	FY 2009 Estimate
Background Investigations Processed	231,485	225,000	225,000
National and Special Agency Checks and Inquiry Cases Closed	1,256,501	1,250,000	1,250,000
Special Agreement Checks Closed	539,673	540,000	540,000

### Description

The Federal Investigative Services Division (FISD) provides background investigative services to agencies. FISD conducts more than 90 percent of the Federal Government's background investigations on Federal employees, contractors, and military members. Investigations are a critical step in the Federal hiring process and can affect hiring or removal decisions based on the individual's fitness and suitability for employment. Based on information gathered in background investigations, Federal agencies issue security clearances and make suitability determinations.

### 2009 Issues and Challenges

Since absorbing the Department of Defense Security Service in early 2005, OPM has focused on overcoming the major challenge of incorporating this increase in program scope. OPM will simultaneously develop policies and strategies to meet OPM aggressive timelines set forth by the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004.

OPM continues to recognize and overcome significant challenges in improving the investigations and adjudications process. FISD is evolving from a largely paper-based and administratively-oriented process that focused more on the accumulation of hard copy paper case files to a more electronically-based workflow process that considers end-to-end workflow processes including more accurate agency adjudication activities. FISD will continue to focus on eliminating the timeliness on completing investigations. FISD has initiated aggressive hiring and training methods to bolster the field investigator and administrator workforce. FISD will employ recently updated core technology components of the Investigations program. The e-QIP (Electronic Questionnaire for Investigative Processing) system provides agencies with the ability to remotely enter and transmit case papers when requesting a background investigation. Ultimately, these administrative and technical initiatives will streamline the conduct investigations and improve the adjudication or the decision to grant security clearances.

Recently, OPM Director Linda Springer and Assistant to the President for National Security Affairs Stephen Hadley committed to creating a simplified investigative and adjudicative process. This process will build a tiered approach that reduces or eliminates duplicate work and allows for the use of prior information on a subject when there is a need for a higher-level investigation—much like an express lane in a typical waiting line operating environment.



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## Staffing

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$11,719,000	84.9	\$12,246,000	82.2	\$527,000	(2.7)
HCLMSA Salaries & Expenses	\$ 3,635,000	35.0	\$ 3,458,000	27.1	(\$177,000)	(7.9)
FPRAC Salaries & Expenses	\$231,000	1.0	\$235,000	1.0	\$4,000	0
OD Common Services	\$452,000	3.9	\$465,000	3.9	\$13,000	0
USAJOBS Revolving Fund	\$8,644,000	10	\$9,373,000	11.0	\$729,000	1
<b>Total OPM</b>	<b>\$24,681,000</b>	<b>134.8</b>	<b>\$25,777,000</b>	<b>125.2</b>	<b>\$1,096,000</b>	<b>(8.6)</b>

### Workloads / Performance Information

Workload / Performance	FY 2007 Results	FY 2008 Target	FY 2009 Target
# of agencies that meet their annual targets for closing mission-critical occupation/competency gaps	21 out of 26 agencies	20 out of 26 agencies	22 out of 26 agencies
% of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	64%	60%	70%
% of Chief Human Capital Officer agencies using the USAJOBS resume format and integrating online applications with their assessment systems	78%	75%	95%

### Description

OPM leads the Government-wide staffing effort to ensure that Federal agencies can acquire and retain employees with the specific skills, knowledge, and abilities essential to achieving agency goals and missions. OPM, through its Human Capital—Talent program and USAJOBS website, helps Federal agencies be “employers of choice,” to compete successfully with other employers by using effective recruitment and retention strategies. We make use of available recruiting, hiring and retention methods, tools, authorities and flexibilities.

### 2009 Issues and Challenges

OPM will lead an initiative to re-invigorate the Federal hiring experience by streamlining the hiring process to hire valuable employees quickly. OPM will continue to review all aspects of the hiring process. Other improvements to the hiring process will include minimizing the number of application packets prospective employees complete. OPM will promote the use of telework for recruiting, retention, and efficiency purposes. OPM will develop a “Telework Training for Managers” course. OPM estimates that 40 percent of the Federal workforce will likely retire in the next 10 years. OPM plans to address this potential gap by maintaining Veterans Outreach activities.

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## Voting Rights Observation

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses	\$1,677,000	10	\$610,000	5	(\$1,067,000)	(5)
Advances and Reimbursements	\$0	0	\$3,390,000	9	\$3,390,000	9
<b>OPM total</b>	<b>\$1,677,000</b>	<b>10</b>	<b>\$4,000,000</b>	<b>14</b>	<b>\$2,323,000</b>	<b>4</b>

### Workloads / Performance Information

Workload / Performance	FY 2007	FY 2008 (est.)	FY 2009 (est.)
Number of Voting Rights Observations	884	460	1300

### Description

In FY 2009, OPM will use \$610,000 of the General Funds appropriation to administer the Voting Rights Program, as required by the Voting Rights Act. The Act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language. As in previous fiscal years, OPM will manage and oversee Voting Rights observers at the request of the Department of Justice (DOJ) and will provide trained Federal observers to monitor the election process in areas designated by the U.S. Attorney General.

### 2009 Issues and Challenges

An ongoing challenge in administering the Voting Rights Program is the changing number of observations required from year-to-year. Starting in 2009, the President's Budget proposes that the Department of Justice reimburse OPM for the direct cost of observations. Under this proposed change, OPM will maintain administration of the program (and continue to finance program administration); however DOJ will reimburse OPM for the direct costs of deploying observers to election sites. As the entity responsible for dictating final requirements on the number of observers needed, DOJ is in a better position to budget for annual fluctuations in these requirements. OPM-employed observers would retain the independence that is essential to their effectiveness as third party witnesses.

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## Participation in Other Agencies' E-Government Initiatives

### Budget

Budget Source	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses	\$816,972	0	\$628,465	0	(\$188,507)	0
<b>OPM total</b>	<b>\$816,972</b>	<b>0</b>	<b>\$628,465</b>	<b>0</b>	<b>(\$188,507)</b>	<b>0</b>

### OPM Participation by E-Gov Project

Initiative	FY07 Agency Contributions (Includes In-Kind)	FY07 Agency Service Fees*	FY08 Agency Contributions (Includes In-Kind)	FY08 Agency Service Fees*	FY09 Agency Contributions (Includes In-Kind)	FY09 Agency Service Fees*
Budget Formulation and Execution LOB	\$75,000	\$0	\$85,000	\$0	\$95,000	\$0
Business Gateway	\$0	\$0	\$44,000	\$0	\$12,648	\$0
E-Rulemaking *	\$155,000	\$0	\$135,000	\$0	\$0	\$74,014
E-Travel	\$0	\$148,000	\$0	\$348,772	\$0	\$335,010
E-Authentication	\$0	\$0	\$0	\$126,900	\$0	\$224,700
Financial Management LOB	\$83,333	\$0	\$44,444	\$0	\$44,444	\$0
IT Infrastructure LOB	\$20,000	\$0	\$20,000	\$0	\$0	\$0
Integrated Acquisition Environment	\$24,569	\$0	\$12,155	\$0	\$0	\$18,172
Disaster Assistance Improvement Program	\$0	\$0	\$476,373	\$0	\$476,373	\$0
<b>OPM Total</b>	<b>\$357,922</b>	<b>\$148,000</b>	<b>\$816,972</b>	<b>\$475,672</b>	<b>\$628,465</b>	<b>\$651,896</b>

\* Agency Service Fees represent the estimated cost of services rendered under complete or nearly complete initiatives.

### Description

This activity describes the investments OPM is making in e-Government initiatives spearheaded by other Federal agencies. It does not include investment in the Government-wide initiatives where OPM is the managing partner. Those initiatives, the Human Resource Line of Business (HR LOB), the Enterprise Human Resource Integration project (EHRI), and the e-Training program are discussed in Part 3 (starting on page 53) and Part 4 (page 93) of this document.

As described in the President's Management Agenda, the e-Gov initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently at a lower price. Instead of expensive "stove-piped" operations, agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs. OPM participates in eight initiatives managed by other Federal agencies. Benefits realized through the use of these initiatives are as follows:

**Budget Formulation and Execution (BFE) LOB (Managing Partners: Department of Energy and Department of Education).** OPM does not have an automated system to support its budget formulation and execution activities. The BFE LOB will enable agency and OMB budget personnel to reduce manual processes, improve efficiency and effectiveness, and redirect limited time to a backlog of high-priority analytical activities. This initiative benefits OPM because the BFE LOB plans to make at least one

Government off-the-shelf budget formulation system available for purchase or use via a fee-for-service arrangement. OPM will be able to utilize the procurement guide that the BFE LOB plans to develop for use when an agency is beginning budget system procurement. This guide will include a listing of agencies and their current budgeting systems, information on various budgeting systems currently available in the market place (both Government off-the-shelf and commercial off-the-shelf), and a decisional matrix agencies can use in assessing budgeting systems. Additionally, agencies will have the ability to share lessons learned for budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government. In FY 2008, the BFE LOB will provide all agencies with more information about collaboration tools and technologies that can ease communications in the Federal budget environment.

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

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

**E-Rulemaking (Managing Partner: Environmental Protection Agency).** OPM is tasked with building a high-quality and diverse Federal workforce. OPM works to ensure Federal agencies adopt human resources management systems that improve their ability to build successful organizations and use effective merit-based human capital strategies to create a rewarding work environment that accomplishes this mission. Regulatory actions are a critical part of OPM's work in meeting its mission. In 2006, OPM published 45 regulatory actions. A single online website utilized by e-Rulemaking, the Federal Docket Management System, enables OPM to improve public access to rulemaking material, provides a central location for the Federal workforce to find and comment on regulatory actions that affect their lives, reduces data storage costs for IT and other agency data to the Agency, and allows regulation writers an easy way to collaborate on development of regulations.

**E-Gov Travel (Managing Partner: GSA).** OPM has migrated its travel services to E-Gov Travel through a cross-service arrangement with the General Services Administration. This implementation began during the 1st quarter of FY 2008 and should be completed by the end of the fiscal year. When this migration is completed, OPM can provide more efficient and effective travel management services. The benefits include cost savings associated with cross-Government purchasing agreements and on-line booking, streamlined travel policies and processes, strict security and privacy controls, and enhanced agency oversight and audit capabilities. OPM employees also benefit through more efficient travel

planning, authorization, and reimbursement processes. OPM expects that services under E-Gov Travel will cost \$335,010 in FY 2009. This service is financed out of the Office of the Chief Financial Officer.

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

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

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

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

**Disaster Assistance Improvement Program (Managing Partner: FEMA).** The Disaster Assistance Improvement Program (DAIP) is a new Federal program to establish a single disaster assistance portal through which victims of disasters can request Federal disaster assistance more quickly and efficiently. This one stop portal would offer the potential for retirees and other members of the Federal community to easily apply for benefits in the event of a disaster.

## References in this Document

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Executive Services – Office of the Director	84
<b>Part 4 – Performance Budget by Strategic Objective</b>	
Strategic Objective E	121





## Part 2 – Summary Tables of FY 2009 Performance Budget

### FY 2009 Budget by Program – Appropriated Resources (in thousands)

Organization/Activity	FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
SHRP	\$23,333	167	\$24,368	165	\$1,035	(2)
Human Resources Policy	\$19,641	140	\$20,438	138	\$797	(2)
Benefits Policy	\$3,692	27	\$3,930	27	\$238	0
HCLMSA	\$27,916	224	\$25,241	212	(\$2,675)	(12)
Human Capital Leadership	\$27,916	224	\$25,241	212	(\$2,675)	(12)
Merit System Accountability						
HR LOB	\$7,852	10	\$7,202	10	(\$650)	0
HRPS.	\$83,868	536	\$80,080	510	\$3,787	(26)
Benefits administration*	\$82,191	526	\$79,470	505	\$12,317	(21)
Voting Rights	\$1,677	10	\$610	5	\$1,067	(5)
Talent Services	–	–	–	–	–	–
USAJOBS	–	–	–	–	–	–
Executive and leadership development	–	–	–	–	–	–
GoLearn	–	–	–	–	–	–
FISD	\$0	0	\$0	0	\$0	0
Management Services	\$83,261	403	\$99,683	393	\$16,422	(10)
MSD**	\$61,522	271	\$64,221	264	\$2,699	(7)
OCFO**	\$21,739	132	\$35,462	129	\$13,723	(3)
Executive Services	\$12,886	89	\$13,400	92	514	3
Office of the Director**	\$3,229	29	\$3,057	25	(\$172)	(4)
OGC**	\$4,199	25	\$5,069	31	\$870	6
OCR**	\$1,955	14	\$1,964	14	\$9	0
OCPL**	\$2,467	15	\$2,243	16	(\$124)	1
Federal Prevailing Rate Advisory Committee	\$231	1	\$235	1	\$4	0
President's Commission on White House Fellows	\$805	5	\$832	5	\$27	0
Contributions to e-Gov activities under development	\$472	–	\$215	–	(\$187)	–
Rent and other CFI	\$32,145	–	\$26,440	–	(\$5,705)	–
<b>OPM General Fund subtotal</b>	<b>\$225,666</b>	<b>1,419</b>	<b>\$210,911</b>	<b>1,398</b>	<b>\$4,178</b>	<b>(21)</b>
OIG	\$18,600	123	\$18,000	123	(\$600)	0
<b>OPM total</b>	<b>\$244,266</b>	<b>1,542</b>	<b>\$228,911</b>	<b>1,521</b>	<b>\$4,178</b>	<b>(21)</b>

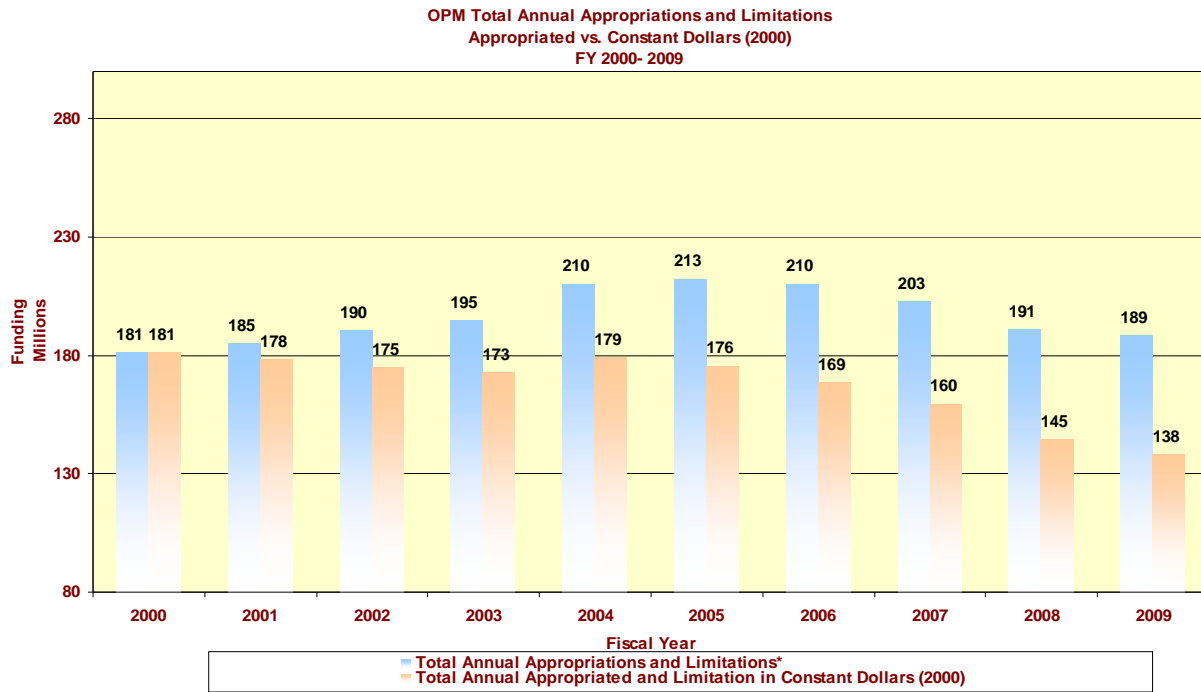
\* Retirement Systems Modernization is included in HRPS Benefits Administration.

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

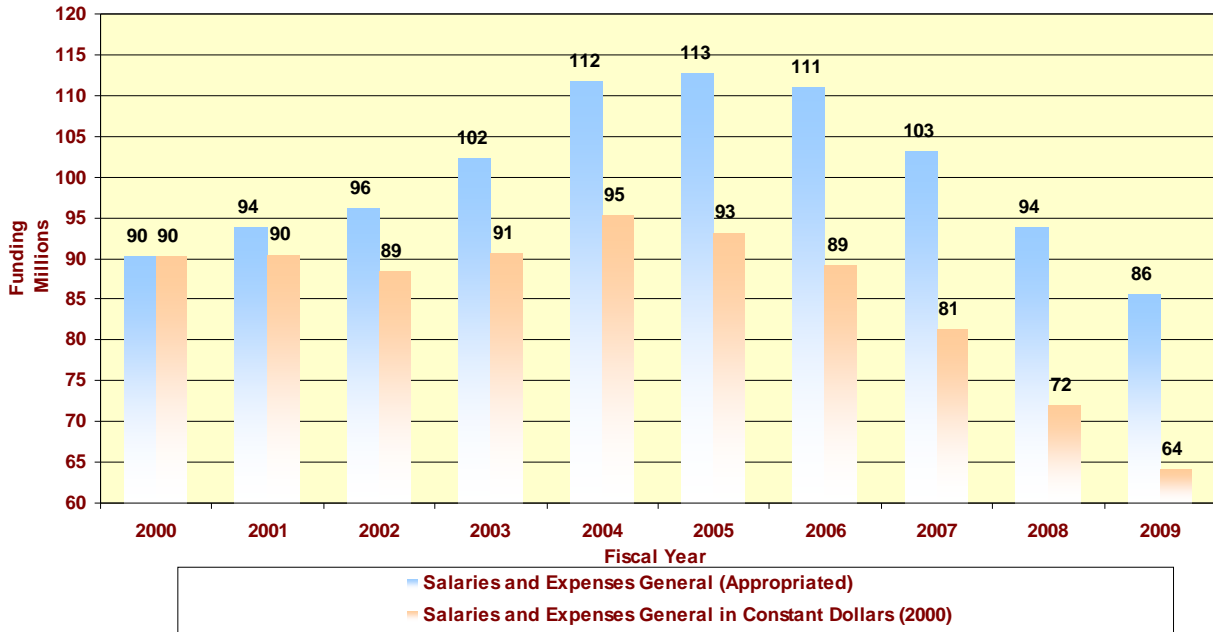
The appropriated and non-appropriated amounts for these "common services" organizations are shown in the tables below.

## Budget History

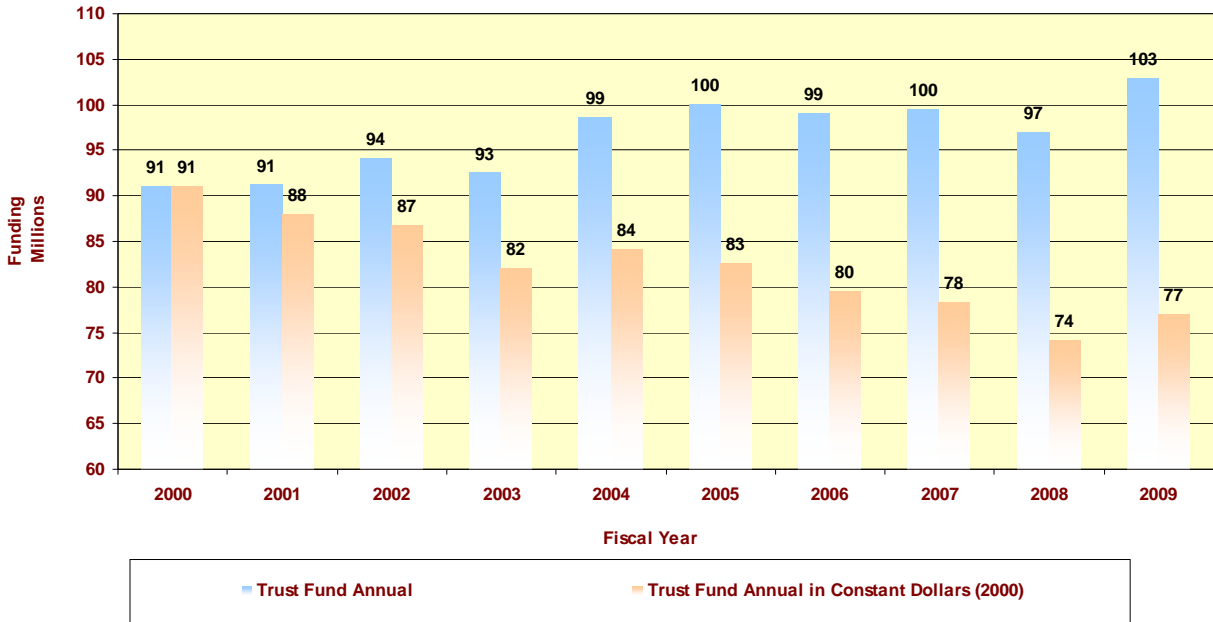
The figures below display the discretionary appropriated resources of OPM over 10 years, compared to 2000 constant dollars based on actual and economic assumptions for pay raise.



**OPM Salaries and Expenses General**  
 Appropriated vs. Constant Dollars (2000)  
 FY 2000- 2009



**OPM Trust Fund Annual**  
 Appropriated vs. Constant Dollars (2000)  
 FY 2000- 2009



## 2009 Budget by Strategic Objective – Appropriated Resources (in millions)

Organization/ Activity	Objective							Total Appropriated Resources
	A	B	C	D	E	F	G	
SHRP	\$6.07	\$5.95	\$12.25	\$0.1	-	-	-	\$24.37
Human Res. Policy	\$6.07	\$1.71	\$12.25	\$0.1	-	-	-	\$20.13
Benefits Policy	-	\$4.24	-	-	-	-	-	\$4.24
HCLMSA	\$1.9	\$2.52	\$3.46	\$17.36	-	-	-	\$25.24
Human Capital Leadership	\$1.9	\$2.52	\$3.46	\$2.82	-	-	-	\$10.70
Merit System Accountability	-	-	-	\$14.54	-	-	-	\$14.54
HR LOB	-	-	-	\$7.2	-	-	-	\$7.2
HRPS	-	\$79.47	\$0.61	-	-	-	-	\$80.08
Benefits administration*	-	\$79.47	-	-	-	-	-	\$79.47
Voting rights	-	-	\$0.61	-	-	-	-	\$0.61
Talent Services	-	-	-	-	-	-	-	-
USAJOBS	-	-	-	-	-	-	-	-
Executive and leadership development	-	-	-	-	-	-	-	-
GoLearn	-	-	-	-	-	-	-	-
FISD	-	-	-	-	-	-	-	-
Management Services	-	-	-	-	\$41.67	-	-	\$41.67
MSD.**	-	-	-	-	\$27.92	-	-	\$27.92
OCFO**	-	-	-	-	\$13.75	-	-	\$13.75
Executive Services	-	\$0.08	-	\$0.18	\$1.27	\$2.02	\$1.08	\$4.63
Office of the Director**	-	\$0.08	-	\$0.18	\$0.13	\$0.06	\$0.73	\$1.18
OGC**	-	-	-	-	-	\$1.89	-	\$1.89
OCR **	-	-	-	-	\$0.38	-	\$0.35	\$0.73
OCPL**	-	-	-	-	\$0.76	\$0.07	-	\$0.83
<b>OPM total</b>	<b>\$8.05</b>	<b>\$87.94</b>	<b>\$16.50</b>	<b>\$24.66</b>	<b>\$42.94</b>	<b>\$2.02</b>	<b>\$1.08</b>	<b>\$183.19</b>

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

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

## 2009 Budget by Strategic Objective – Non-Appropriated Resources (in millions)

Organization/ Activity	Objective							Total Non- Appropriated Resources
	A	B	C	D	E	F	G	
SHRP	-	\$1.53	-	-	-	-	-	\$1.53
Human Res. Policy	-	-	-	-	-	-	-	-
Benefits Policy	-	\$1.53	-	-	-	-	-	\$1.53
HCLMSA	-	\$0.12	-	\$0.53	-	-	-	\$0.65
Human Capital Leadership	-	\$0.12	-	-	-	-	-	\$0.12
Merit System Accountability	-	-	-	\$0.53	-	-	-	\$0.53
HR LOB	-	-	-	\$39.84	-	-	-	\$39.84
HRPS.	-	\$124.13	-	-	-	-	-	\$331.5
Benefits administration	-	\$36.7	-	-	-	-	-	\$36.7
Voting rights	-	-	-	-	-	-	-	-
Talent Services	-	-	\$198.0	-	-	-	-	\$198.0
USAJOBS	-	-	\$9.37	-	-	-	-	\$9.37
Executive and leadership development	-	\$50.93	-	-	-	-	-	\$50.93
GoLearn	-	\$36.5	-	-	-	-	-	\$36.5
FISD	-	-	-	-	\$709.63	-	-	\$709.63
Management Services	-	-	-	-	\$65.26	-	-	\$65.26
MSD*	-	-	-	-	\$41.81	-	-	\$41.81
OCFO*	-	-	-	-	\$23.45	-	-	\$23.45
Executive Services	\$0.13	-	\$0.85	-	\$2.13	\$3.38	\$1.8	\$8.29
Office of the Director*	\$0.13	-	\$0.2	-	\$0.2	\$0.08	\$1.22	\$1.83
OGC*	-	-	-	-	-	\$3.18	-	\$3.18
OCR*	-	-	\$0.65	-	\$0.65	-	\$0.58	\$1.88
OCPL*	-	-	-	-	\$1.28	\$0.12	-	\$1.4
<b>OPM total</b>	<b>\$0.13</b>	<b>\$125.78</b>	<b>\$208.22</b>	<b>\$40.37</b>	<b>\$775.25</b>	<b>\$3.38</b>	<b>\$1.8</b>	<b>\$1,154,970</b>

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

## 2009 Budget by Strategic Objective – Total Resources (in millions)

Organization/ Activity	Objective							Total Resources
	A	B	C	D	E	F	G	
SHRP	\$6.07	\$7.48	\$12.25	\$0.1	-	-	-	\$25.90
Human Res. Policy	\$6.07	\$1.71	\$12.25	\$0.1	-	-	-	\$20.13
Benefits Policy	-	\$5.77	-	-	-	-	-	\$5.77
HCLMSA	\$1.9	\$2.64	\$3.46	\$17.899	-	-	-	\$25.89
Human Capital Leadership	\$1.9	\$2.64	\$3.46	\$2.82	-	-	-	\$10.82
Merit System Accountability	-	-	-	\$15.07	-	-	-	\$15.07
HR LOB Program Mgmt	-	-	-	\$47.04	-	-	-	\$47.04
HRPS.	-	\$203.60	\$207.98	-	-	-	-	\$411.58
Benefits administration*	-	\$116.17	-	-	-	-	-	\$116.17
Voting rights	-	-	\$0.61	-	-	-	-	\$0.61
Talent Services	-	-	\$198.0	-	-	-	-	\$198.00
USAJOBS	-	-	\$9.37	-	-	-	-	\$9.37
Executive and leadership development	-	\$50.93	-	-	-	-	-	\$50.93
GoLearn	-	\$36.5	-	-	-	-	-	\$36.50
FISD	-	-	-	-	\$709.63	-	-	\$709.63
Management Services	-	-	-	-	\$105.2	-	-	\$106.93
MSD**	-	-	-	-	\$69.73	-	-	\$69.73
OCFO**	-	-	-	-	\$35.47	-	-	\$37.20
Executive Services	\$0.21	-	\$1.03	-	\$3.4	\$5.4	\$2.88	\$12.92
Office of the Director**	\$0.21	-	\$0.38	-	\$0.33	\$0.14	\$1.95	\$3.06
OGC**	-	-	-	-	-	\$5.07	-	\$5.07
OCR **	-	-	\$0.65	-	\$1.03	-	\$0.93	\$1.96
OCPL**	-	-	-	-	\$2.04	\$0.19	-	\$2.24
<b>OPM total</b>	<b>\$8.18</b>	<b>\$213.72</b>	<b>\$224.72</b>	<b>\$65.03</b>	<b>\$818.23</b>	<b>\$5.4</b>	<b>\$2.88</b>	<b>\$1,388,160</b>

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

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

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

Organization/Activity	Total Appropriated Resources
<b>Aligned Appropriated Resources (brought forward)</b>	\$183.19
Executive Services	\$1.06
Federal Prevailing Rate Advisory Committee	\$0.23
President's Commission on White House Fellows	\$0.83
Agencywide activities	\$26.66
Rent and CFI	\$26.44
Participation in other agencies' e-Gov initiatives	\$0.22
Office of the Inspector General	\$18.00
<b>Total OPM Appropriated Resources</b>	<b>\$228.91</b>

## Fiscal Year Comparison of FTE Staffing

Fund	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008-09 Variance
Salaries & Expenses Annual	823	783	758	(25)
Salaries & Expenses No-Year	13	10	10	(0)
Salaries & Expenses total	836	793	768	(25)
Trust Fund Annual	636	615	598	(17)
Trust Fund No-Year	15	20	16	(4)
Trust Fund limitation total	651	635	614	(21)
Total appropriated	1,487	1,428	1,382	(46)
Trust Fund Title V	281	281	281	-
Trust Fund FERCCA	16	14	10	(4)
Trust Fund Long-Term Care	5	6	6	-
Trust Fund Dental/Vision	8	9	7	(2)
Trust Fund Mandatory total	310	310	304	(6)
OIG Salaries & Expenses	14	14	14	-
OIG Trust Fund	113	109	109	-
OIG total	127	123	123	-
Subtotal	1,924	1,861	1,809	(52)
Revolving Fund	3,063	3,127	3,131	4
<b>Total</b>	<b>4,987</b>	<b>4,988</b>	<b>4,940</b>	<b>(48)</b>

## Appropriations Summary

### Comparison to 2008 Appropriation

	Salaries and Expenses		Office of the Inspector General	
	General Fund	Transfers from Trust Funds	General Fund	Transfers from Trust Funds
Enacted, FY 2008	\$101,765,000	\$123,901,000	\$1,519,000	\$17,081,000
Budget request, FY 2009	\$92,829,000	\$118,082,000	\$1,538,000	\$16,462,000
Request compared with estimate	(\$8,936,000)	(\$5,819,000)	\$19,000	(\$619,000)

Government Payment Accounts	
Government Payment for Annuity, Employees Health Benefits	
Estimate, FY 2008	\$8,826,000,000
Budget request, FY 2009 (estimate)	\$9,595,000,000
Request compared with estimate	\$769,000,000
Government Payment for Annuity, Employees Life Insurance	
Estimate, FY 2008	\$45,000,000
Budget request, FY 2009 (estimate)	\$46,000,000
Request compared with estimate	\$1,000,000
Payment to Civil Service Retirement and Disability Fund	
Estimate, FY 2008	\$30,185,000,000
Budget request, FY 2009 (estimate)	\$30,985,000,000
Request compared with estimate	\$800,000,000

Notes: Government Payment accounts represent payments from the General Fund to earned benefit trust funds administered by OPM. These payments are defined in the sections of the United States Code that pertain to these programs. The amounts shown represent current estimates of annual costs. Please see Part 5, Payment Accounts for additional details. In addition to the payment to the Civil Service Retirement and Disability Fund, there is a permanent indefinite authorization that provides for an annual transfer representing interest on the unfunded liability of the Civil Service Retirement System. Please see Part 5, Payment Accounts for additional details.



### FY 2009 Budget: Total OPM Appropriated Budget Authority (in thousands)

Fund	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
OPM + OIG Salaries & Expenses:	\$229,037	\$244,266	\$228,911	(\$15,355)
Salaries & Expenses:	\$211,273	\$225,866	\$210,911	(\$14,955)
General Fund:	\$111,095	\$101,765	\$92,829	(\$8,936)
Annual	\$102,747	\$93,913	\$85,627	(\$8,286)
No-Year: HR LOB	\$8,349	\$7,852	\$7,202	(\$650)
Enterprise Human Resources Integration	\$6,913	\$5,991	\$5,851	(\$140)
E-Payroll	—	\$340	—	(\$340)
HR LOB	\$1,436	\$1,351	\$1,351	—
E-Training	—	\$170	—	(\$170)
Trust Funds:	\$100,178	\$123,901	\$118,082	(\$5,819)
Annual	\$100,178	\$96,936	\$102,882	\$5,946
No-Year/Retirement Systems Modernization	\$0	\$26,965	\$15,200	(\$11,765)
OIG Salaries & Expenses:	\$17,764	\$18,600	\$18,000	(600)
General Fund	\$1,598	\$1,519	\$1,538	19
Trust Funds	\$16,166	\$17,081	\$16,462	(619)

### Summary of Total Resources

Fund	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Salaries & Expenses Annual	\$102,746,660	\$93,913,000	\$85,627,000	(\$8,286,000)
Salaries & Expenses multiyear	—	\$0	\$0	—
Salaries & Expenses No-Year	\$8,348,670	\$7,852,000	\$7,202,000	(\$650,000)
Salaries & Expenses total	\$111,095,330	\$101,765,000	\$92,829,000	(\$8,936,000)
Trust Fund Annual	\$100,178,000	\$96,936,000	\$102,882,000	\$5,946,000
Trust Fund No-Year	—	\$26,965,000	\$15,200,000	(\$11,765,000)
Trust Fund limitation total	\$100,178,000	\$123,901,000	\$118,082,000	\$6,146,000
Total appropriated	\$211,273,330	\$244,266,000	\$210,911,000	(\$2,790,000)
Trust Fund Title V	\$35,294,117	\$35,272,000	\$39,218,000	\$3,946,000
Trust Fund FERCCA	\$3,225,000	\$1,930,000	\$1,430,000	(\$500,000)
Trust Fund Long-Term Care	\$1,000,000	\$1,000,000	\$1,000,000	-
Trust Fund Dental/Vision	\$1,000,000	\$4,000,000	\$4,800,000	\$800,000
Trust Fund Mandatory total	\$40,519,117	\$39,832,000	\$46,448,000	\$6,612,000
OIG Salaries & Expenses	\$1,597,860	\$1,519,000	\$1,538,000	19,000
OIG Trust Fund	\$16,165,710	\$17,081,000	\$16,462,000	(\$619,000)
OIG total	\$17,763,570	\$18,600,000	\$18,000,000	(\$600,000)
Other resources:				
Revolving Fund	\$1,266,224,690	\$1,308,889,000	\$1,061,202,000	(\$258,066,000)
<b>Total</b>	<b>\$1,535,780,708</b>	<b>\$1,580,422,000</b>	<b>\$1,356,991,000</b>	<b>(\$233,810,000)</b>

## Revolving Fund Activities

### Anticipated Activity

Business Line		FY 2008 Enacted	FY 2009 Estimate	FY 2008–09 Variance
Investigative Services	Revenue	\$754,000,000	\$736,489,000	(\$17,511,000)
	Expenses	\$722,106,000	\$709,626,000	(\$12,480,000)
	Budget authority	\$689,000,000	\$736,489,000	\$47,489,000
Talent Services	Revenue	\$178,921,000	\$180,328,000	\$1,407,000
	Expenses	\$177,921,000	\$179,328,000	\$1,407,000
	Budget authority	\$202,000,000	\$181,000,000	(\$21,000,000)
Leadership Capacity Services	Revenue	\$49,500,000	\$52,078,000	\$2,578,000
	Expenses	\$49,100,000	\$51,506,000	\$2,406,000
	Budget authority	\$49,500,000	\$49,500,000	-
GoLearn	Revenue	\$34,900,000	\$38,000,000	\$3,100,000
	Expenses	\$34,100,000	\$36,500,000	\$2,400,000
	Budget authority	\$45,000,000	\$45,000,000	-
USAJOBS	Revenue	\$8,600,000	\$8,950,000	\$350,000
	Expenses	\$8,300,000	\$8,524,000	\$224,000
	Budget authority	\$8,600,000	\$9,373,000	\$773,000
Human Resource Integration Services	Revenue	\$35,000,000	\$39,840,000	\$4,840,000
	Expenses	\$33,400,000	\$39,400,000	\$6,000,000
	Budget authority	\$36,000,000	\$39,840,000	\$3,840,000
<b>Totals</b>	<b>Revenue</b>	<b>\$1,060,921,000</b>	<b>\$1,055,685,000</b>	<b>(\$5,236,000)</b>
	<b>Expenses</b>	<b>\$1,024,927,000</b>	<b>\$1,024,884,000</b>	<b>(\$43,000)</b>
	<b>Budget authority</b>	<b>\$1,030,100,000</b>	<b>\$1,061,202,000</b>	<b>\$31,102,000</b>

### Discretionary Account – Obligations by Object Class

Object Class	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$99,714,000	\$94,633,000	\$89,421,000	(\$5,212,000)
Personnel benefits	\$25,963,000	\$27,198,000	\$26,142,000	(\$1,056,000)
Travel and transportation of persons	\$2,660,000	\$2,195,000	\$1,851,000	(\$344,000)
Transportation of things	\$90,000	\$82,000	\$76,000	(\$6,000)
Communications, utilities, and rent	\$30,881,000	\$33,569,000	\$31,094,000	(\$2,475,000)
Printing and reproduction	\$1,282,000	\$1,342,000	\$1,238,000	(\$104,000)
Other services	\$60,745,000	\$64,378,000	\$58,217,000	(\$6,161,000)
Supplies and materials	\$1,132,000	\$677,000	\$726,000	\$49,000
Equipment	\$1,862,000	\$675,000	\$1,993,000	\$1,318,000
<b>Total</b>	<b>\$224,330,000</b>	<b>\$224,749,000</b>	<b>\$210,911,000</b>	<b>(\$13,957,000)</b>
<b>FTE</b>	<b>1,488</b>	<b>1,428</b>	<b>1,382</b>	<b>(46)</b>

### Salaries and Expenses – Obligations by Object Class

Object Class	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$48,839,000	\$45,036,000	\$42,173,000	(\$2,863,000)
Personnel benefits	\$11,643,000	\$12,487,000	\$11,945,000	(\$542,000)
Travel and transportation of persons	\$2,345,000	\$1,972,000	\$1,667,000	(\$305,000)
Transportation of things	\$55,000	\$75,000	\$68,000	(\$7,000)
Communications, utilities, and rent	\$16,449,000	\$19,469,000	\$15,942,000	(\$3,527,000)
Printing and reproduction	\$568,000	\$645,000	\$558,000	(\$87,000)
Other services	\$21,674,000	\$12,897,000	\$11,453,000	(\$1,444,000)
Supplies and materials	\$537,000	\$402,000	\$446,000	\$44,000
Equipment	\$1,142,000	\$379,000	\$1,321,000	\$942,000
<b>Total</b>	<b>\$103,252,000</b>	<b>\$93,362,000</b>	<b>\$85,597,000</b>	<b>(\$7,765,000)</b>
<b>FTE</b>	<b>824</b>	<b>785</b>	<b>758</b>	<b>(27)</b>

### Trust Fund – Obligations by Object Class

Object Class	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$47,939,000	\$46,845,000	\$45,938,000	(\$907,000)
Personnel benefits	\$13,568,000	\$14,010,000	\$13,532,000	(\$478,000)
Travel and transportation of persons	\$240,000	\$108,000	\$459,000	\$351,000
Transportation of things	\$35,000	\$6,000	\$8,000	\$2,000
Communications, utilities, and rent	\$14,147,000	\$13,688,000	\$14,734,000	\$1,046,000
Printing and reproduction	\$703,000	\$691,000	\$677,000	(\$14,000)
Other services	\$21,747,000	\$20,777,000	\$28,017,000	\$7,240,000
Supplies and materials	\$560,000	\$222,000	\$250,000	\$28,000
Equipment	\$592,000	\$221,000	\$776,000	\$555,000
<b>Total</b>	<b>\$99,533,000</b>	<b>\$96,569,000</b>	<b>\$102,882,000</b>	<b>\$1,114,000</b>
<b>FTE</b>	<b>651</b>	<b>635</b>	<b>614</b>	<b>(21)</b>



## Part 3 – FY 2009 Performance Budget by Organization

This section describes in detail how each of OPM's organizations will use requested budget resources to carry out their programs in FY 2009.



## Strategic Human Resources Policy Division

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

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$19,652,576	146.2	\$19,641,000	140.1	\$20,438,000	138.2	\$797,000	(1.9)
Trust Fund Annual	\$3,756,199	29.8	\$3,692,000	27.3	\$3,930,000	26.8	\$238,000	(0.5)
<b>Total Appropriated</b>	<b>\$23,408,775</b>	<b>176.0</b>	<b>\$23,333,000</b>	<b>167.4</b>	<b>\$24,368,000</b>	<b>165.0</b>	<b>\$1,035,000</b>	<b>(2.4)</b>
Dental Vision	\$300,000	3.0	\$300,000	3.0	\$300,000	3.0	\$0	0.0
FERCCA	\$25,000	0.0	\$30,000	0.0	\$30,000	0.0	\$0	0.0
Long Term Care	\$300,000	3.0	\$300,000	3.0	\$300,000	3.0	\$0	0.0
Mandatory Authority 5 USC 8348 (a) (1) (B)	\$0	0.0	\$0	0.0	\$900,000	6.0	\$900,000	6.0
<b>Total Non-Appropriated</b>	<b>\$625,000</b>	<b>6.0</b>	<b>\$630,000</b>	<b>6.0</b>	<b>\$1,530,000</b>	<b>12.0</b>	<b>\$900,000</b>	<b>6.0</b>
<b>Total –\$</b>	<b>\$24,033,775</b>	<b>182.0</b>	<b>\$23,963,000</b>	<b>173.4</b>	<b>\$25,898,000</b>	<b>177.0</b>	<b>\$1,935,000</b>	<b>3.6</b>

OPM requests **\$24,368,000** and 171 FTE for SHRP, an increase of \$1.0 million above the amount reflected in OPM's FY 2008 request. This amount is composed of **\$20,438,000** (\$0.8 million above the FY 2008 request) from General Funds and **\$3,930,000** (\$0.2 million above the FY 2008 request) from Trust Fund Annual. These resources will allow SHRP to maintain their operations and develop new and on-going initiatives.

In FY 2007, appropriated funds were used by SHRP to issue guidance to agencies to help achieve a consistent and effective policy for safeguarding the Social Security Numbers (SSNs) of Federal employees. SHRP established the Concept of Operations (CONOPS) for the Unique Employee Identifier (UEID) initiative. Funds were also used for core business functions such as administering the General Schedule and Locality Pay programs, negotiating annual rates with the Federal Employees Health Benefits Program (FEHBP) health care carriers, administering the non-foreign area Cost of Living Allowance (COLA), and ensuring policy was sufficient for the Retirement System Modernization project.

During FY 2008, SHRP plans to develop new and maintain existing policy for Executive branch agencies on eliminating the use of Social Security Numbers in Official Personnel Folders and other documents used in Federal human resource management information systems. As required by Homeland Security Presidential Directive 12 (HSPD-12), SHRP will develop uniform HSPD-12 suitability standards to hire employees and increase the ease of employee movement within and between agencies. Also during FY 2008, SHRP plans to develop policy for reciprocity of all suitability investigations at any level of a tiered investigative model.

For FY 2009, the increase in General Funds will support new and on-going priorities for OPM's human resources policy initiatives SHRP must undertake in FY 2009. SHRP will revise and implement, as appropriate, controlling regulations, agency guidance, and staff development programs for reviewing employee suitability. Finally, SHRP will ensure Federal agencies are informed of their progress toward meeting human capital goals by completing the administration and analysis of the 2008 Federal Human Capital Survey (FHCS) and publishing the results on OPM's FHCS website. In addition, SHRP will produce a Government-wide report highlighting trends across the four biennial surveys since 2002.

SHRP will use the requested Trust Funds to provide Federal agencies with appropriate regulations and clear guidance to administer employee benefits (retirement, health benefits, and life, long-term care, and other insurance) programs. This guidance will help ensure these earned benefits allow the Federal Government to compete for talent with the private sector, and they provide value for their cost. In FY 2009, SHRP also will support FEHB health care information technology initiatives to increase price and quality transparency.



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

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$14,453,000	\$14,418,000	(\$35,000)
Personnel benefits	\$3,557,000	\$3,403,000	(\$154,000)
Travel and transportation of persons	\$209,000	\$253,000	\$44,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$110,000	\$112,000	\$2,000
Printing and reproduction	\$135,000	\$278,000	\$143,000
Other services	\$1,079,000	\$1,835,000	\$756,000
Supplies and materials	\$77,000	\$80,000	\$3,000
Equipment	\$22,000	\$59,000	\$37,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$19,641,000</b>	<b>\$20,438,000</b>	<b>\$796,000</b>
<b>FTE</b>	<b>140.1</b>	<b>138.2</b>	<b>(1.9)</b>

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

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$2,848,000	\$2,960,000	\$112,000
Personnel benefits	\$694,000	\$747,000	\$53,000
Travel and transportation of persons	\$6,000	\$9,000	\$2,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$6,000	\$5,000	(\$1,000)
Printing and reproduction	\$0	\$3,000	\$3,000
Other services	\$127,000	\$186,000	\$59,000
Supplies and materials	\$6,000	\$10,000	\$4,000
Equipment	\$5,000	\$10,000	\$5,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$3,692,000</b>	<b>\$3,930,000</b>	<b>\$238,000</b>
<b>FTE</b>	<b>27.3</b>	<b>26.8</b>	<b>(0.5)</b>



## Human Capital Leadership and Merit Systems Accountability Division

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

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$28,651,000	224.0	\$27,916,000	224.0	\$25,241,000	212.4	(\$2,675,000)	(11.6)
<b>Total Appropriated</b>	<b>\$28,651,000</b>	<b>224.0</b>	<b>\$27,916,000</b>	<b>224.0</b>	<b>\$25,241,000</b>	<b>212.4</b>	<b>(\$2,675,000)</b>	<b>(11.6)</b>
Revolving Fund	\$0	0.0	\$0	0.0	\$650,000	5.9	\$650,000	5.9
<b>Total Revolving Funds</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$650,000</b>	<b>5.9</b>	<b>\$650,000</b>	<b>5.9</b>
<b>Total</b>	<b>\$28,651,000</b>	<b>224.0</b>	<b>\$27,916,000</b>	<b>224.0</b>	<b>\$25,891,000</b>	<b>218.3</b>	<b>(\$2,025,000)</b>	<b>(5.7)</b>

OPM requests **\$25,891,000 and 218 FTE for HCLMSA**, a decrease of \$2.7 million below the FY 2008 request. This amount is composed of **\$25,241,231** from General Funds and **\$650,000** from the Revolving Fund. We believe this level provides sufficient resources for OPM to continue progress across agencies toward implementing Human Capital Standards for Success and other best practices in human capital management, consistent with Merit System Principles, veterans preference, and other standards.

In FY 2007, appropriated funds were used by HCLMSA to support initiatives under the Human Capital Program areas of Performance Culture, Leadership, Talent, and Accountability. These resources enabled HCLMSA to fulfill their commitments to the OPM Strategic and Operational Plan, PART, and PAR Measures through their work in Human Capital Knowledge Management, SES Performance System and Certification, Hiring Improvements, Veterans Outreach, Competency Assessment, Succession Planning, Career Patterns, Performance Management Practices Improvement, Accountability, and Merit System Compliance.

During FY 2008, HCLMSA plans to focus spending of appropriated funds on monitoring/evaluating Alternative Personnel Systems (APS), strengthening the Federal Executive Boards, providing technical assistance to the Senior Executive Service (SES) and Performance Appraisal Assessment Tool (PAAT) Database Support, managing the operational aspect of the Government-wide SES Program, providing assistance/guidance through Veterans Outreach Program, and Emergency Management Planning.

In FY 2009, HCLMSA will develop and implement Government-wide talent and performance management strategies to improve the Federal Government's ability to recruit and retain top talent. Talent management strategies include expanding recruitment and outreach efforts and continuing initiatives to make further progress to decrease Federal hiring time frames. Performance management activities include HCLMSA's Government-wide evaluation of performance management systems - both Senior Executive Service and General Schedule. Finally, HCLMSA will continue to hold agencies accountable for implementing their comprehensive human capital programs. Through the continued assistance of OPM's human capital officers in working with agencies, HCLMSA is achieving results in these areas Government-wide and seeing its efforts reflected in improved scores on the President's Management Agenda Scorecard.

Veterans outreach continues to be a program priority. In 2007, OPM reached approximately 7,000 veterans around the country. The agency expects to continue its efforts and strengthen this program by maintaining funding and resources to continue its presence at Brooke and Walter Reed Army Medical Centers, Ft. Carson, and other military installations. These Veterans Outreach activities meet existing and

returning veterans' needs, and provide opportunities through recruitment efforts. OPM will develop an outcome-oriented goal for the Veterans Outreach program in 2008.

Through its Compliance Program, OPM will exercise oversight of Federal human resources programs and activities to protect against prohibited personnel practices and to ensure agency compliance with Merit System Principles and other civil service laws, rules, and regulations, including veterans preference. Funds will support compliance and initiatives under the Human Capital Assessment and Accountability Framework program (HCAAF) areas of performance culture, leadership, talent, and accountability.

In the FY 2009 President's Budget, for the first time, OPM is requesting that certain human resources services provided by HCLMSA be provided on a reimbursable basis, using OPM's Revolving Fund authority. These include information services provided through the Executive and Schedule C System (ESCS) database which HCLMSA owns and manages. ESCS contains a variety of information on the Senior Executive Service, Schedule C (political) appointees and other senior executives in the Federal Government. It is the only real time database in existence that provides data to the Government on these appointment types.

As part of its Compliance Program, HCLMSA provides training and certification services to delegated examining units (DEUs) to ensure that Federal HR specialists acquire necessary competencies. The FY 2009 budget also proposes using the Revolving Fund for these services.

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

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$18,336,000	\$17,626,000	(\$710,000)
Personnel benefits	\$4,555,000	\$4,324,000	(\$231,000)
Travel and transportation of persons	\$1,075,000	\$1,220,000	\$145,000
Transportation of things	\$57,000	\$54,000	(\$3,000)
Communications, utilities, and rent	\$133,000	\$106,000	(\$27,000)
Printing and reproduction	\$354,000	\$123,000	(\$231,000)
Other services	\$3,082,000	\$1,503,000	(\$1,579,000)
Supplies and materials	\$174,000	\$145,000	(\$29,000)
Equipment	\$149,000	\$140,000	(\$9,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>27,916,000</b>	<b>\$25,241,000</b>	<b>(\$2,675,000)</b>
<b>FTE</b>	<b>224.0</b>	<b>212.4</b>	<b>(11.6)</b>

## Office of Modernization and Human Resources Line of Business

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

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses – No Year	\$8,353,324	13.8	\$7,852,000	9.8	\$7,202,000	9.8	(\$650,000)	0.0
<b>Total Appropriated</b>	<b>\$8,353,324</b>	<b>13.8</b>	<b>\$7,852,000</b>	<b>9.8</b>	<b>\$7,202,000</b>	<b>9.8</b>	<b>(\$650,000)</b>	<b>0.0</b>
Revolving Fund – HR LOB	\$3,000,000	0.0	\$3,000,000	0.0	\$3,000,000	0.0	\$0	0.0
Revolving Fund – EHRI	\$25,000,000	4.2	\$36,000,000	4.2	\$36,840,000	5.2	\$840,000	1.0
<b>Total Revolving Funds</b>	<b>\$28,000,000</b>	<b>4.2</b>	<b>\$39,000,000</b>	<b>4.2</b>	<b>\$39,840,000</b>	<b>5.2</b>	<b>\$840,000</b>	<b>1.0</b>
<b>Grand Total</b>	<b>\$36,353,324</b>	<b>18.0</b>	<b>\$46,852,000</b>	<b>14.0</b>	<b>\$47,042,000</b>	<b>15.0</b>	<b>190,000</b>	<b>1.0</b>

In FY 2007, appropriated no-year funds were used by the HR LOB to establish a schedule of private sector shared service centers, develop a Migration Planning Document to assist agencies in managing the migration of their HR services to a shared service center, continue the development of the HR LOB enterprise architecture, continue the migration of civilian payroll processing to the e-Payroll providers, govern the e-Training initiative and operate and maintain the EHRI data warehouse of information on the Federal civilian workforce.

During FY 2008, the HR LOB plans to focus appropriated no-year funds on continued support and management of the HR LOB Shared Service Centers (SSCs) and on managing agency migrations to SSCs. In addition, the HR LOB will develop a report of Federal case studies on HR best practices and begin a benchmarking study of SSCs and payroll providers to establish a baseline of service delivery performance. It will also develop system level requirements for certification of HR systems at the SSCs. EHRI will continue to operate and maintain the data warehouse of information on the Federal civilian workforce and will convert 300,000 additional personnel folders to electronic format.

In FY 2009, OPM will continue to be a leader in the President's Management Agenda initiative for Expanding Electronic Government (e-Gov) and has included **\$7,202,000** and **10 FTEs** in its request to come from Salaries & Expenses No-Year Funds. This amount represents a decrease of nearly \$0.7 million from the amount requested in FY 2008. The requested resources will support the Human Resources Line of Business (HR LOB) and Enterprise Human Resources Integration (EHRI). In addition, the HR LOB collects agency partner contributions in the amount of \$3,000,000 and EHRI has a fee-for-service arrangement with agencies implementing electronic personnel folders. In FY 2009 the estimated obligations in OPM's revolving fund for EHRI will be \$37,000,000.

The **HR LOB** (\$1,351,000) is a strategic and transformational initiative to improve HR services through the establishment of Shared Service Centers and appropriate service delivery models and strategies for Federal agencies. The HR LOB moves the administrative tasks of HR to shared service centers, allowing agencies to develop and use their HR staffs in more strategic and consultative ways. The HR LOB establishes and oversees Federal and private sector Shared Service Centers and provides assistance and oversight to agencies migrating to these centers. In addition, the HR LOB continues to identify and document common functional, technical, and data requirements and best practices consistent with Federal human resources policies and the Federal Enterprise Architecture. As part of the HR LOB, OPM continues to manage the e-Training initiative which works with both partner agencies and training service providers to foster Federal agencies' implementation of Enterprise Learning Management Systems.

**EHRI (\$5,851,000)** is a comprehensive electronic personnel recordkeeping and analysis system that supports human resources management across the Federal Government. This system spans the careers of 1.8 million Federal employees—from hiring to retiring—and provides employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge management, workforce analysis, forecasting, and reporting Government-wide in support of the strategic management of human capital. When fully implemented, EHRI will replace the current Official Personnel Folder with an electronic employee record for all Executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment.

In addition to streamlining personnel management actions, EHRI will provide human resources managers and specialists with powerful workforce analytic and planning capabilities. EHRI also offers agencies the ability to convert all existing paper records to electronic form. Implementation of this service includes a standard approach to the conversion, storage, access, sharing, and archiving of existing paper records. EHRI provides information technology (IT) systems implementation and on-going hosting requirements support for this effort through a fee-for-service arrangement with implementing agencies.

### **Enterprise Human Resources Integration (Managing Partner: OPM).**

**Objective:** Enterprise Human Resource Integration is a collaborative e-Government initiative to transform human resources processes from paper-based processes to electronic-based processes. Toward this end, EHRI established reporting requirements and standards for human resources data and records management and developed a consolidated EHRI data warehouse containing human resources data on all Executive branch civilian employees and a robust set of tools. EHRI also replaces the current paper official personnel folder with an electronic employee record for all Executive branch employees, resulting in significant savings from the elimination of paper folders.

**Benefits:** As the Managing Partner of EHRI, OPM benefits by reducing time and costs to retrieve personnel information across the Federal Government and through the improved analytical capabilities provided by the EHRI data warehouse of personnel statistics. EHRI will provide Agency HR Managers and Specialists with powerful workforce analytic and planning capabilities. EHRI users will be able to query workforce data from a variety of perspectives. Users can determine statistical counts, averages, correlation, etc., and conduct workforce planning under a variety of scenarios. Trends can be determined for retirements, promotions, reassignments, and other significant personnel actions.

**Development Status:** The EHRI data warehouse is fully operational. Full electronic official personnel folder (eOPF) implementation across 1.8 million Federal employees will be complete by FY 2012. Over 600,000 folders were converted to electronic format at the close of FY 2007.

**Risks:** Risks include keeping the data safe and continuing to meet all privacy and security mandates. Risk to the eOPF program is the agencies' ability to continue funding to support the transformation.

**Cost Effectiveness:** Cost savings are recognized on a per folder basis. The total cost avoidance per folder is estimated at \$44.23.

**Operational Date:** Data Warehouse – September 2003. Electronic Personnel Folders – March 2006.

### **E-Payroll (Managing Partner: OPM).**

**Objective:** As the managing partner of the E-Payroll initiative, OPM is leading the effort to standardize payroll services and processes across the Federal Government. The e-Payroll initiative has consolidated twenty-six Executive branch Federal payroll providers to four, standardizing payroll policies and procedures and simplifying and better integrating payroll, human resources, and finance functions.

**Benefits:** This initiative benefits agencies by allowing human resources offices to focus on mission related activities rather than on administrative payroll functions. By obtaining payroll processing services through one of the approved e-Payroll service providers, agencies do not need to spend funds to build and maintain separate payroll processing systems.

**Development Status:** Through the end of FY 2007 only three agencies remain to be migrated: the Department of Veterans Affairs, the Department of State and the Office of Thrift Supervision.

**Risks:** The timely completion of the remaining agency migrations.

**Cost Effectiveness:** Operating a separate system would be more expensive for individual agencies which would have to bear the costs of maintenance and future upgrades rather than sharing these costs with other Federal agencies. Payroll processing costs are reduced through economies of scale and avoiding the cost of duplicative capital investment system modernization activities.

**Operational Date:** E-Payroll is not a single system but an on-going initiative which began in April 2002.

#### **E-Training (Managing Partner: OPM).**

**Objective:** The e-Training initiative is a governance activity which supports the Learning and Development Advisory Council (LDAC), several working groups under the LDAC and the Training Service Provider Consortium. The LDAC aims to share best practices and provide advice to the Chief Human Capital Officers Subcommittee on Learning and Development as well as foster and evaluate best practices and standards for e-Learning systems and Service Providers government-wide.

**Benefits:** E-Training fosters communication between Federal learning practitioners Government-wide and identifies, prioritizes, and develops cross-agency solutions to issues of interest within the community.

**Development Status:** The initiative is fully operational. During FY 2006, the e-Training initiative was folded into the HR LOB. This transition included the governance and programmatic aspects of the initiative and the Government-wide e-Learning site, USALearning.gov.

**Risks:** The risk is Federal agencies' ability to continue to fund investments in learning technologies.

**Cost Effectiveness:** The e-Training initiative benefits the Federal government by reducing redundancies, achieving economies of scale, acquiring and developing E-Learning courses and content, offering user-friendly access to a high-quality E-Training environment, and encouraging E-Learning investments as part of the strategic, and continuous development of Federal government human capital.

**Operational Date:** September 2006.

#### **Human Resources Management Line of Business (Managing Partner: OPM).**

**Objective:** The HR LOB vision is to create government-wide, modern, cost-effective, standardized, and interoperable HR solutions to provide common core functionality to support the strategic management of Human Capital through the establishment of Shared Service Centers (SSCs). Driven from a business perspective rather than a technology focus, the solutions will address distinct business improvements enhancing the government's performance of HR services in support of agency missions delivering services to citizens.

**Benefits:** Agencies benefit through use of best-in-class human resources services and systems provided by one of the approved service providers, without the costs of developing and maintaining their own human resources systems. Employees benefit from improved human resources services. Other key benefits include improving the Government-wide strategic management of human capital, providing a cost savings to the Government by allowing for the development and maintenance of a limited number of human resources systems across Government agencies, and achieving or increasing operational efficiencies in the acquisition, development, implementation, and operation of human resources

management and supporting systems. This enables the transformation of the HR workforce from an administrative focus to strategic management focus.

**Development Status:** As managing partner, since April 2004, the HR LOB has engaged 24 agencies in defining its vision, goals, target architecture, and supporting business case.

Five Federal agencies have been identified to serve as HR LOB SSCs to deliver HR services to other agencies. Additionally, four private sector providers have also been selected as SSCs under GSA's Multiple Award Schedule Program. At present, 85% of the Federal civilian workforce of 1.8 million people is receiving service from the Federal SSCs. Public and private sector SSCs will compete to provide HR services to agencies and this competition is expected to drive improvements in HR services and service delivery.

**Risks:** Federal agencies' ability to conduct public-private competitions to select shared service center solutions.

**Cost Effectiveness:** Federal agencies will benefit from the successful implementation of the HR LOB service delivery model by achieving improved management, operational efficiencies, cost savings/avoidance, and improved customer service. Opportunities will focus on reduction in redundant technology spending, re-use of technology and components, use of best practices, improvement of services to customer agencies and HR practitioners, and accelerated modernization. Initial benefits will be realized through standardization and consolidation of HR management systems and processes. The primary means of reducing HR investment costs and improving efficiencies include:

- Elimination and/or consolidation of legacy and redundant HR systems across the government. Federal agencies will benefit from a common HR solution(s) available through SSCs that can be shared across federal agencies, reducing their HR investment costs, a portion of which they can re-allocate toward systems and services that more directly support agency missions.
- Improved use of Federal government buying power for leverage in negotiations with suppliers.
- Reliable and accurate HR information in a common format across the government.
- Efficient use of information technology investments across the Government.
- Establishment of best practices and lessons learned in the migration strategy as documented in the Migration Planning Guidance.

Federal employees and managers will benefit from several anticipated workforce management performance improvements, including but not limited to: employee and manager self-service, faster decision-making, more informed policy making, and reduced time to hire.

**Operational Date:** The HR LOB is not a system but an ongoing program. The HR LOB began in April 2004.

### **Recruitment One Stop (USAJOBS) (Managing Partner: OPM).**

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

- A centralized repository for all competitive service job vacancies;
- Standardized online recruitment services; and



- Intuitive job searches including e-mail notifications for jobs of interest.

**Benefits:** This initiative decreases the hiring time for managers, reduces the delay associated with filling critical agency vacancies, and enhances competition with the private sector for the best and brightest for Federal Service. This integrated process benefits citizens by providing a more efficient process to locate and apply for jobs, and assists Federal agencies in hiring top talent in a competitive marketplace.

**Development Status:** Graduated to Program Status

**Risks:** This is a significant management challenge due to the Personally Identifiable Information (PII) collected by the website.

**Cost Effectiveness:** Since launch, USAJOBS has logged over 196 million visitors and more than 5,000,000 new jobseeker resumes have been created. This represents a more than eightfold increase over the prior system. During fiscal year 2005, the percentage of Federal job applicants applying online using USAJOBS increased from 8% to 44%. USAJOBS saves taxpayers money. More than 100 agency and sub-agency units have integrated the USAJOBS search function into their Internet sites to eliminate redundant investments resulting in an estimated \$1.5 million in savings for independent development and maintenance.

**Operational Date:** The improved USAJOBS site became operational in August 2003 and enhancements continued through 2006. Effective April, 1, 2006, USAJOBS graduated from the Recruitment One Stop e-GOV initiative and transitioned to an ongoing operations project under OPM's Human Resources Products and Services Division.

## E-Gov Initiatives – Total Spending (in millions)

<b>EHRI Initiative (Data Warehouse Only)</b>	<b>Through FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>*Estimated Cost to Complete Development to Full Operational Capability</b>
Development Costs	\$39.2	\$0.0	\$0.0	\$0.0
Estimated Operations/Maint Costs	\$13.9	\$5.991	\$5.851	\$0.0
<b>Total</b>	<b>\$53.1</b>	<b>\$5.991</b>	<b>\$5.851</b>	<b>\$0.0</b>

\*As of September, 2003, the data warehouse is fully operational.

Amounts are direct appropriations to OPM to serve as the managing partner for e-Payroll. E-Payroll does not receive partner contributions. Rather migrating agencies pay their selected e-payroll Provider on a fee-for-service basis.

<b>E-Payroll Initiative</b>	<b>Through FY 2007</b>	<b>FY 2008</b>	<b>FY 2009 (Included in the HR LOB appropriation)</b>	<b>*Estimated Cost to Complete Development to Full Operational Capability</b>
Development Costs	\$13.8	\$0.340	\$0.0	\$0.0
Estimated Operations/Maint Costs	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total</b>	<b>\$13.8</b>	<b>\$0.340</b>	<b>\$0.0</b>	<b>\$0.0</b>

\*E-Payroll is not a single system but an on-going initiative which began in April, 2002. Through the end of FY 2007, only three agencies remain to be migrated.

Amounts are direct appropriations to OPM to serve as the managing partner for e-Training. E-Training does not collect partner contributions. Agencies pay their selected e-Training Service Provider for learning management systems and other training services on a fee-for-service basis.

<b>E-Training Initiative</b>	<b>Through FY 2007</b>	<b>FY 2008</b>	<b>FY 2009 (Included in the HR LOB appropriation)</b>	<b>*Estimated Cost to Complete Development to Full Operational Capability</b>
Development Costs	\$8.2	\$0.0	\$0.0	\$0.0
Estimated Operations/Maint Costs	\$0.0	\$0.170	\$0.0	\$0.0
<b>Total</b>	<b>\$8.2</b>	<b>\$0.170</b>	<b>\$0.0</b>	<b>\$0.0</b>

\*As of September, 2006, the e-Training initiative is fully operational.

<b>HR LOB Initiative</b>	<b>Through FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>*Estimated Cost to Complete Development to Full Operational Capability</b>
Development Costs	\$16.2	\$1.4	\$1.4	\$2.7
Estimated Operations/Maint Costs	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total</b>	<b>\$16.2</b>	<b>\$1.4</b>	<b>\$1.4</b>	<b>\$2.7</b>

\*The HR LOB is not a system but an on-going program. The HR LOB began in April, 2004.

USAJOBS Initiative	Through FY 2007	FY 2008	FY 2009	*Estimated Cost to Complete Development to Full Operational Capability
Development Costs	\$8.3	\$8.5	\$9.4	\$0.0
Estimated Operations/Maint Costs	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$8.3	\$8.5	\$9.4	\$0.0

\*The improved USAJOBS site became operational in August, 2003, and enhancements continue through 2006. Effective April 1, 2006, USAJOBS graduated from the ROS e-GOV initiative and transitioned to an ongoing operations project under OPM's Human Resources Products and Services (HRPS).

### E-Gov Initiatives – Funding/Contributions from Agencies/Bureaus (OPM Line includes Funds Appropriated to OPM for the HR LOB and OPM's Agency Contribution to the HR LOB)

HR LOB Initiative	FY 2007 Enacted	FY 2008 - Estimate	FY 2009 – Estimate
DoC	\$130,435	\$130,435	\$130,435
DoD	\$260,870	\$260,870	\$260,870
DoE	\$65,217	\$65,217	\$65,217
ED	\$65,217	\$65,217	\$65,217
Dol	\$130,435	\$130,435	\$130,435
DoJ	\$260,870	\$260,870	\$260,870
DoL	\$65,217	\$65,217	\$65,217
DoT	\$130,435	\$130,435	\$130,435
EPA	\$65,217	\$65,217	\$65,217
GSA	\$65,217	\$65,217	\$65,217
HHS	\$130,435	\$130,435	\$130,435
HUD	\$65,217	\$65,217	\$65,217
NASA	\$65,217	\$65,217	\$65,217
NSF	\$65,217	\$65,217	\$65,217
OPM	\$1,515,218	\$1,416,217	\$1,416,217
SSA	\$130,435	\$130,435	\$130,435
State	\$65,217	\$65,217	\$65,217
Treasury	\$260,870	\$260,870	\$260,870
USAID	\$65,217	\$65,217	\$65,217
USDA	\$260,870	\$260,870	\$260,870
VA	\$260,870	\$260,870	\$260,870
CIA	\$0	\$65,217	\$65,217
DHS	\$260,870	\$260,870	\$260,870
<b>TOTAL</b>	<b>\$4,384,783</b>	<b>\$4,350,999</b>	<b>\$4,350,999</b>

## Human Resources Line of Business

### Salaries and Expenses – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$1,506,000	\$1,346,000	(\$160,000)
Personnel benefits	\$342,000	\$287,000	(\$55,000)
Travel and transportation of persons	\$63,000	\$43,000	(\$20,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$231,000	\$229,000	(\$2,000)
Printing and reproduction	\$3,000	\$4,000	\$1,000
Other services	\$5,625,000	\$5,173,000	(\$452,000)
Supplies and materials	\$22,000	\$20,000	(\$2,000)
Equipment	\$60,000	\$100,000	\$40,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$7,852,000</b>	<b>\$7,202,000</b>	<b>(\$650,000)</b>
<b>FTE</b>	<b>9.8</b>	<b>9.8</b>	<b>0.0</b>

## Human Resources Products and Services Division

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

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$1,990,000	10.4	\$1,786,000	11.0	\$719,000	6.0	(\$1,067,000)	(5.0)
Trust Fund Annual	\$56,385,298	515.0	\$55,117,000	505.0	\$64,161,000	488.0	\$9,044,000	(17.0)
Trust Fund – No Year	\$13,000,000	15.0	\$26,965,000	20.0	\$15,200,000	16.0	(\$11,765,000)	(4.0)
<b>Total Appropriated</b>	<b>\$71,375,000</b>	<b>540.4</b>	<b>\$83,868,000</b>	<b>536.0</b>	<b>\$80,080,000</b>	<b>510.0</b>	<b>(\$3,788,000)</b>	<b>(26.0)</b>
FERCCA	\$3,200,000	16.0	\$1,900,000	13.8	\$1,400,000	10.0	(\$500,000)	(3.8)
Long Term Care	\$700,000	3.0	\$700,000	3.0	\$700,000	3.0	\$0	0.0
Mandatory Authority, Dental & Vision Benefits (5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A))	\$700,000	3.0	\$3,700,000	6.0	\$4,500,000	4.0	\$800,000	(2.0)
Mandatory Authority, 5 USC 8348 (a)(1)(B)	\$27,095,000	278.0	\$27,995,000	278.0	\$30,100,000	278.0	\$2,105,000	0.0
<b>Total non-appropriated</b>	<b>\$31,600,000</b>	<b>300.0</b>	<b>\$34,295,000</b>	<b>300.0</b>	<b>\$36,700,000</b>	<b>295.0</b>	<b>\$2,405,000</b>	<b>(5.0)</b>
Center for Leadership Capacity	\$47,097,000	101.0	\$48,910,000	104.0	\$50,931,000	107.0	\$2,021,000	3.0
GoLearn	\$42,000,000	3.0	\$35,267,000	3.0	\$36,503,000	3.0	(\$1,764)	0.0
Talent Services	\$218,679,000	533.0	\$192,000,000	541.0	\$198,000,000	535.0	\$6,000,000	(6.0)
USAJOBS	\$8,360,000	9.0	\$8,644,000	10.0	\$9,373,000	11.0	\$729,000	1.0
<b>Total Revolving Fund</b>	<b>\$316,136,000</b>	<b>646.0</b>	<b>\$284,821,000</b>	<b>658.0</b>	<b>\$294,807,000</b>	<b>656.0</b>	<b>\$9,986,000</b>	<b>(2.0)</b>
<b>Total</b>	<b>\$419,111,000</b>	<b>1,486.4</b>	<b>\$402,984,000</b>	<b>1,494</b>	<b>\$411,587,000</b>	<b>1,461</b>	<b>\$8,603,000</b>	<b>(33.0)</b>

OPM's 2009 request includes **\$80,080,000** composed of **\$719,000** in General Funds, **\$64,161,000** of annual Trust Funds, and **\$15,200,000** in no-year Trust Funds. Compared to OPM's FY 2008 request, and excluding the no-year funds for the transition in the retirement program, these amounts represent a decrease of \$1.1 million in General Funds and an increase of \$9 million in Trust Fund Annual.

OPM is requesting \$610,000 of the General Funds appropriation to support the Voting Rights Program, as required by the Voting Rights Act. The act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language. OPM will continue to manage and oversee Voting Rights observers at the request of the Department of Justice (DOJ) and will provide trained Federal observers to monitor the election process in areas designated by the U.S. Attorney General. The ability to forecast the number of observers during any fiscal year shows no consistent trend. In fiscal year 2009, the President's Budget reflects a change in the financing of the program while continuing to fully fund the anticipated needs for observers. OPM will maintain independent administration of the program (and continue to finance program administration). However DOJ will reimburse OPM for the direct costs of deploying observers to election sites. As the entity responsible for

dictating final requirements on the number of observers needed, DOJ is in a better position to budget for annual fluctuations in these requirements. In addition, \$109,000 of the General Funds will be used to administer the Flexible Spending Account Program (FSAFEDS).

OPM is requesting **\$64,161,000** from the earned benefit Trust Funds to maintain the services it delivers to Federal employees, annuitants, and their families through the retirement and insurance programs. OPM will maintain service levels for retirement program work, while the new business processes and technology begin handling an increasing portion of the total program workload.

OPM is requesting **\$15,200,000** in No-Year funds to continue implementing new business processes for the administration of the retirement program (imaging and converting hard copy retirement records to electronic format, development of the new systems for processing retirement claims and other related work, and business transformation), normalization of the new technology for processing retirement claims, and maintenance of the current processing systems during transition as the new technology handles an increasing portion of the work. In FY 2007, the new technology was built and tested and the “Go-Live” date to begin using the new technology for the first wave of employees is February 2008. The modernization of retirement processing addresses the need to provide retired Federal employees accurate annuity payments on the day they are due. This business transformation will replace OPM’s legacy systems with integrated modern technology, move from paper to electronic record keeping, and enhance core retirement business processes to meet the needs of active and retired Federal employees by providing access to account information and planning tools.

OPM will also migrate annuitant data to the new technology and begin using the integrated system to pay benefits, manage customer contacts, and process and manage workloads. It will also begin migrating active employee retirement data to the system in waves, enabling those employees to access their accounts and use a variety of tools to manage their retirement benefits. Agency program administrators will also begin using these tools and account information to provide improved benefits counseling and to manage employees’ transition to retirement electronically. Finally, OPM will begin to realize the productivity increases resulting from enhanced automation, eliminating the need for paper retirement files to process claims for benefits.

The migration waves of active employees into the system will conclude in FY 2009. Data cleansing and record conversion in preparation for these waves will continue throughout the migration. Among the waves scheduled for FY 2009 conversion are employees serviced by the Department of Agriculture’s National Finance Center, and Department of Defense’s Defense Finance and Accounting Service.

OPM’s non-appropriated funds sources are 5 USC 8348 (a)(1)(B) Mandatory Authority; Dental & Vision Benefits 5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A); Long-Term Care; and Federal Erroneous Retirement Coverage Correction (FERCCA). The non-appropriated funds strive to increase productivity, reduce processing times, and improve accuracy while increasing customer satisfaction with retirement services. Dental & Vision Benefits 5 USC 8958 (f)(2)(A) & 5 USC 8988 (f)(2)(A) administers the OPM Dental and Vision Benefits Program. Long-term Care covers administration and oversight of the Long Term Care Insurance contract and achieves the related goal and objective of the Insurance Services Program. Federal Erroneous Retirement Coverage Correction Act (FERCCA, P.L. 106-265) provides a mechanism and specifies remedies for Federal employees, former Federal employees and retirees who were erroneously classified in the wrong Federal retirement system.

OPM will continue to negotiate the Federal Employees Health Benefits Program contracts with private insurance companies that offer a broad range of health insurance benefits, including high-deductible plans with health savings accounts and consumer-driven plan options. OPM enhances customers’ health insurance decisions by several means: OPM-sponsored health plan brochures and website postings, health

plan customer satisfaction survey results, Web-based comparison/decision tools, and the Health Plan Employer and Data Information Set. OPM will continue to carry out tough negotiations with health carriers to contain premium hikes and maintain benefit levels. OPM will similarly continue to maintain the competitiveness of the insurance programs by management and oversight of dental/vision benefits. In fiscal year 2008, OPM will establish a working group with OPM'S Office of the Inspector General to develop steps to strengthen internal controls and oversight of the Federal Employee Health Benefits Program pharmacy benefits.

OPM also provides a wide range of expert, integrated human resources products and services to Federal agencies on a reimbursable basis through its Revolving Fund. OPM has four business lines, which are Center for Leadership Capacity Services, GoLearn, Talent Services, and USAJOBS. Center for Leadership Capacity Services (CLCS) offers Federal executives, managers, and supervisors high quality training to meet the leadership management development and succession planning needs of their organizations and to develop or renew their commitment to public services. In fiscal year, 2008 CLCS will increase the number of Presidential Management Fellow hires. CLCS will increase custom tailored services and programs revenue by 5% over the FY 2008 amount to provide requested solutions to Government client agency's specific individual and organizational development needs. CLCS has 104 FTE but will increase the FTE's in FY 2009 to 107 to improve the quality and effectiveness of the program.

GoLearn business line supports career development for the Federal workforce by increasing return on training investments. GoLearn will increase the number of GoLearn courses completed annually from fiscal year 2007. In FY 2008 GoLearn will assess the value and delivery of GoLearn products and services by conducting a vendor satisfaction survey. In FY 2009 GoLearn will monitor and control the performance of GoLearn contract vendors to ensure 90% of customer projects are on schedule and on budget.

Center for Talent Services (CTS) provide effective and efficient staffing, training, assessment and other human resources services that contribute to successful, high-performance organizations. CTS will align recruitment and staffing services with the HR LOB Business Reference Model to provide products and services that make customers' organizations more effective as evidenced by an organizational effectiveness rating of 94% or greater. In FY 2008, CTS will provide effective account and project management services and excellent customer service to improve and expand service delivery resulting in a revenue increase of 2% over FY 2007. FY 2009 CTS will manage and monitor the performance of the Training Management Assistance (TMA) vendors to provide training and strategic human resources consulting services to agency customers and obtain a 99% deliverable acceptance rate.

USAJOBS is the mature E-Government recruitment one-stop initiative. USAJOBS manages and coordinates the activities of the contractor delivering the online application. In FY 2009, USAJOBS will increase the percentage of agencies that are fully integrated with the USAJOBS system by 25% and improve agency compliance in the standardization of Federal vacancy announcements by 25% from the previous year. Also, in FY 2009 USAJOBS will maintain requirements for security, privacy, personally identifiable information and risk management, and implement the delivery of core USAJOBS functionality to include the redesign and launch of the SeniorLeaders.gov website. USAJOBS will develop a data collection process which will allow it to determine and measure an outcome-oriented goal.

The Revolving Fund will continue to increase products and services for the growing workforce and provide succession planning; employer branding; recruitment and employment information; test administration; individual and organizational assessment; training assistance and leadership development; and on-line learning. Solutions are delivered through a network of expert OPM consultants, integrated tools and systems, and an expedited training and management assistance contracting process. For more information see Strategic Objectives B and C in Part 4

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

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$979,000	\$434,000	(\$545,000)
Personnel benefits	\$162,000	\$197,000	\$36,000
Travel and transportation of persons	\$550,000	\$28,000	(\$522,000)
Transportation of things	\$10,000	\$0	(\$10,000)
Communications, utilities, and rent	\$40,000	\$0	(\$40,000)
Printing and reproduction	\$5,000	\$8,000	\$3,000
Other services	\$14,000	\$38,000	\$24,000
Supplies and materials	\$17,000	\$7,000	(\$10,000)
Equipment	\$9,000	\$7,000	(\$2,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$1,786,000</b>	<b>\$719,000</b>	<b>(\$1,067,000)</b>
<b>FTE</b>	<b>11.0</b>	<b>6.0</b>	<b>(5.0)</b>

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

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$32,242,000	\$31,678,000	(\$564,000)
Personnel benefits	\$9,709,000	9,561,000	(\$148,000)
Travel and transportation of persons	\$56,000	\$56,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$2,199,000	\$2,295,000	\$96,000
Printing and reproduction	\$642,000	\$630,000	(\$12,000)
Other services	\$10,043,000	\$19,716,000	\$9,672,000
Supplies and materials	\$105,000	\$105,000	\$0
Equipment	\$120,000	\$120,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$55,117,000</b>	<b>\$64,161,000</b>	<b>\$9,044,000</b>
<b>FTE</b>	<b>505.0</b>	<b>488.0</b>	<b>(17.0)</b>



## Human Resources Products & Services Trust Fund No Year – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$1,266,000	\$1,026,000	(\$240,000)
Personnel benefits	\$339,000	\$342,000	\$3,000
Travel and transportation of persons	\$53,000	\$25,000	(\$28,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$181,000	\$214,000	\$33,000
Printing and reproduction	\$2,000	\$0	(\$2,000)
Other services	\$25,078,000	\$13,573,000	(\$11,505,000)
Supplies and materials	\$31,000	\$10,000	(\$21,000)
Equipment	\$15,000	\$10,000	(\$5,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$26,965,000</b>	<b>\$15,200,000</b>	<b>(\$11,765,000)</b>
<b>FTE</b>	<b>20.0</b>	<b>16.0</b>	<b>(4.0)</b>



## Federal Investigative Services Division

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

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Revolving Fund – Non DSS	\$845,331,000	2,295.9	\$689,703,000	2,416	\$709,626,000	2,416.0	\$19,923,000	0.0
<b>Total Non-Appropriated</b>	<b>\$ 845,331,000</b>	<b>2,295.9</b>	<b>\$689,703,000</b>	<b>2,416</b>	<b>\$709,626,000</b>	<b>2,416.0</b>	<b>\$19,923,000</b>	<b>0.0</b>
<b>Grand Total-\$</b>	<b>\$845,331,000</b>	<b>2,295.9</b>	<b>\$689,703,000</b>	<b>2,416</b>	<b>\$709,626,000</b>	<b>2,416.0</b>	<b>\$19,923,000</b>	<b>0.0</b>

FISD provides, on a fee-for-service basis, personnel background investigative services to determine individuals' suitability for Federal civilian, military or contract employment and eligibility for access to classified national security information. Since the transfer of functions and personnel from the DOD's Defense Security Service (DSS) in 2005 (authorized by The Defense Authorization Act of 2004), OPM now conducts more than 90 percent of all background investigations for the Federal Government.

OPM has made progress meeting security clearance timeframes established in the Intelligence Reform and Terrorism Prevention Act of 2006. FISD is completing investigations significantly below the timeliness target of 90 days and has cut in half the time taken to complete Top Security reinvestigations. Quality remains high, with cases returned from agencies due to quality issues below the standard of 1 percent.

Using FY 2007 resources of \$845 million and approximately 2,300 employees and 6,000 contract personnel FISD's recent accomplishments include increasing processing capacity to close approximately 13,000 more investigations each month than received; consistently meeting targets for initial security clearance investigations timeliness; decreasing the number of overage cases to close-out the total backlog inventory; and building capacity to transmit completed investigations electronically to all clearance granting agencies.

OPM operated e-QIP (Electronic Questionnaire for Investigative Processing) to process one hundred percent of all national security investigations requests; implemented a fingerprint transmission system with sufficient capacity to receive and process electronically generated fingerprints in lieu of hard cards; and maintained completed investigations in an imaged format, with agency option for full electronic receipt. In FY 2009, as part of the e-Clearance initiative, FISD will continue automating and streamlining many aspects of the investigative process to provide a high-quality, timely overall clearance process for the Federal Government.

## FISD Resources Summary by Strategic Objectives Revolving Funds – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel Compensation	\$143,458,000	\$147,602,000	\$4,144,000
Personnel Benefits	\$33,795,000	\$34,771,000	\$976,000
Travel and Transportation of Persons	13,794,000	\$14,193,000	\$399,000
Transportation of Things	\$0	\$0	\$0
Communications, Utilities and Rent	\$12,415,000	\$12,773,000	\$358,000
Printing and Reproduction	\$690,000	\$710,000	\$20,000
Other Services	\$466,929,000	\$480,417,000	\$13,488,000
Supplies and Materials	\$2,759,000	\$2,839,000	\$80,000
Equipment	\$15,863,000	\$16,321,000	\$458,000
Land and Structures	\$0	\$0	\$0
<b>Total Non-Appropriated</b>	<b>\$689,703,000</b>	<b>\$709,626,000</b>	<b>\$19,923,000</b>
<b>FTE</b>	<b>2,416</b>	<b>2,416</b>	<b>0</b>

## Management Services Division

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

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Common Services	\$63,550,000	246.0	\$18,089,000	140.1	\$21,404,000	136.5	\$3,315,000	(3.6)
Common Services – IT	\$0	0.0	\$36,860,000	98.7	\$36,419,000	93.8	(\$441,000)	(4.9)
Trust Fund Annual	\$ 6,800,000	35.0	\$ 6,573,000	31.7	\$ 6,398,000	33.7	(\$175,000)	2
<b>Total Appropriated</b>	<b>\$70,350,000</b>	<b>281</b>	<b>\$61,522,000</b>	<b>270.5</b>	<b>\$64,221,000</b>	<b>264.0</b>	<b>\$2,699,000</b>	<b>(6.5)</b>
Trust Fund – Title V	\$ 1,000,000	3.0	\$ 1,000,000	3.0	\$ 1,003,000	3.0	\$ 3,000	0.0
Revolving Fund	\$ 3,990,000	37.0	\$ 4,322,000	37.0	\$ 4,502,000	37.0	\$180,000	0.0
<b>Total Non-Appropriated</b>	<b>\$ 4,990,000</b>	<b>40.0</b>	<b>\$ 5,322,000</b>	<b>40.0</b>	<b>\$ 5,505,000</b>	<b>40.0</b>	<b>\$183,000</b>	<b>0.0</b>
<b>Grand Total-\$</b>	<b>\$75,340,000</b>	<b>321.0</b>	<b>\$66,844,000</b>	<b>310.5</b>	<b>\$69,726,000</b>	<b>304.0</b>	<b>\$2,882,000</b>	<b>(6.5)</b>

The Management Services Division (MSD) provides OPM with a full range of administrative services; including human capital and equal employment opportunity management, contracting and administrative management, information technology, and security and emergency services. These services enable OPM to build mission capacity and maintain a high-quality and diverse workforce. OPM's request includes **\$64,221,000**, composed of **\$57,823,000** in General Funds and **\$6,398,000** in Trust Funds, \$8.2 million more than the amounts in our FY 2008 request, and represent a \$7.1 million increase in General Funds and a \$0.1 million decrease in Trust Funds.

In FY 2009, MSD will demonstrate OPM's commitment to protect the Personally Identifiable Information (PII) for which it is responsible, lead the Government-wide initiative to re-invigorate the Federal hiring process by being among the first agencies to pilot a new end-to-end hiring model, bring efficiencies to its internal human resources management system by converting to electronic format all Official Personnel Folders for OPM employees, and complete background investigations on its employees on time.

In FY 2009 OPM will continue implementation of Homeland Security Presidential Directive 12 (HSPD-12) Policy for a Common Identification Standard for Federal Employees and Contractors and will begin work to comply with HSPD-20 Continuity of Operations and Continuity of Government requirements. OPM will continue to maintain its information security and privacy programs and will continue to conduct A-76 competitions on those commercial activities determined to be appropriate to compete as well as performance and cost reviews of completed competitions to ensure performance is at an acceptable level and cost savings are realized.

OPM remains committed to attracting and recruiting students who attend Historically Black Colleges and Universities (HBCU). OPM's continued focus will be to provide employment information, utilize the Student Educational Employment Program, expand employment opportunities, and recruit for the Presidential Management Fellows program.

In FY 2008 and FY 2009 OPM will continue to provide funding to GSA for use of their comprehensive human resources information system (CHRIS). This will ensure the timely processing of personnel actions, the availability of human resource data on all employees, and will expand manager access to "real time" workforce data.

The requested funds also support MSD's Center for Security and Emergency Action which leads the Federal Government in completing background investigations for agency employees by obtaining 97% compliance with OFI 79 requirements, (Report of Agency Adjudicative Action on OPM Personnel Investigations) by October 1 of each year.

## Management Services Salaries and Expenses/Common Services – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel Compensation	\$21,825,000	\$19,950,000	(\$1,875,000)
Personnel Benefits	\$5,669,000	\$5,497,000	(\$172,000)
Travel and Transportation of Persons	\$204,000	\$290,000	\$86,000
Transportation of Things	\$14,000	\$40,000	\$26,000
Communications, Utilities and Rent	\$5,768,000	\$3,145,000	(\$2,623,000)
Printing and Reproduction	\$200,000	\$229,000	\$29,000
Other Services	\$19,394,000	\$20,908,000	\$1,514,000
Supplies and Materials	\$205,000	\$457,000	\$252,000
Equipment	\$1,670,000	\$3,917,000	\$2,247,000
Land and Structures	\$0	\$90,000	\$90,000
Total Appropriated	\$54,949,000	\$54,523,000	(\$426,000)
<b>FTE</b>	<b>238.8</b>	<b>230.3</b>	<b>(8.5)</b>

## Management Services Trust Fund – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$3,633,000	\$3,227,000	(\$406,000)
Personnel benefits	\$908,000	\$859,000	(\$49,000)
Travel and transportation of persons	\$5,000	\$5,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$64,000	\$64,000	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$1,939,000	\$2,219,000	\$280,000
Supplies and materials	\$25,000	\$25,000	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$6,574,000</b>	<b>\$6,399,000</b>	<b>(\$175,000)</b>
<b>FTE</b>	<b>31.7</b>	<b>33.7</b>	<b>2</b>





## Office of the Chief Financial Officer

### OCFO Resource Summary (in millions; includes all resources)

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$200,000		\$341,000				(\$341,000)	0.0
Common Services*	\$17,124,000	90.0	\$14,496,000	81.0	\$28,458,000	80.0	\$13,962,000	(1.0)
Trust Fund Annual	\$7,067,000	54.0	\$6,902,000	51.0	\$7,004,000	50.0	\$102,000	(1.0)
<b>Total Appropriated</b>	<b>\$24,391,000</b>	<b>144.0</b>	<b>\$21,739,000</b>	<b>132.0</b>	<b>\$35,462,000</b>	<b>130.0</b>	<b>\$13,723,000</b>	<b>(2.0)</b>
Revolving Fund	\$1,575,000	10.0	\$1,497,000	10.0	\$1,735,000	10.0	\$237,000	0.0
<b>Total</b>	<b>\$25,966,000</b>	<b>154.0</b>	<b>\$23,236,000</b>	<b>142.0</b>	<b>\$37,197,000</b>	<b>140.0</b>	<b>13,961,000</b>	<b>(2.0)</b>

The Office of the Chief Financial Officer (OCFO) provides OPM offices with a full range of financial management and budget services, which includes financial performance measurement and evaluation; oversight of internal controls and risk assessments; budget and performance planning and reporting; and coordination and implementation, with other OPM divisions, of the President's Management Agenda. OPM requests **\$19,700,000** and 129 FTE for OCFO, composed of **\$8,855,000** and 80 FTE in General Funds and **\$10,345,000** and 50 FTE in Trust Fund resources.

In FY 2008, OCFO will identify a vendor to establish OPM's new accounting system, which is planned to go-live in the beginning of FY 2010. Assessments and user experience have revealed our current financial system does not meet all of OPM's basic financial management requirements. To meet the needs of OPM's program offices and address the fundamental deficiencies inherent in its current systems and processes, our financial system modernization effort will transition support for administrative funds to a modern, stable platform. In FY 2008, OCFO also plans to increase collaborative efforts with other agencies to collect debt and generate ways in which activity-based cost accounting information can be readily available to program managers.

OPM will continue to modernizing our financial system and maintain our current system as we do so. OPM's overall approach for financial systems modernization involves multiple phases. Our current administrative financial system will be replaced in phase 1. In phase 2, OPM's Benefits Financial Management System (BFMS) will be replaced by moving trust fund management and accounting to the new system implemented in phase 1, resulting in a single integrated system that supports the general funds, the revolving fund, reimbursable agreements, and the trust funds.

Financial systems modernization is critical to our continued ability to produce timely annual financial statements, receive an unqualified audit opinion from our independent auditors, maintain our financial systems free of material weaknesses, and meet the guidelines for the Prompt Pay and Improper Payment Information Acts. Financial systems modernization is critical to OPM implementing cost accounting robust enough to fully support the agency's financial information and budget planning needs. OCFO's FY 2009 request, in contrast to previous years, does not include funding for program evaluation.

## Office of the Chief Financial Officer Salaries and Expenses

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$0	\$0	\$0
Personnel benefits	\$0	\$0	\$0
Travel and transportation of persons	\$0	\$0	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$0	\$0	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$341,000	\$0	(\$341,000)
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$341,000</b>	<b>\$0</b>	<b>(\$341,000)</b>
<b>FTE</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Common Services – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$8,123,000	\$7,928,000	(\$195,000)
Personnel benefits	\$2,373,000	\$2,180,000	(\$193,000)
Travel and transportation of persons	\$25,000	\$28,000	\$3,000
Transportation of things	\$3,000	\$2,000	(\$1,000)
Communications, utilities, and rent	\$53,000	\$58,000	\$5,000
Printing and reproduction	\$100,000	\$124,000	\$24,000
Other services	\$3,731,000	\$18,050,000	\$14,319,000
Supplies and materials	\$57,000	\$58,000	\$1,000
Equipment	\$31,000	\$30,000	(\$1,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$14,496,000</b>	<b>\$28,458,000</b>	<b>\$13,962,000</b>
<b>FTE</b>	<b>81.0</b>	<b>79.5</b>	<b>(1.5)</b>

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

<b>Object Class</b>	<b>FY 2008 Enacted</b>	<b>FY 2009 Request</b>	<b>FY 2008–09 Variance</b>
Personnel compensation	\$3,362,000	\$3,403,000	\$41,000
Personnel benefits	\$956,000	\$908,000	(\$48,000)
Travel and transportation of persons	\$4,000	\$4,000	\$0
Transportation of things	\$3,000	\$3,000	\$0
Communications, utilities, and rent	\$5,000	\$5,000	\$0
Printing and reproduction	\$0	\$0	\$0
Other services	\$2,529,000	\$2,636,000	\$107,000
Supplies and materials	\$33,000	\$33,000	\$0
Equipment	\$11,000	\$11,000	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$6,903,000</b>	<b>\$7,003,000</b>	<b>\$100,000</b>
<b>FTE</b>	<b>51.0</b>	<b>49.9</b>	<b>(1.1)</b>



## Executive Services

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

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008-09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$21,681,000	6.0	\$19,553,000	6.0	\$15,545,000	6.0	(\$4,008,000)	0.0
Common Services	\$14,425,000	86.0	\$12,684,000	83.0	\$18,891,550	86.0	\$6,207,550	3.0
Trust Fund Annual	\$12,879,000		\$14,547,000	0	\$12,089,000	0	(\$2,458,000)	0.0
Total Appropriated	\$48,985,000	92.0	\$46,784,000	89.0	\$46,525,550	92.0	(\$258,450)	3.0
Revolving Fund			\$286,000	2.0	\$300,000	2.0	\$14,000	0.0
<b>Total</b>	<b>\$48,985,000</b>	<b>92.0</b>	<b>\$47,070,000</b>	<b>91.0</b>	<b>\$46,825,550</b>	<b>94.0</b>	<b>(\$244,450)</b>	<b>3.0</b>

Executive services includes executive direction and leadership, legal advice and representation, public affairs, legislative liaison, the administering of the Combined Federal Campaign, rent and centrally funded items and the operating expenses of the Presidential Commission on White House Fellows.

Another Executive Service is the Federal Prevailing Rate Advisory Committee. The Federal Prevailing Rate Advisory Committee studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of title 5, United States Code, and advises the Director of the Office of Personnel Management on the administration of the pay system for blue-collar Federal employees.

OPM's budget request for Executive Services will be used to support these activities and ensure OPM meets its goals and objectives.

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

### Executive Offices, Rent and CFI Salaries and Expenses – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel Compensation	\$559,000	\$9,473,000	\$454,000
Personnel Benefits	\$2,643,000	\$2,758,000	\$115,000
Travel and Transportation of Persons	\$113,000	\$155,000	\$42,000
Transportation of Things	\$20,000	\$13,000	(\$7,000)
Communications, Utilities and Rent	\$14,460,000	\$14,274,000	(\$186,000)
Printing and Reproduction	\$73,000	\$113,000	\$40,000
Other Services	6,236,000	\$6,027,000	(\$209,000)
Supplies and Materials	\$205,000	\$255,000	\$50,000
Equipment	\$58,000	\$182,000	\$124,000
Land and Structures	\$0	\$0	\$0
<b>Total</b>	<b>\$32,827,000</b>	<b>\$33,250,000</b>	<b>\$423,000</b>
<b>FTE</b>	<b>90.0</b>	<b>92.0</b>	<b>2.0</b>

### Executive Offices, Rent and CFI Common Services – Obligations by Object Class

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$0	\$0	\$0
Personnel benefits	\$325,000	\$325,000	\$0
Travel and transportation of persons	\$0	\$0	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$10,774,000	\$11,675,000	\$901,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$3,081,000	\$0	(\$3,081,000)
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$14,180,000</b>	<b>\$12,000,000</b>	<b>(\$2,180,000)</b>
<b>FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>Object Class</b>	<b>FY 2008 Enacted</b>	<b>FY 2009 Request</b>	<b>FY 2008–09 Variance</b>
Personnel compensation	\$2,179,000	\$2,305,000	\$126,000
Personnel benefits	\$538,000	\$568,000	\$30,000
Travel and transportation of persons	\$287,000	\$293,000	\$6,000
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$3,000	\$3,000	\$0
Printing and reproduction	\$5,000	\$5,000	\$0
Other services	\$12,000	\$12,000	\$0
Supplies and materials	\$19,000	\$19,000	\$0
Equipment	\$30,000	\$31,000	\$1,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$3,073,000</b>	<b>\$3,236,000</b>	<b>\$163,000</b>
<b>FTE</b>	<b>20</b>	<b>16</b>	<b>(4)</b>





## Office of the Inspector General

### OIG Resource Summary (includes all resources)

Budgetary Resources	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request		FY 2008–09 Variance	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$2,061,000	14.0	\$1,519,000	14.0	\$1,538,000	14.0	\$19,000	0.0
Trust Fund Annual	\$16,278,000	113.0	\$17,081,000	109.0	\$16,462,000	109.0	(\$619,000)	0.0
<b>Total Appropriated</b>	<b>\$18,339,000</b>	<b>127.0</b>	<b>\$18,600,000</b>	<b>123.0</b>	<b>\$18,000,000</b>	<b>123.0</b>	<b>(\$600,000)</b>	<b>0.0</b>

OPM's Office of the Inspector General (OIG) is requesting **\$18,000,000**, composed of **\$1,538,000** in General Funds and **\$16,462,000** in Trust Funds. The total of these amounts is \$600,000 less than OPM's FY 2008 enacted budget and represent the significant restraint exercised by OIG in developing its request for FY 2009. A detailed discussion of OIG's performance is provided in Part 4 of this document.

### Program Overview

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

The IG Act requires that each OIG:

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

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

Specific activities include:

### Audits

**Experience-Rated Federal Employees Health Benefits Program Audits.** Conduct audits of experience-rated health plans (fee-for-service, with the most popular being the various Blue Cross and Blue Shield plans) participating in the Federal Employees Health Benefits Program. The universe of experience-rated plans currently consists of approximately 100 audit sites. When auditing these plans, the focus is generally on three key areas: the legitimacy of contract charges and the recovery of appropriate

credits, including refunds; the effectiveness of carriers' claims processing, financial, and cost accounting systems; and the adequacy of internal controls to ensure proper contract charges and benefit payments.

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

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

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

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

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

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

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

## Investigations

**FEHBP Investigations.** The OIG investigates potential fraud committed against the Federal Employees Health Benefits Program. Much of this work is coordinated with the Department of Justice, the Federal Bureau of Investigation, and other Federal, state, and local law enforcement agencies. In addition, OIG

special agents work closely with the numerous health insurance carriers participating in the FEHBP, providing an effective means for reporting instances of possible fraud by FEHBP health care providers and subscribers.

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

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

### **Administrative Sanctions**

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

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

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$986,000	\$993,000	\$7,000
Personnel benefits	\$241,800	\$243,000	\$1,200
Travel and transportation of persons	\$40,000	\$40,000	\$0
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$180,000	\$181,000	\$1,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$63,000	\$63,000	\$0
Supplies and materials	\$8,000	\$9,000	\$1,000
Equipment	\$0	\$9,000	\$9,000
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$1,519,000</b>	<b>\$1,538,000</b>	<b>\$19,000</b>
<b>FTE</b>	<b>14.0</b>	<b>14.0</b>	<b>0</b>

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

Object Class	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Personnel compensation	\$10,363,000	\$10,674,000	\$311,000
Personnel benefits	\$2,919,000	\$2,668,000	(\$251,000)
Travel and transportation of persons	\$800,000	\$712,000	(\$88,000)
Transportation of things	\$24,000	\$23,000	(\$1,000)
Communications, utilities, and rent	\$1,200,000	\$1,203,000	\$3,000
Printing and reproduction	\$8,000	\$9,000	\$1,000
Other services	\$1,042,000	\$823,000	(\$219,000)
Supplies and materials	\$400,000	\$300,000	(\$100,000)
Equipment	\$150,000	\$50,000	(\$100,000)
Land and structures	\$0	\$0	\$0
<b>Total</b>	<b>\$17,081,000</b>	<b>\$16,462,000</b>	<b>(\$619,000)</b>
<b>FTE</b>	<b>109.0</b>	<b>109</b>	<b>0</b>

## Part 4 – FY 2009 Performance Budget by Strategic Objective

This part of OPM's FY 2009 Performance Budget Submission is designed to meet the requirements of OMB Circular A-11, Part 6, Section 220 – *Preparing and Submitting Performance Budgets*. It presents OPM's FY 2009 Congressional Budget Justification by the agency's seven Strategic Objectives, and links the operational goals planned for FY 2008 and FY 2009, and the requested budgetary resources, to these objectives, their related programs and outcomes, and performance measures and targets. It also shows estimated distributions of the budgetary resources enacted for FY 2008, and requested for FY 2009, demonstrating how OPM program managers are adjusting resources across and within the agency's various programs to meet changing needs over this three year cycle.

### A Budget Built for Performance

The FY 2009 OPM budget request is a major step forward in OPM's decade-long history of performance budgeting. The first fully integrated OPM performance budget was submitted for FY 1998, as required by the Government Performance and Results Act (GPRA) of 1993. For FY 2009, OPM has carried out an unprecedented, rigorous process for which every program and executive office answered two simple questions:

*What will you do in FY 2009 to contribute to the accomplishment of OPM's mission and strategic objectives?*

*What budget resources will you need to do it?*

The answers provided the input to make tough trade-offs to maximize the level of performance OPM can achieve with this budget request.

### PART Defined Programs and Performance Outcomes

Since 2003, through the PART process, OPM has defined and assessed nine programs to accomplish its mission – to ensure that the Federal Government has an effective civilian workforce. These programs are: *Human Capital, Compliance (Merit System Accountability), Federal Employees Retirement, Federal Employees Health Benefits, Federal Employees' Group Life Insurance, Federal Investigative Services, Talent Services, Leadership Capacity Services, and OIG FEHB Integrity*. The PARTs have helped OPM articulate the intended outcomes of each of these programs, establish performance measures to assess the extent to which they are being achieved, and implement action plans to improve program performance and management.

These programs generally coincide with OPM Operating Divisions, but are not identical to them. (See table below.) For example, Human Capital is a cross-cutting program implemented by the Human Capital Leadership and Merit Systems Accountability Division (HCLMSA), the Strategic Human Resources Policy Division (SHRP), and the Human Resources Line of Business (HR LOB). Similarly, the Human Resources Policy and Services Division (HRPS) implements the Federal Civilian Retirement and Federal Employees Health Benefits and Group Life Insurance programs in conjunction with SHRP.

Strategic Objective	Programs	Program Outcomes	Organizations
<i>Strategic Objective A:</i> The Federal civilian workforce will be focused on achieving agency goals.	Human Capital - Performance Culture	A culture of performance and accountability exists in all Federal agencies.	SHRP HCLMSA OD
<i>Strategic Objective B:</i> The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.	Benefits Policy and Services	Federal employee benefits are competitive and support agencies' efforts to recruit and retain a high-quality workforce.  Benefits payments and services are timely, accurate, and attain high customer satisfaction levels.	SHRP , HRPS
	Human Capital – Leadership	Improved agency management of SES recruitment, development and retention.	SHRP HCLMSA
	Leadership Capacity Services	Federal executives and managers have available high-quality leadership development training.	HRPS
	GoLearn	Federal workforce has increased opportunities for career development through on-line training.	HRPS
<i>Strategic Objective C:</i> Federal agencies will be employers of choice.	Human Capital – Talent	Agencies successfully compete with other employers to recruit, hire and retain top talent.	SHRP HCLMSA OD
	Center for Talent Services	Federal agencies have effective, staffing, training, assessment and other human resources services to contribute to agencies' becoming high-performing organizations.	HRPS
	USAJOBS	Federal agencies recruit effectively and efficiently for high-quality applicants to become employers of choice.	HRPS
<i>Strategic Objective D:</i> Federal agencies will be recognized as leaders in having exemplary human resources practices.	Human Capital - Strategic Alignment	Federal agencies' human capital systems are aligned with their Strategic Plans; i.e., their missions, vision, strategic goals and objectives.	SHRP, HCLMSA, HR LOB
	Merit System Compliance	Federal agencies' human resources programs are efficient, effective, and compliant with Merit Systems Principles.	HCLMSA
	Investigative Services	Federal agencies receive high-quality, timely background investigation services.	FISD
<i>Strategic Objective E:</i> OPM will be a model of performance for other Federal agencies.	Executive Services	Same as Strategic Objective.	OD, OCPL OCR, OGC
	Management Services		MSD
	Financial Services		OCFO
<i>Strategic Objective F:</i> OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government.	Executive Services	Same as Strategic Objective	OD, OCPL OCR, OGC
<i>Strategic Objective G:</i> OPM will have constructive and productive relationships with external stakeholders.	Executive Services	Same as Strategic Objective	OD, OCPL OCR, OGC

In this FY 2009 budget, all of OPM's mission programs and resources and associated performance outcomes and measures have been defined and the formulation process began and ended with performance. OPM executives and other senior managers developed budget requests based on the performance results they needed to achieve for each of their programs, not on their current dollar and FTE resources. This process occurred for every organization within OPM.

### **Operational Goals – Budget Building Blocks and Performance Drivers**

Since the advent of OPM's 2006-2010 Strategic and Operational Plan (and the subsequent Addendums), operational goals have been the primary means by which OPM has planned and held itself accountable for carrying out its mission. These goals are specific, straightforward, strategic activities designed to support the achievement of specific program outcomes and performance targets and OPM's seven overarching strategic objectives. Each of the strategic activities/operational goals has due dates and specific "owners" who are held accountable, in quarterly performance reviews by the Director, for achieving them.

Preparing the FY 2009 OPM performance budget required OPM executives to engage in strategic thinking, goal setting, and detailed operational planning to justify their budget resource requests. They considered the Strategic Objectives and outcomes toward which their programs contribute, determined FY 2009 performance targets, and developed strategic activities to achieve performance results and specific performance targets. Many of these strategic activities are operational goals in OPM's Strategic and Operational Plan FY 2006-2010 and subsequent Addendums, including the most recent-- Addendum FY 2008-FY 2010 to be published in early FY 2008.

OPM's Strategic Objectives' alignment with related programs and program outcomes and performance measures has been reported previously in OPM performance and budget documents; e.g., the FY 2008 OPM budget request, the FY 2007 and FY 2006 Performance and Accountability Report (PAR), and the Strategic Plan and Addendums. This FY 2009 budget request deepens the connection. Operational goals are the budget building blocks and performance drivers in the FY 2009 request. For the first time, OPM is submitting a budget based entirely on and fully supporting our Strategic and Operational Plan and performance goals. This truly is a budget built for performance.

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

For the Federal Government to be fully effective, efficient and deliver expected results to the American people, senior executives and employees at all levels need to be focused on achieving agency goals. In FY 2009, OPM will continue to lead the Federal Government's effort to establish a results-oriented performance culture, including performance-oriented planning, appraisal and pay systems, support for diversity and inclusion, adherence to Merit System Principles, focus on organizational and individual results, and commitment to public service.

In FY 2009, OPM will invest \$8.2 million dollars in General Funds, supplemented by common services funds, to provide policy guidance and technical assistance to agencies as they implement results-oriented employee performance management systems for Federal employees, both executives and other employees, and assess agencies' progress implementing these and other strategic activities supporting the performance culture outcome.

### **Program: Human Capital - Performance Culture**

The operational goals OPM will complete in FY 2008 and FY 2009 to achieve the Human Capital-Performance Culture outcome and meet FY 2009 performance targets are listed in the table below.

Several operational goals address the need to provide agencies on-going policy support and technical assistance in performance management, labor relations, and workforce information activities. Other operational goals concern specific initiatives important to maintaining a culture of performance and accountability in agencies. For instance, issuing guidelines regarding the Notification and Federal Employee Antidiscrimination and Retaliation Act contributes to a cooperative environment in agencies for labor management relations. Completing requirements for a statistical data mart and approving shared service centers for a single feed to Enterprise Human Resources Integration will improve the quality and availability of workforce demographic information which agencies use to analyze differentiations between high and low levels of employee performance formulate policy to address emerging issues.

Reporting on SES performance-based system results and pay-for-performance demonstration (demo) projects, supporting agency request to establish new demo projects, and assessing the effectiveness of DOD National Security Personnel System (NSPS) and DHS human resources management system, combined with on-going technical assistance and operating guidance to agencies are OPM's boots-on-the-ground activities to increase the percent of SES performance systems being certified and the percent of non-SES performance systems scoring 80 points or more on OPM's Performance Assessment Accountability Tool (PAAT).



## Operational Goals

### SHRP

Provide support (e.g., projects designed to further develop specialists, case listings, specialized training, etc.) to the Federal employee and labor relations community by September 30, 2009.

Issue advisory guidelines regarding best practices for enforcing the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR) by October 1, 2008.

Provide support to Federal agencies in implementing results-oriented performance culture strategies (e.g., SES system certification and Performance Appraisal Assessment Tool (PAAT)) by September 30, 2009.

Reply to requests for workforce information and assist agencies who report HR, payroll and training data to OPM to support their workforce shaping, planning and decision-making activities by September 30, 2009.

Complete the requirements for the Statistical Data Mart as part the Central Personnel Data File modernization by April 1, 2008.

Validate and approve two shared service centers for a single feed to Enterprise Human Resources Integration by October 1, 2008.

### HCLMSA

Provide technical assistance & operating guidance to all agencies to develop, implement and improve performance management systems.

Report on SES performance-based system results each calendar year.

Evaluate effectiveness of DOD National Security Personnel System (NSPS) and DHS human resources management system; produce first implementation assessments by May 1, 2007 and continue to assess each year thereafter.

Monitor and report on demo projects at agencies by 1/1/2007, and update each year thereafter.

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

### Office of the Director

Work with the CHCO Council to organize and host a CHCO Council Training Academy session on performance management issues by May 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
A culture of performance and accountability exists in all Federal agencies.	% of applicant systems whose SES performance plans are fully certified	4%	3%	33%	35%	60%
	% of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Assessment Accountability Tool (PAAT)	No data	8%	20%	25%	35%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$5,232,000	35.8	\$5,672,000	43.2	\$6,073,000	44.4
HCLMSA Salaries & Expenses	\$3,389,000	29.8	\$2,036,000	24.5	\$1,900,000	20.2
OD Common Services	\$0.0	0.0	\$220,000	2.2	208,000	1.9
<b>Total Program Resources</b>	<b>\$8,621,000</b>	<b>55.6</b>	<b>\$7,928,000</b>	<b>69.9</b>	<b>\$8,181,000</b>	<b>66.5</b>

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

Employee benefits and services, including retirement, health and other insurance programs, are important competitive factors employees consider when comparing Federal employment with opportunities in other sectors. Training and other career development opportunities also are essential for Federal agencies to complete successfully with other employers and recruit and retain a high-performing Federal workforce.

OPM achieves this objective through the efficient and effective administration of the employee benefits programs (Federal Civilian Retirement, Federal Employees Health Benefits, Federal Employees' Group Life Insurance, Long Term Care, Dental/Vision, and other insurance programs), and leadership development programs. For FY 2008 and FY 2009, OPM has established operational goals which, will improve performance in these programs and bring about the following outcomes:

- Initial retirement benefits will be paid in full when first due.
- Active employees will be able to model their retirement benefits.
- Benefits officers and employees will be more knowledgeable about benefits options.

Also, OPM will enhance web-based information and tools to support employee and annuitant benefit decision-making, and work with its Office of the Inspector General to respond to audit findings and develop steps to strengthen the controls and oversight of the pharmacy benefits. To maintain the high levels of performance in the Life and other insurance programs, OPM will complete operational goals improving the information it provides through its websites to program customers, agency benefits officers and other interested parties.

OPM's strategy for developing a cadre of potential senior executives from within the Federal workforce and nurturing those already serving in executive positions across Government includes operational goals to survey to all SES employees to determine the effectiveness of current SES policies and operations, and report on findings, and creating and piloting in three agencies a knowledge management strategy for leaders and managers. The strategy also includes operational goals of providing a more stable funding model for Federal Executive Board (FEB) operations, improving the FEB Leadership Development Programs, and developing a Strategic and Operational Plan, with common performance standards, for the FEB program, and building FEB staff capacity to implement the Plan.

OPM will also provide executive and managerial training, on a reimbursable basis, for the Federal Candidate Development Program, implement a certificate of education program for Federal managers that would be awarded for completion of courses that address Core Management Qualifications, and provide requested customized training to address specific individual and organizational development needs.

## Program: Retirement and Insurance Policy

The operational goals being pursued for the Retirement and Insurance Policy Program will improve the competitiveness and value of these programs and specifically improve the Federal Employees Health Benefits Program by promoting affordable options such as health savings plan and health care information technology initiatives, including price and quality transparency. Also, OPM will develop a proposal for a short-term disability insurance program to close the gap for employees who may have short-term disability needs, such as maternity leave, but are unable to do more than patch together various forms of annual, sick, advance, or donated leave to fulfill those needs, as the current Federal benefits package requires.

### Operational Goals:

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

Promote FEHB health care information technology initiatives pursuant to E.O. 13410, including price and quality transparency, in annual call letter by April 30, 2009, and implement through FEHB plans by December 31, 2009.

Develop a Short-Term Disability Insurance proposal for Federal employees and obtain Administration approval for legislation by June 1, 2008.

Publish final regulations to authorize alternative provisions for processing retirement and health and life insurance applications, notices, elections, and records under OPM's Retirement Systems Modernization project by February 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Federal employee benefits are competitive and support agencies' efforts to recruit and retain the workforce they need to meet their mission.	% of new hires who say retirement, health benefits, and life insurance benefits are competitive and important in their decision to accept a Federal job	69	75	75	75	75
	% of tenured employees who say retirement, health benefits, and life insurance benefits are competitive and important in their decision to remain in a Federal job	70	74	74	77	77
	% of enrollees (Federal employees) satisfied with life insurance benefits	62	62	62	62	62
	% of enrollees satisfied with health insurance benefits	60	60	60	60	60
	% of enrollees satisfied with retirement benefits	66	66	66	66	66

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$1,041,000	7.8	\$242,000	1.3	\$277,000	1.2
TF Annual	\$3,756,000	28.8	\$3,692,000	27.3	\$3,930,000	26.8
Dental and Vision Benefits	\$300,000	3.0	\$300,000	3.0	\$300,000	3.0
FERCCA	\$25,000	0.0	\$30,000	0.0	\$30,000	0.0
Long Term Care	\$300,000	2.0	\$300,000	3.0	\$300,000	3.0
<b>Total Program Resources</b>	<b>\$5,422,000</b>	<b>45.0</b>	<b>\$4,564,000</b>	<b>34.6</b>	<b>\$4,837,000</b>	<b>34.0</b>

## Program: Federal Employees Retirement – Process Claims

OPM's top priority in FY 2009 will continue to be the roll out of RSM's Defined Benefits Technology Solution (DBTS), as described in the first operational goal shown in the table below. Supporting this goal, OPM has established additional operational goals addressing how service and performance levels in the retirement program will be maintained as the RSM roll out proceeds.

### Operational Goals:

Begin Go Live of RSM's Defined Benefits Technology Solution (DBTS) in February 2008 and complete rollout to Federal payroll service centers by the end of FY 2009.

- Begin Go-Live with DBTS for Wave 1, all employees in the GSA shared service center.
- Begin Go-Live with DBTS for Wave 2, all employees in the Postal Service shared service center.
- Begin Go-Live with DBTS for all Wave 3, employees in the NBC shared service center.
- Begin Go-Live with DBTS for Wave 4, all employees in the National Finance Center shared service center.
- Begin Go-Live with DBTS for Wave 5, all employees in the Defense Finance and Accounting Service shared service center.

Maintain legacy systems to process non-RSM retirement claims within 52 days on average by October 1, 2008 and 50 days on average by October 1, 2009.

Deliver timely services for non-RSM workloads including disability determinations, reconsiderations and appeals, refunds and deposits, court orders, etc. during 2008 and 2009

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Benefits payments are timely, accurate, and delivered efficiently; annuitants are satisfied	Average unit cost for processing retirement claims	\$86.32	\$91.95	\$80.03	\$77.76	\$76.17
	% of retirement claims processed accurately	95%	89%	95%	95%	99%
	% of initial claims processed within 30 days (FY 2006 Operational Goal)	14%	61%	67%	90%	99%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
TF Limit - Annual	\$25,644,000	232.6	\$25,705,000	233.0	\$34,739,000	223.0
FERCCA	\$1,000,000	4.0	\$1,000,000	7.8	\$500,000	4.0
Trust Fund - No Year	\$0	8.0	\$26,965,000	20.0	\$15,200,000	16.0
Title V	\$15,224,000	157.0	\$15,800,000	157.0	\$17,000,000	157.0
<b>Total Program Resources</b>	<b>\$41,868,000</b>	<b>401.6</b>	<b>\$69,470,000</b>	<b>417.8</b>	<b>\$67,439,000</b>	<b>400.0</b>

## Program: Federal Employees Retirement – Maintain Annuity Payment Accounts

The operational goals for Maintaining Annuity Payment Accounts are designed to bring about improvement in services to program customers already receiving retirement benefits while the RSM roll out proceeds, and take steps to eliminate erroneous retirement payments in foreign countries where monthly annuity payments must be made via hard copy checks.

### Operational Goals

Provide timely adjustments for retirees and survivor annuitants as needed after the initial processing of their claims throughout FY 2008 and FY 2009.

Recalculate tax withholding to more accurately reflect tax tables and notify annuitants by February 1, 2008.

Develop and implement a “proof of life” approach to eliminate erroneous retirement payments by July 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Services delivered efficiently; annuitant rolls are accurate and current; annuitants are satisfied	% of customers satisfied with overall retirement services	87%	83%	87%	88%	90%
	Rate of improper payments in the retirement program	0.28%	0.44%	0.42%	0.43%	0.42%
	Average unit cost for processing customer service requests	\$5.37	\$4.54	\$4.42	\$4.42	\$4.32
	% of change notices mailed within 10 working days (FY 2006 Operational Goal)	n/a	95%	93%	90%	92%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
TF Limit - Annual	\$12,181,000	115.1	\$11,907,000	115.0	\$11,866,000	112.0
Title V	\$6,702,000	68.0	\$6,900,000	68.0	\$7,500,000	68.0
FERCCA	\$1,052,000	5.0	\$0	0.0	\$0	0.0
<b>Total Program Resources</b>	<b>\$19,935,000</b>	<b>193.1</b>	<b>\$18,807,000</b>	<b>183.0</b>	<b>\$19,366,000</b>	<b>180.0</b>

### Program: Federal Employees Retirement – Answer retirement-related inquiries

As the Retirement Program transitions to the DBTS, OPM estimates it will receive more than 2 million calls per year in FY 2008 and FY 2009. This is an increase above normal volumes by about 25 percent. To respond to this increased demand from program customers, OPM will need additional contractor support in order to achieve its call handling and inquiries answered targets.

#### Operational Goals

Secure contractor support to maintain responsiveness to the expected increase in telephone inquiries from retirement program customers during the RSM transition, by December 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Responses delivered efficiently	% of retirement program customer calls handled	91%	84%	84%	85%	88%
	% of inquiries answered within 72 hours (FY 2006 Operational Goal)	n/a	93%	96%	90%	92%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
TF Limit - Annual	\$9,110,000	81.3	\$8,905,000	79.0	\$8,905,000	76.0
Title V	\$5,074,000	53.0	\$5,295,000	53.0	\$5,600,000	53.0
FERCCA	\$648,000	3.0	\$0	0.0	\$0	0.0
<b>Total Program Resources</b>	<b>\$14,832,000</b>	<b>139.3</b>	<b>\$14,200,000</b>	<b>132.0</b>	<b>\$14,505,000</b>	<b>129.0</b>

## Program: Federal Employees Retirement – Benefits Officers Training and Development

The Thrift Savings Plan Open Elections Act of 2004 (Public Law 108-469) requires the Office of Personnel Management (OPM) to develop and implement a retirement financial literacy and education strategy for Federal employees as part of the retirement training offered by OPM under 5 U.S.C. 8350. An additional 2 FTE and \$0.2 million will help us achieve this legislative mandate. The retirement readiness profile identifies an employee's retirement readiness score based on their career stage. Online recommendations will direct employees to information and training resources based on their individual profile.

### Operational Goals

Conduct annual training for agency benefit officers each year.

Develop a web-based, interactive system to direct employees to information and training resources based on their individual responses on the retirement readiness profile by September 1, 2009.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Agency benefits officers are trained and Federal employees knowledgeable concerning their benefits	% of benefits officers trained per year	n/a	47%	52%	53%	90%
	% of customers who rate satisfaction with guidance material as very good or better	91%	81%	85%	88%	90%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
TF Limit - Annual	\$638,000	4.6	\$600,000	4.0	\$450,000	3.0
FERCCA	\$500,000	4.0	\$900,000	6.0	\$900,000	6.0
<b>Total Program Resources</b>	<b>\$1,138,000</b>	<b>8.6</b>	<b>\$1,500,000</b>	<b>10.0</b>	<b>\$1,350,000</b>	<b>9.0</b>

## **Program: Federal Employees Health Benefits and Dental/Vision – Benefits Services**

OPM will improve FEHBP services and quality of care during FY 2009 by implementing the operational goals shown in the table below. Achieving these goals will result in the FEHB plan customer satisfaction targets. ISP will use OPM's Guiding Principles as described in OPM's Strategic Plan as a model for the FEHB program. A checklist has been developed and a select number of plans a year will be reviewed for compliance. In the annual call letter, OPM outlines key initiatives and policies for the upcoming benefit year. Along with benefit negotiations, this operational goal helps ISP achieve its customer satisfaction targets. ISP employees conduct negotiations with carriers to ensure policy and rate policies are met by the carriers as stated in the call letter. This continuous commitment makes the FEHB Program a model of market-based, consumer centered healthcare coverage. Once again, customer satisfaction plays a major role in meeting this operational goal. We plan to provide new tools so that enrollees can compare the various health, dental and vision plans available to them, so that they can make an informed decision regarding their enrollment decision along with their enrollment in FSAFEDS.

A recent OIG review revealed that the major issue with Pharmacy Benefit Managers (PBM) was not contract compliance but rather the weaknesses within the contracts themselves. By strengthening controls and oversight, OPM will provide FEHBP subscribers with the best benefits for the cost which will improve customer satisfaction. Both the OIG and Insurance Services Programs (ISP) encounter recurrent failures by carriers to supply requested documents or other types of FEHBP related information: experience unacceptably long delays in obtaining carrier material: or receive incomplete responses to information requests. Achievement of this goal will improve the timeliness and accuracy of audit related activities in several contexts and provide FEHBP subscribers with the best benefits for the cost.



**Operational Goals:**

Develop proposal to expand and enhance web-based information and tools to support employee and annuitant benefit decision-making by July 1, 2008 and implement by December 1, 2008.

Develop and communicate clear documentation requirements for carrier compliance with health benefits related audit findings by August 1, 2008.

Establish a working group with OPM's Office of the Inspector General and develop steps to strengthen the controls and oversight of the Federal Employee Health Benefits Program pharmacy benefits by July 1, 2008.

Conduct negotiations with carriers to ensure compliance with OPM's benefits and rate guidance for contract year 2008 as stated in the FEHB Program call letter by September 30, 2008.

Administer contracts to ensure that FEHBP enrollees have access to well-managed and accredited carriers, with competitive healthcare choices and good healthcare benefits by January 1, 2009.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs	% of FEHBP customers satisfied with OPM's Open Season website	79%	43%	32%	79%	79%
	% of health benefits claims processed within 30 days	98%	97%	97%	95%	95%
	% of health benefits claims processed accurately	98%	98%	98%	96%	96%
	Rate of improper payments in the FEHB program	.31%	.20%	0.78%	0.71%	0.68%
	% of FEHBP plans that are accredited	78%	79%	83%	>2007 level	>2008 level
	% of FEHBP enrollees satisfied versus industry standard	73% vs 64%	73% vs 65%	79% vs 65%	FEHBP >= industry	FEHBP >= industry

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
TF Limit - Annual	\$7,648,000	73.0	\$7,500,000	71.0	\$7,700,000	71.0
<b>Total Program Resources</b>	<b>\$7,648,000</b>	<b>73.0</b>	<b>\$7,500,000</b>	<b>71.0</b>	<b>\$7,700,000</b>	<b>71.0</b>

## Program: Federal Employees Group Life Insurance and Other Insurance – Benefits Services

The operational goals OPM will complete for the FEGLI, FLTCIP, FSAFEDS programs were designed to improve customer satisfaction and increase employee knowledge of these important insurance benefits. Federal Employees will have an educated opportunity to provide financial protection to beneficiaries, make more informed decisions and open season elections in a user friendly environment, and improve customer satisfaction and increase enrollments. An additional operation goal will address audit findings showing the FLTCIP commingles program funds from other lines of business and does not transfer Program funds into an interest bearing account in a timely manner, resulting in lost investment income. In addition, the program does not report all investment income earned on Program funds on the Statement of Experience Fund Activity.

### Operational Goals

Enhance the Long Term Care website to securely make account information available to enrollees by June 1, 2008 and claims information available to enrollees by June 1, 2009.

Increase open season enrollments and raise customer satisfaction with the Life, Long Term Care, and other insurance programs by making the BENEFEDS portal more customer-friendly by December 31, 2008.

Improve level of information provided about the benefits programs to Federal employees so they can make informed choices during the Open Season, by focusing on how the programs coordinate with each other, through the mass mailings, redesigned pamphlets, call support and improved web site.

Meet aggressive, new processing times and accuracy rates measures for Dental Vision program claims by October 1, 2009.

Work with Office of the Inspector General to clarify language in the next Federal Long Term Care Insurance Program contact regarding cash management and investment and reporting procedures by July 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Federal employees have opportunity to purchase group term life insurance that provides financial protection to beneficiaries	Average number of days to pay FEGLI claims	6.5	6.9	6.6	< Industry standard	< Industry standard
	% of FEGLI claims paid accurately	99.7%	99.7%	99.8%	99.7%	99.7%
	Rate of improper payments in the FEGLI program	0.17%	0.06%	.06%	0.05%	0.05%
	% of calls handled at FLTCIP Service Call Center	99%	99%	99%	97%	97%
	% of FLTCIP service calls answered within 20 seconds	91%	88%	92%	85%	85%
	% of FLTCIP customers overall satisfied with customer service	99%	97%	98%	90%	90%
	# of employees participating in FSAFEDS	163,115	193,481	229,140	240,000	262,000
	% of "clean" FSAFEDS claims reimbursed within 5 business days	91%	95%	100%	90%	90%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$109,000	1.0	\$109,000	1.0	\$109,000	1.0
TF Limit - Annual	\$432,000	2.7	\$500,000	3.0	\$501,000	3.0
Dental and Vision Benefits	\$700,000	5.0	\$3,700,000	6.0	\$4,500,000	4.0
Long Term Care	\$700,000	3.0	\$700,000	3.0	\$700,000	3.0
<b>Total Program Resources</b>	<b>\$1,941,000</b>	<b>6.7</b>	<b>\$5,009,000</b>	<b>13.0</b>	<b>\$5,810,000</b>	<b>11.0</b>

### **Program: Human Capital – Leadership Capacity**

To improve the leadership capacity across Federal agencies in FY 2009, OPM will complete operational goals targeting SES selection and other executive resources policies, and strengthen the role of the Federal Executive Boards (FEB) across the country. Plans include agency pilots to begin testing new approaches to hire SES applicants. The pilots will test the success of these approaches and determine whether they are an improvement over current practices for Government-wide use. OPM will develop criteria for the pilot evaluation as well as pilot components, including announcement template, competency measures and benchmarks, and selection process guidance, followed by agency training prior to implementation. Also, OPM will administer the SES survey and use the data to determine the effectiveness of current SES policies and operations and also determine where changes should be made.

Federal agencies have established plans for addressing the looming retirement wave. A key emerging strategy is the development of knowledge management systems to safeguard corporate knowledge caused by attrition and other factors. OPM operational goal to create and implement a knowledge management strategy for Federal leaders and managers reflects commitment to use the power of knowledge management to close competency gaps and manage succession.

FEBs design and deliver executive leadership development programs for Federal employees outside the DC metro area, who account for 88 percent of the Federal workforce. These programs represent critically necessary opportunities for field employees seeking to move into leadership positions. To date, these programs have been managed under local FEB leadership, drawing on best practices from other FEBs and incorporating OPM guidance. FEB leadership development programs have not been systematically evaluated to assure a strong institutional link with OPM Headquarters' leadership development policies and programs. A systematic, nationwide evaluation and sharing of best practices will assure that FEB leadership development programs represent OPM policy and program direction, and continue to serve as a vital resource for field employees.

## Operational Goals

## SHRP

Implement pilot(s) of SES selection study recommendations by June 1, 2008.

Administer a survey to all SES employees to determine the effectiveness of current SES policies and operations, and report on findings by June 1, 2008.

## HCLMSA

Create a knowledge management strategy for Federal leaders and managers that outlines the results to be achieved, impact on mission, and resources needed. Begin implementing this strategy by piloting in three agencies by October 1, 2009.

Establish criteria for the effectiveness of FEB Leadership Development Programs by October 1, 2008. Conduct oversight activities to assess and improve these programs and assure alignment with OPM policy and guidelines by October 1, 2009.

Develop a Strategic and Operational Plan, with common performance standards, for the Federal Executive Board (FEB) Program by April 1, 2008; and build FEB staff capacity to implement the Plan and meet performance goals by October 1, 2008.

Develop a funding model to provide a more stable permanent funding mechanism for Federal Executive Board (FEB) operations nationwide by July 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Improved agency management of SES recruitment, development, and retention.	# of the 26 PMA agencies that meet their annual targets for closing leadership competency gaps	14	13	20	22	24
	% of 26 large agency leadership development program graduates placed into positions of higher responsibility	n/a	53%	65%	67%	69%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$4,135,000	33.1	\$1,826,000	9.3	\$1,712,000	9.2
HCLMSA Salaries & Expenses	\$4,225,000	27.0	\$3,941,000	26.0	\$2,529,000	20.9
HCLMSA Revolving Fund	\$0	0.0	\$0	0.0	\$116,000	2.0
<b>Total Program Resources</b>	<b>\$8,360,000</b>	<b>60.1</b>	<b>\$5,767,000</b>	<b>35.3</b>	<b>\$4,357,000</b>	<b>32.1</b>

## Program: Center for Leadership Capacity Services

The operational goals for the Center for Leadership Capacity Services reflects OPM's multi-pronged strategy to increase custom tailored training programs, strengthening the Federal Candidate Development Program (FedCDP), and implementing certificate of education for Federal managers, while maintaining its on-going core executive and managerial development programs.

Continuous improvement in the custom business model to automate processes and procedures will lead to greater efficiencies in service delivery and reduce overhead. Improved business processes will allow OPM to accommodate any level growth and the attendant support will be based on a solid business case.

The FedCDP serves as a vehicle for meeting agencies' succession planning goals and contributes to creating a viable SES corps. Candidates develop a Government-wide perspective as well as an agency perspective, which equip them to work collaboratively on issues spanning beyond their home agency.

The certificate of education program will enable agencies to more effectively track and certify agency employees' proficiency in a particular competency area. Federal Candidate Development Program serves as a vehicle for meeting agencies' succession planning goals and contributes to creating a viable SES corps. Candidates develop a Government-wide perspective as well as an agency perspective, which equip them to work collaboratively on issues spanning beyond their home agency.

### Operational Goals

#### HRPS

Increase custom tailored training programs revenue by 5% over previous year amount to provide requested training to Government client agency's specific individual and organizational development needs by October 1, 2009.

Begin formal training and development for Federal Candidate Development program by May 1, 2008.

Implement plans for a certificate of education program for Federal managers that would be awarded for completion of courses that address Core Management Qualifications identified by OPM by February 28, 2009.

Deliver 10 four-week (Leadership for a Democratic Society), 45 two-week core programs (addressing the leadership continuum from potential leader to emerging executive), and 160 other sessions (addressing individual assessment and development; management and supervisory skills; policy and initiatives, and specialized skills) each fiscal year.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Offer Federal executives, managers, and supervisor's high-quality training to meet agencies' leadership, management development, and succession planning needs.	Overall customer satisfaction, based on five point scale	4.61	4.68	4.60	4.71	4.72
	% increase in perceived learning	40%	40%	52%	43%	44%
	# of Presidential Management Fellow hires	366	355	403	413	420
	Full cost recovery annual for each revolving fund program	No	No	Yes	Yes	Yes

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
HRPS Revolving Fund	\$47,097,000	101.0	\$48,910,000	104.0	\$50,931,000	107.0
<b>Total Program Resources</b>	<b>\$47,097,000</b>	<b>101.0</b>	<b>\$48,910,000</b>	<b>104.0</b>	<b>\$50,931,000</b>	<b>107.0</b>

## Program: GoLearn

The GoLearn operational goals are intended to improve on going program management while reducing costs. Efficiently implementing GoLearn's learning management solutions reduces the overall cost to agencies as they maintain and develop their workforces. Federal agency customers will benefit by faster and more economical on-line learning and related services. Early planning for re-competing the GoLearn Indefinite Delivery Indefinite Quantity will ensure a smooth transition for both vendors and customers.

### Operational Goals

#### HRPS

Monitor and Control the performance of contract vendors to ensure 90% of GoLearn's customer projects are on schedule and on budget each year.

Assess the value and delivery of GoLearn products and services by conducting a vendor satisfaction survey by September 1, 2008, and again by September 1, 2009.

Conduct annual pricing and business review to ensure annual positive results and contingency plans for ongoing fiscal viability by June 30<sup>th</sup> each year.

Develop re-compete strategy/timeline for GoLearn IDIQ option year by December 31, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Support career development for the Federal workforce by increasing return on training investments.	# of GoLearn courses completed annually (all Learning Management Systems)	136,878	2,009,267	2,278,513	2,300,000	2,500,000
	# of eligible (registered) users of GoLearn sites	235,748	1,048,896	1,371,165	1,200,000	1,300,000
	Full cost recovery for each revolving fund program	Yes	Yes	Yes	Yes	Yes

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$42,000,000	3.0	\$35,267,000	3.0	\$36,503,000	3.0
<b>Total Program Resources</b>	<b>\$42,000,000</b>	<b>3.0</b>	<b>\$35,267,000</b>	<b>3.0</b>	<b>\$36,503,000</b>	<b>3.0</b>

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

For Federal agencies to compete with other major employers to acquire and retain employees with the specific skills, knowledge, and abilities essential to achieving agency goals and missions, they must design and implement effective recruitment and retention strategies, making use of available recruiting, hiring and retention methods, tools, authorities and flexibilities. This includes identifying the skills, knowledge, and abilities they need, using technology to simplify job seekers' experience of applying for a Federal employment, streamlining hiring processes to bring on board sought-after, valuable employees quickly, and offering attractive workplaces which meet employees' diverse expectations and needs. OPM accomplishes these outcomes, making Federal agencies "employers of choice," through its Human Capital–Talent and Talent Services programs, and the USAJOBS website.

### **Program: Human Capital - Talent**

OPM's primary goal in the Human Capital Talent Program is to re-invigorate the Federal hiring process. To this end, OPM has established operational goals to develop and pilot an end-to-end hiring model that encompasses all aspects of the hiring process, establishes a baseline of performance, and begins reporting results. Other improvements to the hiring process will be achieved by implementing standardized templates for three widely used vacancy announcements to eliminate the need for applicants to create multiple application packets to address numerous versions of vacancy announcements for the same occupation.

In FY 2008, OPM will implement a new proposed retention incentive flexibility. Agencies will have additional compensation flexibility to retain essential employees who are likely to leave for other Federal jobs during a period of time before the closure or relocation of the employee's office, facility, activity, or organization. As part of the process, OPM will analyze public comments, consult with the Department of Defense and other affected agencies, and issue guidance on use of the flexibility.

To foster the use of telework for recruiting and retention purposes, OPM will develop a "Telework Training for Managers" course. One of the barriers identified in OPM's annual Call for Telework Data is "managers' resistance to telework." The expected result for this goal is to enable managers to overcome their resistance.

Sixty percent of the Federal Government's workforce will be eligible to retire over the next 10 years and 40 percent will likely retire. Veterans can help fill mission critical vacancies throughout the Federal Government and continue to establish the vision of the Federal Government as a "first choice" employment option for high qualified candidates. Failure to find qualified candidates to fill mission critical positions could result in service delivery failure to the American public.

## Operational Goals

### Office of the Director

Collaborate with one or more pilot agencies to design an end-to-end hiring model by April 1, 2008; implement and evaluate the model by July 1, 2008.

Issue, establish baseline, and report results on Government-wide standard for an effective end-to-end hiring process:

- Issue standard by September 1, 2008;
- Establish baseline in agencies by December 31, 2008;
- Report results by December 31, 2009

Support implementation of the National Security Professional (SPD) development initiative by October 1, 2008.

Send report to Congress recommending changes to current regulatory criteria for defining Federal Wage System wage areas by May 1, 2008.

### SHRP

Collect 2007 data and issue report on telework activities at the sub-agency level for the first time by August 1, 2008.

Implement 3 Standardized Announcement Templates by April 1, 2008.

Publish final regulations expanding the circumstances in which agencies may use retention incentives to manage facility closures and relocations by February 1, 2008.

Partner with the CHCO Council Subcommittee on Learning and Development to prioritize occupations to develop or update competency models.

### HCLMSA

Develop and produce quarterly report on the number of clients OPM's outreach offices at Walter Reed Army Medical Center, Brooke Army Medical Center and Fort Carson Army Medical Center hired in Federal jobs by April 1, 2008.

Report on number of agencies using Career Patterns (CP) each quarter with examples of pre- and post-CP job postings showing the use of CP by April 1, 2008.

Decrease hiring decision timeframes to 45 days from close of job announcement to date of offer for 50% by the end of FY 2006, increasing by 10% each year thereafter to 90% in FY 2010.

Work with CHCO Council to set targets for closing competency gaps for acquisition workforce by January 1, 2008; close competency gaps in 15 CHCO agencies including OPM by October 1, 2008; and all CHCO agencies by October 1, 2009.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Agencies use recruitment and hiring flexibilities and improve the hiring process.	# of agencies that meet their annual targets for closing mission-critical occupation/competency gaps	n/a	n/a	21 out of 26 agencies	20 out of 26 agencies	22 out of 26 agencies
	% of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	n/a	n/a	64%	60%	70%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses	\$9,427,000	73.3	\$11,719,000	84.9	\$12,246,000	82.2
HCLMSA Salaries & Expenses	\$3,524,000	35.5	\$ 3,635,000	35.0	\$ 3,458,000	27.1
FPRAC Salaries & Expenses	205,000	1.0	\$231,000	1.0	\$235,000	1.0
OD Common Services	\$0	0.0	\$452,000	3.9	465,000	3.9
<b>Total Program Resources</b>	<b>\$9,632,000</b>	<b>109.8</b>	<b>\$16,037,000</b>	<b>124.8</b>	<b>\$16,204,000</b>	<b>114.2</b>



## Program: Center for Talent Services

OPM's operational goals for the Center for Talent Services (CTS) will ensure the program maintains its already high levels of performance through FY 2009. OPM will provide efficient and accurate response to customer inquiries. CTS will have a better understanding of its customer base and the products and services it provides to individual customers by deploying Customer Relationship Management software in FY 2008 and begin realizing its benefits during FY 2009.

By monitoring the performance of the vendors participating in the Training and Management Assistance (TMA) business line, CTS will match products and services delivered through pre-qualified vendors with customer agencies' workforce needs, as evidenced by vendor deliverable acceptance rate.

The review of mature product or service offerings will enable CTS to make changes to or retire products and services in favor of offering products and services that are more in line with market demand.

### Operational Goals

Deploy and integrate Customer Relationship Management software to effectively manage customer accounts across business lines by September 1, 2008.

Manage and monitor the performance of TMA vendors to provide training and strategic human resources consulting services to agency customers and obtain a 3% increase in TMA revenue over FY07 by October 1, 2008.

Provide effective account and project management services and excellent customer service to improve and expand service delivery resulting in a revenue increase of 2% over FY 2007 for all CTS by October 1, 2008.

Review the business life cycle of two mature product or service offerings to determine short- and long-term viability by January 1, 2009.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Effective and efficient staffing, training, assessment, and other human resources services that contribute to successful, high-performance organizations.	Customers satisfied with Center for Talent Services' products and services (ACSI Equivalent Index)	85	85	84	86	86
	% of customers expressing repurchase intention for CTS products and services	96%	93%	94%	94%	94%
	% of training and management assistance deliverables accepted by customer agencies	99%	99%	99%	99%	99%
	% of customers agreeing that CTS products and services contribute to Government effectiveness	98%	94%	94%	96%	96%
	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
CTS Revolving Fund	\$218,679,000	533.0	\$192,000,000	545.0	\$198,000,000	535.0
<b>Total Program Resources</b>	<b>\$218,679,000</b>	<b>533.0</b>	<b>\$192,000,000</b>	<b>545.0</b>	<b>\$198,000,000</b>	<b>535.0</b>

## Program: USAJOBS

During FY 2009, OPM will continue to enhance USAJOBS as the Federal Government's principal front-facing hiring entity, increasing the pool of qualified applicants for Federal jobs and making the hiring process faster. The operational goals planned for USAJOBS in FY 2008 and FY 2009 will increase the site's job searching capabilities and its use by more agencies. OPM will develop a data collection process that will allow USAJOBS to determine and measure program outcomes. CHCO agency involvement in and their support of "Integration" activities improves the online application experience for large segments of Federal job seekers. Moving toward "total integration" of Federal job announcement and applicant assessment systems provides hiring system compatibility across Government, resulting in a more efficient hiring process overall. Standard job vacancy announcements and full utilization by agencies and vendors of the templates is yet another way to simplify the Federal application process.

OPM will redesign and launch SeniorLeaders.gov to lead SES applicants to one source for Federal employment information. Automation of the SES Application process and the e-Scholar online functionality will increase the pool of the "Best and Brightest" applicants to the Federal Government.

**Program:** USAJOBS  
**Program Activity:** USAJOBS

### Operational Goals:

#### HRPS

Develop a plan to expand search engine capability for USAJOBS by April 1, 2008.

Increase the number of CHCO agencies using USAJOBS resume format and integrating on-line applications with assessment systems to 75% by April 1, 2008, and 100% by April 1, 2010.

Increase percentage of agencies that are fully integrated with the USAJOBS system by 25% over the previous fiscal year through September 30, 2009.

Improve agency compliance in the standardization of Federal vacancy announcements over the previous fiscal year through September 30, 2009.

Implement the delivery of core USAJOBS functionality to include the redesign and launch of the SeniorLeaders.gov website and e-Scholar search engine by September 30, 2009.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Agency human capital systems are aligned with its Strategic Plan	% of CHCO agencies using the USAJOBS resume format and integrating online applications with their assessment systems	n/a	35%	78%	75%	95%
	% of CHCO agencies using USAJOBS position announcement template	n/a	86%	98%	92%	95%
	Full cost Recovery annually for each revolving fund program	n/a	n/a	Yes	Yes	Yes

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$8,360,000	9.0	\$8,644,000	10	\$9,373,000	11.0
<b>Total Program Resources</b>	<b>\$8,360,000</b>	<b>9.0</b>	<b>\$8,644,000</b>	<b>10</b>	<b>\$9,373,000</b>	<b>11.0</b>

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

In addition to the outcomes expressed in Strategic Objectives A through C, OPM supports other exemplary human resources practices in Federal agencies. Chief among these are adherence to the nine merit principles, the alignment of Federal agencies' human capital plans with agency strategic goals and missions, eliminating or avoiding redundant investments in human resources information technology, and using background information to determine the suitability of job candidates, new employees and contractors.

### **Program: Merit System Compliance**

The Merit System Compliance Program's operational goal to Conduct Delegated Examining Initial Certification training addresses OPM's obligation under signed agreements with agencies to train and certify Federal HR specialists to conduct delegated examining operations. Federal HR specialists must acquire the competences needed to make human capital management decisions in accordance with the merit system principles, and in compliance with Federal laws, rules, and regulations. In addition, OPM is required by statute to retain control and oversight of delegated human resources authorities. Audits of these authorities for initial appointments into the competitive service are required because the exercise of this authority is highly decentralized and vulnerable to violations of merit system principles and other laws, rules, and regulations. Oversight supports the credibility of the merit system, ensures the highest quality candidates are referred for Federal jobs, and Veterans' Preference entitlements are observed. Audits also ensure the percentage of agencies with severe problems in one or more delegated examining units improves each year, as well as the percentage of agencies with violations of veterans' preference laws, rules and regulations.

An integral part of an accountability system is the independent audit program. Based on feedback from multiple sources indicating agencies need additional training to conducting these audits, OPM established an operational goal to conduct Strengthening Agency Accountability training sessions each year. Additional training will ensure agency-led audits fully meet OPM expectations, produce results that will benefit the agency, and ensure viable accountability systems are in place across the Federal Government. The success of OPM's training initiative will be measured by the quality of the independent audit programs that are established. As with the PMA agencies, success will be measured by the number of small agencies that establish accountability systems.

OPM will evaluate the Systems, Standards and Metrics (SSMs) to determine their effectiveness in measuring Government-wide human capital achievements. Information on agency performance captured in the new SSMs is critical for OPM's ability to target resources to support Government-wide human capital programs and effectiveness. Evaluating the metrics after the first round of agency reporting is critical to assure they accurately and effectively measure Government-wide progress in human capital management.

### Operational Goals

Conduct Delegated Examining Initial Certification training (approximately 38-40 classes per year) in accordance with 5 CFR 250 requirements each year.

Plan and conduct approximately 150 Delegated Examining Unit audits and follow-up reviews in accordance with 5 U.S.C. 1104, EO 13197, and 5 CFR 250 each year.

Conduct Strengthening Agency Accountability training sessions (5-10) with small agency managers. Work with small agencies to develop their Accountability Systems each year.

Evaluate the Systems, Standards and Metrics to determine their effectiveness in measuring Government-wide human capital achievements by July 1, 2008.

Develop a compliance database with access to Enterprise Human Resources Integration, to capture essential data for audits, produce audit reports, and develop associated tools by October 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
To ensure human resource programs are efficient, effective, and compliant with Merit System Principles.	# of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards	2	20	25	25	25
	% of agencies with violations of veterans' preference laws, rules, and regulations	18%	21%	30%	30%	25%
	% agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	58%	78%	83%	83%	85%
	% of classification and job-grading appeal decisions exceeding target time frames	11%	9%	2%	9%	8%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
HCLMSA Salaries & Expenses	\$13,024,000	109.0	\$15,780,000	112.7	\$14,534,000	111.6
HCLMSA Revolving Fund	\$0	0.0	\$0	0.0	\$534,000	3.9
<b>Total Program Resources</b>	<b>\$13,024,000</b>	<b>109.0</b>	<b>\$15,780,000</b>	<b>112.7</b>	<b>\$15,068,000</b>	<b>115.5</b>

## Program: Human Capital – Strategic Alignment

Current Government-wide initiatives, including budget management and HR LOB, are driving agencies to rethink the way they have and support HR organizations. More and more outsourcing is being done of business processes such as payroll and benefit management. HR leaders and practitioners need to change with the times and carefully consider future challenges like the impending retirement wave and managing the 21st Century workforce. New and innovative ideas need to be brought forward to effectively manage these challenges. Three major questions need to be addressed for future success – what will HR look like; what competencies, both at the leadership and practitioner levels, will be required; and how will HR support line managers in their strategic management of human capital? OPM, as the oversight agency for all HR, must lead the efforts to answer these questions.

Workforce planning is the cornerstone of effective human capital planning. Yet, many agencies continue struggling with implementing workforce planning systems capable of effectively forecasting workforce needs based on mission and strategy priorities. Through the human capital initiative, OPM released a workforce planning model that assists agencies with workforce planning activities.

### Operational Goals

Develop a future-focused business model for HR Leaders and Practitioners to support the transition from current human resources management operations to a shared service environment by September 30, 2008. Assist agencies by providing technical assistance with implementing the HR Business model to ensure smooth transition to a shared services environment by September 30, 2009.

Use the DHS/OPM Human Capital Planning Process framework to support agencies in updating/developing human capital plans consistent with Regulation 250 throughout FY 2009.

Working with the agencies, develop an interagency workforce planning model toolkit for agency utilization during FY 2008, and provide technical assistance to agencies to implement the toolkit during FY 2009.

Develop a competency model for human resources Leaders and Practitioners transitioning to an HR LOB shared service provider by October 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Agency human capital systems are aligned with its Strategic Plan	% of agencies that meet all 4 requirements of an effective strategic alignment system	65%	88%	92%	92%	89%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
HCLMSA Salaries & Expenses	\$4,489,000	22.7	\$2,524,000	25.8	\$2,821,000	32.6
<b>Total Program Resources</b>	<b>\$4,489,000</b>	<b>22.7</b>	<b>\$2,524,000</b>	<b>25.8</b>	<b>\$2,821,000</b>	<b>32.6</b>

## Program: Human Capital – HR LOB

The operational goals for the HR LOB represent key milestones in this strategic and transformational initiative to improve human resources management by establishing Shared Service Centers and appropriate service delivery models and strategies for Federal agencies. The HR LOB eliminates the need for agencies to replace or modernize redundant legacy systems by using common solutions at shared service centers, moves the administrative tasks of human resources management to Shared Service Centers, and allows agencies to develop and use their human resources staffs in more strategic and consultative ways. The HR LOB establishes and oversees Federal and private sector Shared Service Centers and provides assistance and oversight to agencies migrating to these centers. In addition, the HR LOB continues to identify and document common functional, technical, and data requirements and best practices consistent with Federal human resources policies and the Federal Enterprise Architecture. As part of the HR LOB, OPM continues to manage the e-Training initiative which works with both partner agencies and training service providers to foster Federal agencies' implementation of Enterprise Learning Management Systems. In addition, the initiative maintains the USALearning.gov website which allows agencies to share competency models, courseware, libraries, and hosting resources. E-Training also supports the CHCO Council Subcommittee on Learning and Development in the achievement of its goals.

The operational goals for Enterprise Human Resources Integration (EHRI) reflect OPM's commitment to implement electronic personnel folders (eOPFs) for all Federal agencies and fully utilize the system's workforce data. The eOPF will replace the current Official Personnel Folder with an electronic employee record for all Executive branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment. EHRI offers agencies the ability to convert all existing paper records to electronic form. Implementation of this service includes a standard approach to the conversion, storage, access, sharing, and archiving of existing paper records. EHRI provides information technology (IT) systems implementation and on-going hosting requirements support for this effort through a fee-for-service arrangement with implementing agencies.

EHRI also maintains and operates a comprehensive electronic data warehouse and analysis system that supports human resources management across the Federal Government. This system spans the careers of 1.8 million Federal employees—from hiring to retiring—and provides employees, managers, and human resources professionals with desktop access to personnel records. The EHRI tool set and central data repository will provide comprehensive knowledge management, workforce analysis, forecasting, and reporting Government-wide in support of the strategic management of human capital.

### Operational Goals

Complete evaluation and selection of private-sector shared service centers by December 31, 2007.

Complete consolidation and migration of civilian payroll processing by 10/1/2008.

Complete best practices report for HR functions to be retained at agencies December 31, 2008.

Develop Separation Management Concept of Operations document (detailed requirements, human resources process architecture, recommended acquisition strategies, etc.) by December 31, 2008.

Migration of 3 or more agencies to selected HR LOB shared service center by September 30, 2009.

Convert 50% of hard copy official personnel folders Government-wide to electronic format by 10/1/2008; increasing 20% per year thereafter to 90% by 10/1/2010.

Maintain and operate the Data Warehouse at FY 2007 performance and data quality levels.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Agency human capital systems are aligned with its Strategic Plan	# of agencies migrated to HR LOB Shared Service Centers (including the migration of additional human resources functions)	n/a	5	3	3	3
	% of hard copy official personnel files converted to electronic format	n/a	18%	33%	50%	70%
	# of hard copy official personnel files converted to electronic format	n/a	326,065	619,000	900,000	1,260,000

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund	\$28,000,000	4.2	\$39,000,000	4.2	\$39,840,000	5.2
Salaries & Expenses	8,349,000	13.8	\$7,852,000	9.8	\$7,202,000	9.8
<b>Total Program Resources</b>	<b>\$36,349,000</b>	<b>18.0</b>	<b>\$46,852,000</b>	<b>14.0</b>	<b>\$47,042,000</b>	<b>15.0</b>

## Program: Federal Investigative Services

The operational goals for FY 2008 and 2009 reflect the Federal Investigative Services Division's (FISD) focus on streamlining the investigative process, continuing to improve timeliness while striving to provide quality investigative products, and modernizing the information technology infrastructure to support our operational goals and performance targets. The operational goals established are necessary in order to meet the ambitious targets FISD has set for efficiency, timeliness, and the quality of its investigative products, and to achieve the following outcomes:

- Background investigations will be completed faster.
- Agencies will improve their adjudication of security clearances.
- Security clearances will transfer faster among agencies.

The Springer/Hadley memo signed by OPM Director Linda Springer and Stephen Hadley Assistant to the President for National Security Affairs, states a more simplified process will be created for both the investigative and adjudicative functions. This process will build a tiered approach that reduces or eliminates duplicative work and allows for the use of prior information on a subject when there is a need for a higher-level investigation. FISD has established a task force to provide recommendations on streamlining this process. As recommendations from the Springer/Hadley task force continue to evolve, FISD must also continue to concentrate on reaching performance goals for timeliness as mandated by the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004. FISD has initiated a major IT modernization effort beginning during FY 2008 and continuing into FY 2009 that will upgrade the functionality of key core systems necessary to support our performance measures for timeliness and quality. These IT initiatives will also support any Springer/Hadley task force recommendations approved for implementation.

By developing operational goals for FY 2008 and FY 2009 to upgrade technology supporting the investigative process while also including important changes in the policies for conducting background investigations, FISD is striving to establish a solid infrastructure to address the ambitious performance targets required through FY 2010. All of this must be done within a budget that will mandate FISD operates as a full-cost recovery program. FISD's pricing structure for the current fiscal year supports full-cost recovery based on the current anticipated workload.



### Operational Goals

Develop policy for reciprocity of all suitability investigations at any level of a tiered investigative model and a policy for reciprocity of all suitability decisions at any level of investigations by March 17, 2008.

Assess and recommend Executive Order language to extend suitability to excepted service employees and contractors with staff-like duties by March 17, 2008.

Develop requirements for expansion of Clearance Verification System as a single search system to increase utility of the data system across Government by March 17, 2008.

Explore alternatives for continuous monitoring of persons in positions of trust, assess potential regulation changes, and propose FAR language to GSA for continuous monitoring of contractors by March 17, 2008.

Complete concept of operations document for the conversion to Virtual Pending Case files involving for front end scanning of hardcopy investigative results receipts, by July 1, 2008. Begin scheduled implementation of scanning upon receipt of hardcopy investigative results by October 1, 2008.

Develop Federal Acquisition Regulations language in conjunction with DoD and GSA for contracts subject to HSPD-12 requirements by August 16, 2008.

Expand Clearance Verification System as a consolidated data base for suitability and security clearance determinations by September 15, 2008.

Complete 85% of initial clearance investigations for Top Secret level completed in an average of 90 days or less by October 1, 2008.

Complete 85% of secret/confidential initial clearance investigations completed in an average of 70 days or less by October 1, 2008.

Provide all agencies the option of receiving completed investigations via imaged format versus hardcopy format, with participating agencies enabled for electronic transmission within 60 days of executing the required security Memorandum of Understanding by October 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
Carry out high-quality, timely background investigations for Federal agencies to determine individuals' suitability for Federal civilian, military or Federal contract employment, and determine eligibility for access to classified national security information.	Achieve full cost recovery annually for each Revolving Fund program	Yes	Yes	Yes	Yes	Yes
	Timely Investigations - initial clearances - % w/in an average of 90 days	43.5%	38.3%	50.4%	80%	80%
	Timely Investigations – All others - % w/in an average of a pre-determined number of days	80.1%	84.2%	81.2%	80%	80%
	Case returns	.056%	.030%	.127%	<1%	<1%
	Aged inventory – 95 <sup>th</sup> percentile initial clearances	570	463	475	425	365
	Aged inventory –95 <sup>th</sup> percentile other clearances	994	552	650	575	475
	% customers satisfied with quality and service of its products, policies and guidance	96%	95%	92%	95%	95%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
SHRP Salaries & Expenses Annual \$	\$0.0	0.0	\$182	1.4	\$130	1.2
Revolving Fund	\$845.331	2,295.9	\$689,703	2,416.0	\$709,626	2,416.0
<b>Total Program Resources</b>	<b>\$845.331</b>	<b>2,295.9</b>	<b>\$689,885</b>	<b>2,417.4</b>	<b>\$709,756</b>	<b>2,417.2</b>

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

OPM recognizes to successfully fulfill its mission and role as leader of Federal human resources policy and practices, it must lead by example. OPM is an effective steward of resources entrusted to our organization. OPM Management Services Division, Office of the Chief Financial Officer, and Executive Offices provide critical managerial and administrative control of OPM's internal operations to enable the programs to perform efficiently.

### Program: Internal Management – Management Services

The operational goals for the Management Services Division demonstrate OPM's commitment to protect the Personally Identifiable Information (PII) for which it is responsible, lead the Government-wide initiative to re-invigorate the Federal hiring process by being among the first agencies to pilot a new end-to-end hiring model, bring efficiencies to its internal human resources management system by converting to electronic format all Official Personnel Folders for OPM employees, and complete and complete clearance adjudications and suitability determinations on OPM's employees on time.

#### Operational Goals

Develop standard contract clauses for handling Personally Identifiable Information (PII) by February 1, 2008.

Begin implementing by division/office a secure email system for PII by March 1, 2008; Complete all OPM implementation by June 1, 2008.

Conduct supervisor meetings/training to confirm handling of PII by June 1, 2008

Pilot a new Government-wide end-to-end hiring model by April 1, 2008.

Complete the migration to electronic Official Personnel Folder so all employees and managers have access to appropriate data by January 1, 2009.

Lead in the Federal Government in completing background investigations for OPM employees by

- Obtaining a 97% compliance with OFI 79 requirements (Report of Agency Adjudicative Action on OPM Personnel Investigations) by October 1<sup>st</sup> of each year, and

- Completing adjudication of 82% of closed National Security investigations within 30 days of receipt in FY2008 and 86% of closed National Security investigations within 30 days of receipt in FY 2009.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
OPM is a model of performance for other Federal agencies.	% of time computer network available during agreed-upon service hours	99%	99%	99%	99%	99%
	% of hires within 45-day model	60%	60%	81%	85%	85%
	Cost savings that result from competitions	\$2.1M	\$1.5M	\$2.7M	\$3.4M	\$3.4M
	% of existing OPM employees and contractors issued new Personal Identity Verification cards	n/a	n/a	n/a	n/a	50%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Common Services	\$63,550,000	246.0	\$18,089,000	140.1	\$21,404,000	136.5
Common Services - IT	\$0	0.0	\$36,860,000	98.7	\$36,419,000	93.8
Trust Fund Annual	\$6,800,000	35.0	\$6,573,000	31.7	\$6,398,000	33.7
Trust Fund-Title V	\$1,000,000	3.0	\$1,000,000	3.0	\$1,003,000	3.0
Revolving Fund	\$3,990,000	37.0	\$4,322,000	37.0	\$4,502,000	37.0
<b>Total Program Resources</b>	<b>\$75,340,000</b>	<b>321.0</b>	<b>\$66,844,000</b>	<b>310.5</b>	<b>\$69,726,000</b>	<b>304.0</b>

## Program: Internal Management – Financial Services

The financial management operational goals shown below are designed to make OPM's financial information more available to program managers, better protect OPM's PII, and reduce the cost of maintaining reliable internal controls, as required by OMB Circular A-123, Appendix A. Also, OPM will continue to improve its compliance with the Prompt Pay Act.

### Operational Goals

Complete a review of OPM protection of PII, develop an action plan, and initiate improvement actions not later than March 1, 2008.

Complete review of accounting system evaluation proposals by June 1, 2008 and build and test the new accounting system program components by September 1, 2009.

Complete the business plan model for HRPS revolving fund programs for FY 2009 by June 30, 2008 and for FISS by July 31, 2008.

Reduce by 5 percent OPM costs of compliance with A-123/Appendix A without negatively impacting the attestation of compliance by October 1, 2008.

Conduct a financial fraud awareness briefing for financial managers and employees, and provide the briefing materials to Federal CFO offices by October 1, 2008.

Maintain 98% prompt pay for all OPM offices and divisions and reduce to an average of 30 days the time invoices remain in the payment queue without a receiving report by October 1, 2008.

Program Outcome	Performance Measures	FY 2005 Result	FY 2006 Result	FY 2007 Result	FY 2008 Target	FY 2009 Target
OPM is a model of performance for other Federal agencies	Independent auditors' opinion on annual financial statements	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
	# of material weaknesses	0	0	0	0	0
	% of payments within Prompt Pay Act guidelines	99.0%	99.9%	99.9%	98.0%	98.0%

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$200,000	0.0	\$341,000	0.0	\$0	0.0
Common Services	\$17,124,000	89.0	\$14,496,000	80.7	\$28,458,000	79.5
Trust Fund Annual	\$7,067,000	54.0	\$6,902,000	50.6	\$7,004,000	49.9
Revolving Fund	\$1,575,000	10.0	\$1,497,000	10.0	\$1,735,000	10.0
<b>Total Program Resources</b>	<b>\$25,966,000</b>	<b>153.0</b>	<b>\$23,236,000</b>	<b>141.3</b>	<b>\$37,197,000</b>	<b>139.4</b>

## Program: Internal Management – OCPL, OCR, and OD

The OCPL operational goals for Strategic Objective E will improve OPM's internal information. The rollout of the 2008 addendum to the Strategic and Operational Plan will fully inform OPM employees of the agency plan to achieve its mission during FY 2008, FY 2009, and beyond. Building an on-line media library will put at the finger tips of all OPM employees a vast amount of information about OPM programs. OPM will improve the management of its external and internal websites by establishing and refreshing a directory of them, and also cataloguing the contents of all pages on its external web site OPM.GOV.

OCR will improve its internal operational as it completes its operational goal to convert its records to an electronic format. OD will lead OPM's efforts to improve the agency's results from the Federal Human Capital Survey and be rated among the top five agencies when the results of the FY 2008 survey are released in FY 2009. Also, OD will continue to lead the agency's response to pandemic threats.

### Operational Goals

Produce 2008 Addendum to Strategic Plan by March 1, 2008

Build an online media library of all available media produced at OPM by August 1, 2008.

Establish and refresh a directory of all OPM websites, including ownership and significant information by September 1, 2008.

Catalogue and certify content of all pages of OPM.GOV website by October 1, 2008.

Convert Office of Congressional Relations records to electronic format on a monthly basis ensuring no backlog; provide access to electronic files for appropriate OPM staff by October 1, 2008.

Implement action plan to ensure OPM is rated among top 50% of agencies in the FY 2006 FHCS and the top five agencies in the 2008 FHCS.

Support Administration strategies to address pandemic threats throughout planning period.

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
OD Common Services	\$2,521,000	25.0	\$510,000	4.0	\$316,000	2.2
OCPL Common Services	1,605,000	6.9	\$2,302,000	13.7	\$2,046,000	14.6
OCR Common Services	\$1,077,000	7.2	\$1,077,000	7.2	\$1,033,000	7.2
<b>Total Program Resources</b>	<b>\$5,203,000</b>	<b>39.1</b>	<b>\$3,889,000</b>	<b>24.9</b>	<b>\$3,395,000</b>	<b>24.0</b>

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

OPM recognizes the benefits of leveraging partnerships and maintaining a leadership role in the human resources community to fulfill its mission. Human resource professionals both inside and outside of the Federal Government look to OPM for leadership and guidance as the central human resources policy agency for the Federal Government. Human resources professional organizations provide OPM an opportunity to share best practices and innovative approaches to meeting 21<sup>st</sup> Century human resource challenges affecting not only the Federal—but the entire workforce.

### Program: Executive Services – OCPL and OGC

OCPL will complete operational goals to make information about OPM policies and services more easily available to external audiences, while OGC will revise the Hatch Act regulations and maintain controls over the subpoena process for OPM employees.

#### Operational Goals

Prepare public service materials on Retirement Readiness to be utilized with media targeted to Federal employees each year during the planning period.

Prepare materials for use with potential retiring military for onboard ships, military installations, Transition Assistance Program headquarters by July 1, 2008.

Have three on-the-record/off-record Media Roundtables featuring Director Springer and panels of experts on selected issues.

Promulgate and issue regulations to control subpoena process for OPM employees. Such regulations are referred to as "Touhy" regulations, which were upheld by the United States Supreme Court in *United States ex rel. Touhy v. Ragen*, 340 U.S. 462 (1951) each year.

Revise Hatch Act regulations by October 1, 2008.

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
OCPL Common Services	\$165,000	0.8	\$165,000	0.8	\$197,000	0.9
OGC Common Services	\$4,484,000	27.0	\$4,484,000	27.0	\$5,368,000	30.6
OD Common Services	\$850,000	3.0	\$131,000	1.1	\$125,000	1.0
<b>Total Program Resources</b>	<b>\$5,499,000</b>	<b>30.8</b>	<b>\$4,780,000</b>	<b>27.8</b>	<b>\$5,680,000</b>	<b>32.5</b>

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

Ensuring the Federal Government has an effective civilian workforce involves high-profile issues impacting external stakeholders. These include veterans, Federal employee unions, employee advocacy groups; and the Congress, whose legislative and oversight responsibilities significantly influence OPM's activities and performance outcomes. Strategic Objective G reflects how OPM works closely with stakeholders to develop, implement, and maintain effective communications about its programs and policies.

### Program: Executive Services – OD and OCR

As a result of the operational goal planned for OD, the Federal Executive Boards (FEBs) will be better prepared to deal with emergency situations, while OCR will continue to work with Congressional committees on OPM's legislative agenda, with special emphasis on proposals to mitigate the loss of institutional knowledge in agencies from the expected wave of retirements from the baby-boom generation of Federal workers.

#### Operational Goals

Develop exercise requirement for Federal Executive Board (FEB) tabletop exercise on emergency preparedness by April 1, 2008; work with each FEB to conduct a tabletop exercise by October 1, 2008.

Work with the CHCO Council to organize and host a CHCO Council Training Academy session to showcase agencies and/or organizations outside the Federal Government utilizing innovative training methods by September 1, 2008.

Implement on-line charity registry (Combined Federal Campaign) update capacity for local campaign administrators by May 1, 2009.

Lay groundwork for congressional consideration of OPM legislative agenda, with emphasis on tools that address the pending retirement wave by April 1, 2008.

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
OD Common Services	\$1,831,000	17.3	\$1,916,000	17.3	\$1,943,000	16.0
OCR Common Services	\$878,000	6.8	\$878,000	6.8	\$930,000	6.8
<b>Total Program Resources</b>	<b>\$2,709,000</b>	<b>24.1</b>	<b>\$2,794,000</b>	<b>24.1</b>	<b>\$2,873,000</b>	<b>22.8</b>

## Additional Activities supported by OPM

In addition to its mission-related programs, OPM also supports the White House Fellows Program each year and will continue to deploy sufficient numbers of Federal Voting Rights observers to monitor polling sites at the request of the U.S. Department of Justice throughout the year.

### President's Commission on White House Fellows

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
WHF Salaries & Expenses	\$819,000	5.0	\$805,000	5.0	\$832,000	5.0
<b>Total Program Resources</b>	<b>\$819,000</b>	<b>5.0</b>	<b>\$805,000</b>	<b>5.0</b>	<b>\$832,000</b>	<b>5.0</b>

### Voting Rights

Fund	Budgetary Resources (\$ in millions)					
	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
Salaries & Expenses	\$1,881,000	17.0	\$1,677,000	10.0	\$610,000	5.0
Advances & Reimbursements	\$0	0.0	\$0	0.0	\$3,390,000	9.0
<b>Total Program Resources</b>	<b>\$1,881,000</b>	<b>17.0</b>	<b>\$1,677,000</b>	<b>10.0</b>	<b>\$4,000,000</b>	<b>14.0</b>

## Program: Office of the Inspector General, Oversight

### Operational Goal

Provide independent oversight of agency programs, functions, and activities.

Program Outcome	Performance Measures	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
		Result	Result	Result	Target	Target
OPM is a model of performance for other Federal agencies	Return on investment	\$8	\$4.5	\$6	\$5	\$5
	Carrier audit cycle (years)	3.0	4.0	4.0	5.0	5.0
	FEHBP audit recovery rate	95%	76%	75%	75%	75%
	Positive financial impact	\$121.7M	\$70M	\$110M	\$88.6M*	\$88.6M*
<b>Budgetary Resources (\$ in millions)</b>						
Fund	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
OIG Trust Funds Annual	\$10,723,000	77.0	\$12,091,000	74.0	\$11,433,000	74.0
OIG Salaries & Expenses	\$1,471,000	13.0	\$1,410,000	13.0	\$1,430,000	13.0
<b>Total Program Resources</b>	<b>\$12,194,000</b>	<b>90.0</b>	<b>\$13,501,000</b>	<b>87.0</b>	<b>\$12,863,000</b>	<b>87.0</b>

\* The positive financial impact is calculated based on the average of the previous five years' actual results.

## Program: Office of the Inspector General, Enforcement

### Operational Goal

Detect, investigate, and prevent fraud, waste, and abuse against OPM programs.

Program Outcome	Performance Measures	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
		Result	Result	Result	Target	Target
OPM is a model of performance for other Federal agencies	# of arrests	38	53	36	26	20
	# of indictments	43	56	36	26	20
	# of convictions	20	43	18	10	8
	# of debarments and suspensions	2,279	1,300	900	900	900
	# of administrative sanction actions based on investigative referrals	n/a	(100)	(100)	(100)	(100)
	# of e-debarments	n/a	(175)	(50)	(50)	(50)
	# of administrative sanction actions based on HHS action	n/a	(750)	(750)	(750)	(750)
	# of administrative sanction fact-finding hearings	n/a	3	3	3	3
	# of debarment inquiry responses	5,037	2,800	2,800	2,800	2,800
<b>Budgetary Resources (\$ in millions)</b>						
Fund	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request	
	\$	FTE	\$	FTE	\$	FTE
OIG Trust Funds Annual	\$5,281,000	36.0	\$5,290,000	34.0	\$5,290,000	34.0
Salaries & Expenses	\$111,000	1.0	\$108,000	1.0	\$108,000	1.0
<b>Total Program Resources</b>	<b>\$5,389,000</b>	<b>37.0</b>	<b>\$5,398,000</b>	<b>35.0</b>	<b>\$5,398,000</b>	<b>35.0</b>



## Part 5 – Payment Accounts

### Payment Accounts<sup>1</sup>

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

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

	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–09 Variance
Budget authority	\$8,615	\$8,826	\$9,595	\$769
Obligations	\$8,615	\$8,826	\$9,595	\$769
Outlays	\$8,601	\$8,826	\$9,595	\$769

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

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

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

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

	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–08 Variance
Budget authority	\$41	\$45	\$46	\$1
Obligations	\$41	\$45	\$46	\$1
Outlays	\$41	\$45	\$46	\$1

P.L. 96-427, Federal Employees Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for the purposes of retirement on or after January 1, 1990,

<sup>1</sup> The performance goals and measures applicable to the Government payments for annuitants’ health benefits and life insurance, and to the Civil Service Retirement and Disability Fund can be found in Part 3 of this document.

continue to make contributions toward their basic life insurance coverage (currently \$0.33 per month for each \$1,000 of coverage). As with active Federal employees, the Government is required to contribute one-third of the cost of the premium (currently \$0.17 per month for each \$1,000 of coverage) for basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution associated with annuitants' post-retirement basic life coverage.

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

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

	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	FY 2008–08 Variance
Budget authority	\$32,105	\$30,185	\$30,985	\$800
Obligations	\$32,105	\$30,185	\$30,985	\$800
Outlays	\$32,105	\$30,185	\$30,985	\$800

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

### Current Appropriation

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

### Permanent Indefinite Authorization

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

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

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**Detail of Payment Account (in millions)**

	<b>FY 2007 Enacted</b>	<b>FY 2008 Enacted</b>	<b>FY 2009 Request</b>	<b>FY 2008–09 Variance</b>
Current appropriation	\$10,532	\$10,072	\$10,172	\$100
Permanent indefinite authorization	\$21,573	\$20,113	\$20,813	\$700
<b>Total</b>	<b>\$32,105</b>	<b>\$30,185</b>	<b>\$30,985</b>	<b>\$800</b>



## Part 6 – Legislative Proposals

Included as part of the President's Fiscal Year 2009 Budget are a number of legislative proposals. These proposals have been designed for the evolving needs of our Federal workforce and as part of our constant effort at OPM to bring more value out of our taxpayer dollars.

There also is a need for agencies to be able to retain recently retired Federal employees to assist with short-term projects, such as employee training, or fill, on a part-time basis, critical skill gaps so agencies can meet their mission goals. By enacting an annuitant reemployment provision that would allow retirees to receive a salary plus their annuity, agencies would be able to meet their staffing needs. This proposal was transmitted to Congress on March 20, 2007.

Finally, we look forward to working with Congress on improvements to current retirement and health care law that would benefit Federal employees. Those improvements, already transmitted to the current 110<sup>th</sup> Congress, include the following:

### Civil Service Retirement and Disability Fund Proposals

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Pension benefits	(\$1.0)	(\$3.0)	(\$3.8)	(\$3.2)	(\$1.4)
Employee contributions	\$0.5	\$1.8	\$3.0	\$4.1	\$5.1
<b>Net Value</b>	<b>(\$0.5)</b>	<b>\$1.2</b>	<b>(\$0.8)</b>	<b>\$0.9</b>	<b>\$3.7</b>

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Pension benefits	\$2.0	\$3.0	\$4.0	\$6.0	\$7.0

### Federal Employees Health Benefits Legislative Proposals

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Employee premiums	(\$39.0)	(\$40.0)	(\$15.0)	(\$10.0)	\$11.0
Health insurance benefit payments	(\$40.0)	(\$147.0)	(\$248.0)	(\$327.0)	(\$403.0)
<b>PAYGO savings</b>	<b>(\$79.0)</b>	<b>(\$187.0)</b>	<b>(\$263.0)</b>	<b>(\$337.0)</b>	<b>(\$392.0)</b>