

United States Office of Personnel Management

Congressional Budget Justification

Annual Performance Plan

Fiscal Year 1999

February 1998

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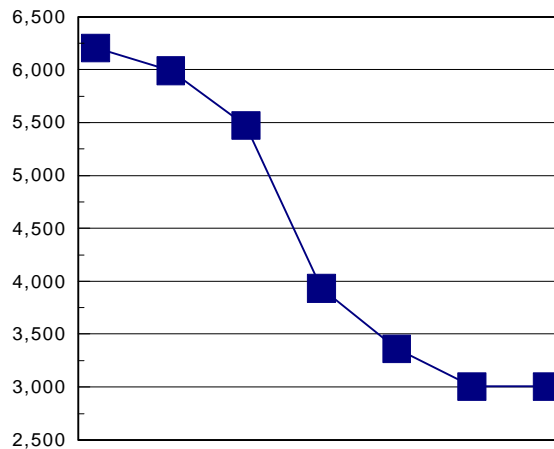
U.S. OFFICE OF PERSONNEL MANAGEMENT

FY 1999 BUDGET/PERFORMANCE PLAN IN BRIEF

Our FY 1999 budget justification incorporates our first Annual Performance Plan required by the Government Performance and Results Act and links budget activities and initiatives to the long-term goals and objectives identified in our strategic plan, *Federal Human Resources Management for the 21st Century*, submitted to Congress on September 29, 1997.

The Office of Personnel Management (OPM) is the recognized leader, both by example and in the provision of guidance and assistance to other agencies, during this period of Governmentwide downsizing. We are a leader in protecting the merit system and veterans preference, and in promoting diversity, improved customer service, and a family-friendly workplace. We have provided leadership against all forms of discrimination in the workplace. In our strategic plan, we addressed how OPM has redesigned its functions, strengthened its oversight role, privatized two major programs, and improved customer service while operating with dramatically reduced funding levels. We have met many challenges, made the hard decisions and, as a result, we are a smaller and more effective agency. As the chart below shows, we have reduced our FTE level by almost 52 percent, more than any other Federal agency, to 3,005 from 6,208 in FY 1993 when our downsizing began.

OPM FTE REDUCTIONS



	FY93	FY94	FY95	FY96	FY97	FY98	FY99
FTE Ceiling	6,208	5,991	5,472	3,934	3,363	3,005	3,005
Cum FTE Reductions	0	217	736	2,274	2,845	3,203	3,203

The challenge now is to build on our past successes for even greater achievements in the future. We must ensure that the Federal government is a model employer, with a compensation system and employment policies that will attract and retain the most talented and committed people in America. We must increasingly tie pay to performance, and continue to honor and support the talented, creative and dedicated Federal employees who are the backbone of reinvention. A smaller workforce must be better trained, better managed, and more highly motivated. We must

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more fully utilize modern technology to give our customers faster, better service and to transition from a “paper-based” to an “electronic-based” environment. We must continue, through the National Partnership Council, to build better understanding and cooperation between labor and management.

FY 1999 BUDGET REQUEST

OPM's total request of \$13.5 billion is composed of appropriations that are 1 percent discretionary and 99 percent mandatory. OPM's budget request consists of two discretionary appropriation accounts containing general funds and trust funds totaling \$186.7 million and three mandatory payment appropriations totaling an estimated \$13.3 billion. (Refer to “OPM FY 1999 Appropriation Request” on page 7.)

DISCRETIONARY APPROPRIATIONS:

Salaries and Expenses: OPM's general fund request for basic operating expenses totals \$85.4 million and 721 FTE, the same level as FY 1998. This level of resources will allow us to continue to provide high-quality, innovative human resources leadership, oversight and technical assistance to Federal agencies. The success of OPM's ongoing efforts to transition many of its staffing services, such as examination development, testing, and job information to a fee-for-service basis will enable OPM to absorb inflationary increases and continue to operate effectively. We also plan to make significant investments in information technology enhancements to benefit all OPM programs as they move into the next century with a new streamlined way of doing business and to ensure that all OPM systems are Year 2000 compliant. This account also includes 115 FTE to be financed by reimbursements from other agencies and from OPM programs for the provision of agency-wide services.

For the administration of the civil service retirement and insurance programs, OPM is requesting \$91.2 million and 1,378 FTE in transfers from the trust funds. Although this is the same level provided in FY 1998, this means we will have to absorb the impact of the pay raise, inflation and the increased agency contribution for CSRS employees. In accordance with our strategic plan, we will focus our efforts over the next two years on redesigning and modernizing our earned benefits delivery systems to increase the quality, variety, speed and accuracy of services we offer our customers.

Office of Inspector General Salaries and Expenses: The request for the Office of the Inspector General (OIG) totals \$10.1 million and 108 FTE, and includes about \$1 million in general funds and \$9.1 million in transfers from the trust funds to enable the OIG to carry out its audit, investigative and review responsibilities. The request includes an increase of \$.5 million in trust funds and 5 FTE to enable the OIG to increase the frequency of Federal Employees Health Benefit (FEHBP) audits. This account also includes 3 FTE to be financed by reimbursements from the Department of Treasury's Auditor Training Institute.

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 1999 budget includes an estimated \$179.0 million in obligations and 683 FTE to be financed by other agencies for OPM's services.

OPM reversed a 10-year trend of higher deficits in its Revolving Fund by making tough management decisions, imposing tighter financial controls across all programs, increasing accountability, and downsizing. In addition, OPM successfully privatized two major Revolving Fund programs — training and investigations. These actions have resulted in the Revolving Fund being above the breakeven point at the end of FY 1997 after experiencing a \$48.8 million deficit at the end of FY 1994.

MANDATORY APPROPRIATIONS:

Government Payment for Annuitants, Employees Health Benefits: A "such sums as may be necessary" appropriation is requested for an estimated \$4.6 billion to finance the Government's share of health benefit costs for 1.9 million annuitants participating in the program.

Government Payment for Annuitants, Employees Life Insurance: A "such sums as may be necessary" appropriation is requested for an estimated \$35.2 million to finance the Government's share of life insurance premiums for 323,000 annuitants electing post-retirement coverage.

Payment to the Civil Service Retirement and Disability Fund: A "such sums as may be necessary" appropriation is requested to fund an estimated \$8.7 billion for payments to finance liabilities created by legislation enacted since 1969 which affected benefits (primarily pay raises).

FERS OPEN SEASON PROPOSAL:

The Administration is proposing legislation to cancel the FERS Open Season scheduled for July 1, 1998, through December 31, 1998. As a result of the cancellation, the Administration believes agencies will be able to use limited discretionary resources to fund pay raises and other agency priorities, rather than incurring increased retirement costs associated with conducting an Open Season.

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in Brief***

FY 1999 ANNUAL PERFORMANCE PLAN

OPM's FY 1999 Congressional budget justification and our annual performance plan are integrated into a single document which shows the direct relationship of the resources we are requesting to the goals and objectives we plan to achieve.

The performance plan supports our strategic plan, our mission and vision for the future, and the specific goals and objectives we plan to achieve through FY 2002 as we work to ensure a merit-based civil service which contributes to the transformation of the Government and provides the tools necessary to attract, motivate, and retain the best possible workforce in service to the American people. The annual performance plan provides the clear connection between our longer term strategic goals and the annual goals we have set for FY 1999. We have done this in two ways:

1. FY 1999 Resource Summary by Strategic Goal (See pages 13–15.)

This table succinctly demonstrates the relationship of our resources to our strategic goals. For each of OPM's five strategic goals the chart shows what FY 1999 resources in dollars and FTE we plan to devote to the achievement of that goal. The resources are shown in summary for that goal by budget account and also by the individual OPM programs that contribute to the achievement of the goal.

2. Crosswalk to OPM's Strategic Plan (See pages 17–30.)

This section provides an easy-to-understand guide that directs the reader to the sections of OPM's *FY 1999 Congressional Budget Justification and Annual Performance Plan* that contain the specific annual performance goals, for all of OPM's programs, that correspond to the general goals and objectives contained in OPM's Strategic Plan.

OPM's performance plan contains all elements required by the Government Performance and Results Act. It is organized by budget account, describes the programs financed by that account, displays the dollars and FTE for FY 1997 through FY 1999, and lists the major achievements and initiatives in that program activity for FY 1997 and FY 1998. Within each activity, the FY 1999 performance goals are organized according to the strategic goals and objectives they address. The plan discusses the means that will be used to achieve each goal, the indicators that will be used to measure goal achievement and the verification and validation strategies.

Customer Assessment Program

One of the ways OPM has measured results in several of its programs is through customer satisfaction surveys. We plan to improve and coordinate across OPM programs the collection of customer satisfaction data by proceeding to develop and refine a series of measures and

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indicators. We envision an OPM-wide Customer Assessment Program that will operate at both an agencywide level and be targeted to customers of specific OPM programs.

At an agencywide level, questionnaire surveys will be designed and tested to cover a broad spectrum of human resource management issues. The instrument may be a comprehensive survey administered annually to a sample of human resource specialists, managers, and employees or a series of short surveys distributed to panels and specific subsets of OPM customers and stakeholders.

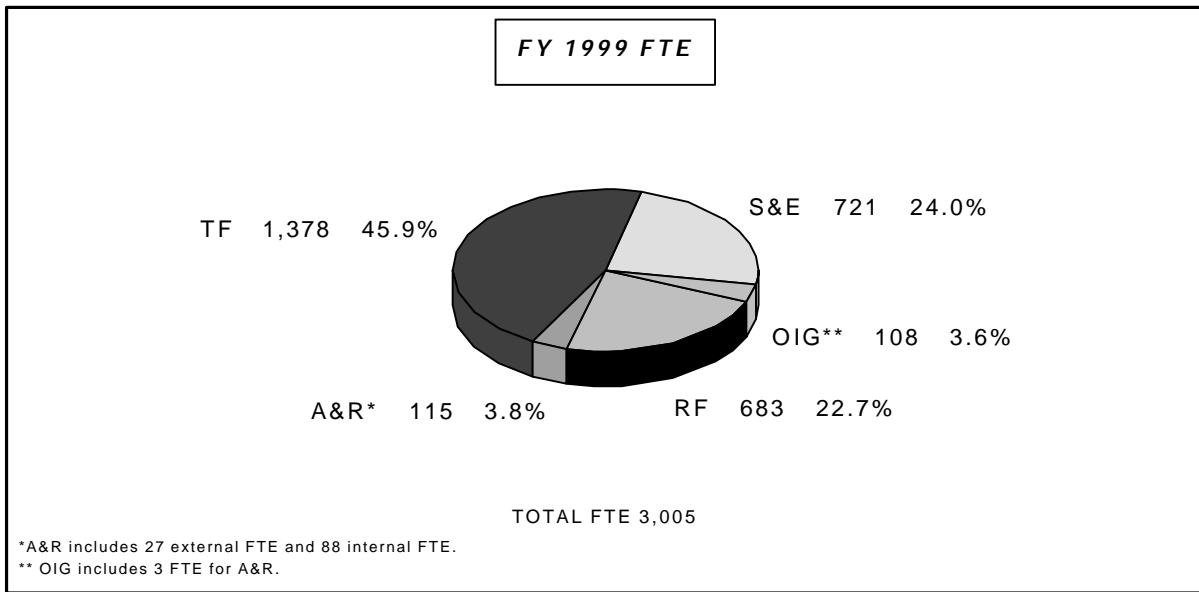
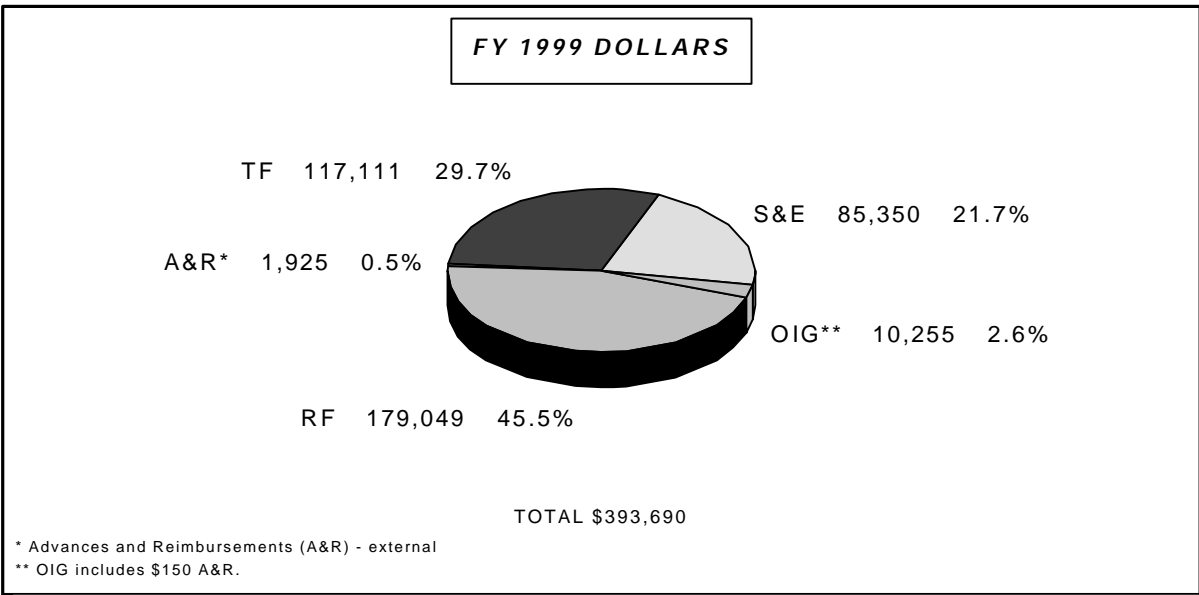
In addition to any agencywide effort, OPM programs will continue to undertake and improve more specialized customer assessments. Such efforts will focus more directly on the effectiveness of specific OPM program areas and customer groups, e.g., employee benefits specialists, labor-relations professionals, personnel security officials, staffing specialists, and employee development specialists, to name a few. These more in-depth measures will employ a variety of assessment techniques, including point-of-service surveys, focus groups, tearaway feedback cards in publications, and other opportunities to establish a dialogue with customers and stakeholders where ideas, concerns, and satisfaction can be expressed with richer detail.

OPM FY 1999 APPROPRIATION REQUEST
ACCOUNTS REQUIRING CONGRESSIONAL ACTION
(dollar amounts in thousands)

	<u>GENERAL FUND BUDGET AUTHORITY</u>	<u>TRUST FUNDS BUDGET AUTHORITY</u>	<u>TOTAL</u>
TOTAL REQUEST	<u>\$13,435,822</u>	<u>\$100,381</u>	<u>\$13,536,203</u>
APPROPRIATIONS:			
<u>Discretionary:</u>	<u>86,310</u>	<u>100,381</u>	<u>186,691</u>
Salaries & Expenses:	85,350	91,236	176,586
General Fund	85,350	---	85,350
Trust Funds	---	91,236	91,236
OIG Salaries & Expenses:	960	9,145	10,105
General Fund	960	---	960
Trust Funds	---	9,145	9,145
<u>Mandatory:</u>	<u>13,349,512</u>	<u>---</u>	<u>13,349,512</u>
Government Payment for Annuitants, Employees Health Benefits "Such sums as may be necessary"	4,631,996	---	4,631,996
Government Payment for Annuitants, Employees Life Insurance "Such sums as may be necessary"	35,220	---	35,220
Payment to the Civil Service Retirement and Disability Fund:* "Such sums as may be necessary"	8,682,296	---	8,682,296

OFFICE OF PERSONNEL MANAGEMENT
FY 1999 ADMINISTRATIVE OBLIGATIONS

(\$000s)



OFFICE OF PERSONNEL MANAGEMENT

ADMINISTRATIVE OBLIGATIONS

(dollar amounts in thousands)

ACCOUNT	FY 1998		FY 1999		FY 1999 CHANGE	
	\$	FTE	\$	FTE	\$	FTE
Salaries and Expenses:	\$200,658	2,214	\$204,386	2,214	\$3,728	---
General Fund	85,350	721	85,350	721	---	---
General Fund Carryover	250	---	---	---	(250)	---
Trust Funds Total:	113,133	1,378	117,111	1,378	3,978	---
Trust Fund (annual)	91,236	1,369	91,236	1,369	---	---
Trust Fund (annual) - Carryover	250	---	---	---	(250)	---
Trust Fund - Title V	19,555	---	19,555	---	---	---
Trust Fund (no-year)	2,092	9	6,320	9	4,228	---
Advances and Reimbursements	1,925 *	115	1,925 *	115	---	---
Inspector General - Salaries & Expenses:	\$9,825	103	\$10,255	108	\$430	5
General Fund	960	10	960	10	---	---
General Fund - Carryover	35	---	---	---	(35)	---
Trust Fund (annual)	8,645	90	9,145	95	500	5
Trust Fund (annual) - Carryover	35	---	---	---	(35)	---
Advances & Reimbursements	150	3	150	3	---	---
Revolving Fund:	\$175,016	688	\$179,049	683	\$4,033	(5)
DOD Testing	8,045	175	8,307	175	262	---
Employment Service	30,357	365	31,416	365	1,059	---
Investigations Service	80,322	35	81,638	35	1,316	---
Workforce Relations	35,038	26	36,105	26	1,067	---
Executive Resources	21,254	69	21,583	69	329	---
Agency Reserve	---	18	---	13	---	(5)
TOTAL OPM	\$385,499	3,005	\$393,690	3,005	\$8,191	---

* External

OFFICE OF PERSONNEL MANAGEMENT
FY 1999 TRANSFERS FROM THE TRUST FUNDS
NEW OBLIGATIONAL AUTHORITY
(dollar amounts in thousands)

	OPM		
	S&E	OIG	TOTAL
TRUST FUNDS:			
Civil Service Retirement and Disability Fund	\$79,620	\$1,555	\$81,175
Employees and Retired Employees Health Benefits	10,872	7,041	17,913
Employees Life Insurance	744	549	1,293
Total OPM	\$91,236	\$9,145	\$100,381

The Merit Systems Protection Board (MSPB) also receives an annual transfer for administrative costs from the Civil Service Retirement and Disability Fund. MSPB's FY 1999 request is \$2,430. MSPB is not part of OPM and submits its budget separately.

OVERVIEW OF THE FY 1999 ANNUAL PERFORMANCE PLAN

OPM's FY 1999 Annual Performance Plan, prepared in compliance with the requirements of the Government Performance and Results Act of 1993, has been integrated with our Congressional Budget Justification. As this is OPM's first performance plan, a brief introduction to its format and how it was prepared may help the reader approach the detailed information that follows.

The foundation for this plan — and indeed for all of OPM's activities and initiatives — can be found in *Federal Human Resources Management for the 21st Century*, OPM's Strategic Plan for FY 1997 through FY 2002. The cornerstone for that plan is its mission statement and five related strategic goals:

OPM's STRATEGIC MISSION STATEMENT

As the leader in human resource management for the Executive branch of government, OPM develops policies, in cooperation with Federal agencies and other stakeholders, so that agencies can recruit, hire, and retain workforces best suited to their missions. OPM oversees the Governmentwide implementation of those policies so that agencies will uphold national values that are embodied in law — including merit principles and veterans' preference. OPM manages Governmentwide systems that support agencies and their employees by administering retirement, insurance, and other benefit systems for Federal employees and annuitants. OPM also administers Governmentwide compensation systems and maintains automated information systems that are used to inform the public of Federal employment opportunities and are used to keep managers and the public informed about the nature and size of the current Federal workforce. OPM also provides high-quality, cost-efficient services to other agencies.

OPM'S STRATEGIC GOALS

- Goal I. Provide policy direction and leadership to recruit and retain the Federal workforce required for the 21st Century.
- Goal II. Protect and promote the merit-based civil service and the employee earned benefit programs through an effective oversight and evaluation program.
- Goal III. Provide advice and assistance to help Federal agencies improve their human resources management programs to effectively operate within the economy, demographics and environment of the 21st Century.
- Goal IV. Deliver high-quality, cost-effective human resources services to federal agencies, employees, annuitants and the public.
- Goal V. Establish OPM as a leader in creating and maintaining a sound, diverse and cooperative work environment.

Overview of the FY 1999 Annual Performance Plan

Those strategic goals — and the related series of objectives associated with each goal — serve as the organizing principle for the performance plan presented here. To develop specific annual performance goals for FY 1999, OPM's program offices considered the long-term outcomes that relevant strategic goals and objectives covered and focused on the necessary outputs and intermediate results that would be required to achieve those ultimate aims. Particular attention was given to the specific goals that will be necessary and appropriate for FY 1999, especially in those areas where effective outcomes will require a series of enabling steps along the way.

Our goal in preparing this performance plan has been to ensure that the reader has a clear sense of not only what OPM plans to accomplish, but the particular strategy and tactics to be employed by the respective program activities. Each program activity presented in OPM's Budget Justification includes its respective FY 1999 annual performance goals. To provide some context and sense of continuity for the FY 1999 annual goals, background is provided about the activity's **FY 1997 Accomplishments and FY 1998 Initiatives**.

Most importantly, within each program activity, each **Annual Performance Goal** is numbered serially and is clearly anchored between:

- the specific **Strategic Goal and Objective(s)** the annual goal addresses, including some summary information about resource levels, and
- the **Means** (i.e., specific operational strategies and activities that will be carried out to pursue the annual goal) and **Indicators** (i.e., the performance measures and indicators that will be used to gauge achievement of the annual goal) for each annual goal.

The Annual Performance Plan material for each program activity also includes a summary **Verification and Validation** section. The material here describes the state of OPM's various assessments and measures and how they will be audited, benchmarked, and validated.

To conclude this overview of the Annual Performance Plan, two summarizing sections are provided next. First, tables showing the **FY 1999 Resource Summary by Strategic Goal** give a new perspective on how budgetary resources are linked to OPM's Strategic Goals.

The final summarizing section, a **Crosswalk of FY 1999 Annual Performance Goals to Strategic Goals and Objectives, Organized by Fund and Program Activity**, serves as the essential roadmap to the detailed material the performance plan contains. Starting from the cornerstone five goals of OPM's Strategic Plan, the reader is referred quickly to those specific parts of the integrated Budget Justification/Annual Performance Plan that may be of interest.

OFFICE OF PERSONNEL MANAGEMENT

FY 1999 RESOURCE SUMMARY BY STRATEGIC GOAL

(dollar amounts in thousands)

SUMMARY OF GOALS I THROUGH V

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Grand Total	86,310	731	126,256	1,473	2,075	118	179,049	683	393,690	3,005
Merit System Oversight & Effectiveness	19,256	198	0	0	0	0	0	0	19,256	198
Employment	30,003	231	0	0	0	0	31,416	365	61,419	596
ES - DOD Testing	0	0	0	0	0	0	8,307	175	8,307	175
Retirement & Insurance	0	0	110,377	1,301	750	10	0	0	111,127	1,311
Workforce Compensation & Performance	7,319	74	0	0	500	7	0	0	7,819	81
Investigations	3,194	29	0	0	0	0	81,638	35	84,832	64
Workforce Relations	3,586	37	0	0	675	10	36,105	26	40,366	73
Executive Resources	2,422	23	0	0	0	1	21,583	69	24,005	93
Administrative Services	10,242	50	2,909	31	3,256	48	0	0	16,407	129
Executive & Other Services	9,328	79	3,825	46	3,908	39	0	0	17,061	164
Agency FTE Reserve	0	0	0	0	0	0	0	13	0	13
Less Internal A&R	0	0	0	0	(7,164)	0	0	0	(7,164)	0
Total	85,350	721	117,111	1,378	1,925	115	179,049	683	383,435	2,897
Inspector General	960	10	9,145	95	150	3	0	0	10,255	108

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	41,316	341	15,489	252	3,036	32	0	0	59,841	625
Merit System Oversight & Effectiveness	5,234	56	0	0	0	0	0	0	5,234	56
Employment	11,508	85	0	0	0	0	0	0	11,508	85
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance	0	0	14,700	244	0	0	0	0	14,700	244
Workforce Compensation & Performance	6,814	68	0	0	0	0	0	0	6,814	68
Investigations	2,907	27	0	0	0	0	0	0	2,907	27
Workforce Relations	2,117	25	0	0	0	0	0	0	2,117	25
Executive Resources	2,422	23	0	0	0	0	0	0	2,422	23
Administrative Services	5,337	15	253	2	848	11	0	0	6,438	28
Executive & Other Services	4,977	42	536	6	2,188	21	0	0	7,701	69
Total	41,316	341	15,489	252	3,036	32	0	0	59,841	625
Inspector General	0	0	0	0	0	0	0	0	0	0

***FY 1999 Resource Summary
by Strategic Goal***

GOAL II: PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	21,726	195	21,657	235	299	6	0	0	43,682	436
Merit System Oversight & Effectiveness	10,882	108	0	0	0	0	0	0	10,882	108
Employment	6,532	49	0	0	0	0	0	0	6,532	49
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance	0	0	11,563	130	0	0	0	0	11,563	130
Workforce Compensation & Performance	0	0	0	0	0	0	0	0	0	0
Investigations	287	2	0	0	0	0	0	0	287	2
Workforce Relations	70	1	0	0	0	0	0	0	70	1
Executive Resources	0	0	0	0	0	1	0	0	0	1
Administrative Services	977	8	337	3	71	1	0	0	1,385	12
Executive & Other Services	2,018	17	612	7	78	1	0	0	2,708	25
Total	20,766	185	12,512	140	149	3	0	0	33,427	328
Inspector General	960	10	9,145	95	150	3	0	0	10,255	108

GOAL III. PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCE MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	19,131	163	1,642	23	3,391	44	150	1	24,314	231
Merit System Oversight & Effectiveness	2,093	23	0	0	0	0	0	0	2,093	23
Employment	11,963	97	0	0	0	0	150	1	12,113	98
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance	0	0	1,583	23	750	10	0	0	2,333	33
Workforce Compensation & Performance	505	6	0	0	500	7	0	0	1,005	13
Investigations	0	0	0	0	0	0	0	0	0	0
Workforce Relations	1,399	11	0	0	675	10	0	0	2,074	21
Executive Resources	0	0	0	0	0	0	0	0	0	0
Administrative Services	1,025	8	21	0	684	9	0	0	1,730	17
Executive & Other Services	2,146	18	38	0	782	8	0	0	2,966	26
Total	19,131	163	1,642	23	3,391	44	150	1	24,314	231
Inspector General	0	0	0	0	0	0	0	0	0	0

***FY 1999 Resource Summary
by Strategic Goal***

GOAL IV. DELIVER HIGH-QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS, AND THE PUBLIC

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	1,311	14	86,665	952	1,615	19	178,899	669	268,490	1,654
Merit System Oversight & Effectiveness	1,047	11	0	0	0	0	0	0	1,047	11
Employment	0	0	0	0	0	0	31,266	364	31,266	364
ES - DOD Testing	0	0	0	0	0	0	8,307	175	8,307	175
Retirement & Insurance	0	0	82,531	904	0	0	0	0	82,531	904
Workforce Compensation & Performance	0	0	0	0	0	0	0	0	0	0
Investigations	0	0	0	0	0	0	81,638	35	81,638	35
Workforce Relations	0	0	0	0	0	0	36,105	26	36,105	26
Executive Resources	0	0	0	0	0	0	21,583	69	21,583	69
Administrative Services	77	1	1,495	15	755	10	0	0	2,327	26
Executive & Other Services	187	2	2,639	33	860	9	0	0	3,686	44
Total	1,311	14	86,665	952	1,615	19	178,899	669	268,490	1,654
Inspector General	0	0	0	0	0	0	0	0	0	0

GOAL V. ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND, DIVERSE AND COOPERATIVE WORK ENVIRONMENT.

ACTIVITIES	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Total	2,826	18	803	11	898	17	0	0	4,527	46
Merit System Oversight & Effectiveness	0	0	0	0	0	0	0	0	0	0
Employment	0	0	0	0	0	0	0	0	0	0
ES - DOD Testing	0	0	0	0	0	0	0	0	0	0
Retirement & Insurance	0	0	0	0	0	0	0	0	0	0
Workforce Compensation & Performance	0	0	0	0	0	0	0	0	0	0
Investigations	0	0	0	0	0	0	0	0	0	0
Workforce Relations	0	0	0	0	0	0	0	0	0	0
Executive Resources	0	0	0	0	0	0	0	0	0	0
Administrative Services	2,826	18	803	11	898	17	0	0	4,527	46
Executive & Other Services	0	0	0	0	0	0	0	0	0	0
Total	2,826	18	803	11	898	17	0	0	4,527	46
Inspector General	0	0	0	0	0	0	0	0	0	0

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

! By the year 2002, modernize the Central Personnel Data File (CPDF) to be the Governmentwide system for efficiently collecting, analyzing, and disseminating accurate, comprehensive, and timely workforce information on all Federal civilian employees (other than Postal Service) that supports policy research, development, and evaluation.

S&E/General Fund Appropriation Office of Merit Systems Oversight and Effectiveness Goal 3 See page 45

HUMAN RESOURCES SYSTEMS AUTOMATION

! Provide Governmentwide leadership via the Human Resources Technology Council for cooperative business process redesign and system modernization efforts, in support of the Clinger-Cohen Act of 1996. (Continuing)

*S&E/General Fund Appropriation Employment Service Goal 3 See page 61
Office of Information Technology Goal 1 See page 125*

! Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and recordkeeping, by achieving the following sub-objectives:

- By the year 1998, establish core requirements for human resources systems; set benchmarks; and evaluate existing and developing systems against requirements and benchmarks.
- By the year 1999, establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records.

*S&E/General Fund Appropriation Office of Merit Systems Oversight and Effectiveness Goal 4 See page 46
Employment Service Goal 4 See page 62
Goal 5 See page 62
Office of Information Technology Goal 1 See page 125*

! Continue to increase the number of agencies using Employee Express each year, to enable more employees to make self-directed benefits changes.

S&E/General Fund Appropriation Employment Service Goal 6 See page 63

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

STAFFING AND EXAMINING

! Ensure that agencies are able to determine the lawful rights of employees and applicants, including veterans, during hiring, promotion, and restructuring. (Continuing)

S&E/General Fund Appropriation *Employment Service Goal 7 See page 64*
Goal 8 See page 65

! Increase the quality of the Federal workforce by continually encouraging the use of valid, fair, and merit-based examining procedures for selection and promotion. (Continuing)

S&E/General Fund Appropriation *Employment Service Goal 9 See page 65*

! Encourage the use of targeted programs designed to attract highly qualified candidates for the Federal Government, such as the Presidential Management Intern Program. (Continuing)

S&E/General Fund Appropriation *Employment Service Goal 10 See page 66*

! By the year 2002, using incremental targets established each year, raise the levels of underrepresented groups in Federal employment to be equivalent to their percentages in the relevant external labor market.

S&E/General Fund Appropriation *Employment Service Goal 11 See page 68*

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

! Promote performance improvements by maintaining a flexible, decentralized policy framework for appraisal, awards, and human resource development within which agencies can establish results-oriented and merit-based programs for planning, measuring, developing, and rewarding employee performance at the individual, group, and organizational level that by 2002 are tailored to agency mission, structure, culture, workforce, and work technology. (Continuing)

S&E/General Fund Appropriation *Workforce Compensation and Performance Service Goal 12 See page 85*
Goal 13 See page 85
Goal 14 See page 86

! Promote credible, effective programs that provide monetary and nonmonetary incentives and recognition for individual, group, and organizational achievements. (Continuing)

S&E/General Fund Appropriation *Workforce Compensation and Performance Service Goal 12 See page 85*
Goal 13 See page 85
Goal 14 See page 86

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

! Promote programs for dealing with poor performers and improve the capacity of managers to identify and resolve performance problems effectively. (Continuing)

S&E/General Fund Appropriation *Office of Workforce Relations Goal 2 See page 100*

! By the year 2002, successfully support and promote cross-cutting efforts to streamline the adjudicatory system and make it understandable, timely, and less costly.

S&E/General Fund Appropriation *Office of Workforce Relations Goal 3 See page 101*

! Support the transformation of Federal training from a set of process-focused, event-based activities into an outcome-oriented, measurable performance improvement function that supports managers and employees in sustaining a consultative, learning environment.

S&E/General Fund Appropriation *Office of Workforce Relations Goal 4 See page 102*

EMPLOYEE AND LABOR RELATIONS

! Advise and consult with Federal agencies on labor-management relations by providing timely, accurate and useful information so that agencies may effectively work with their labor organizations that represent 1.1 million Federal employees. (Continuing)

S&E/General Fund Appropriation *Office of Workforce Relations Goal 5 See page 103*

! In cooperation with the National Partnership Council, continue to champion strong and effective labor management partnerships that support Federal employees, managers, and their representatives and promote improved performance, results, and service to the public. (Continuing)

S&E/General Fund Appropriation *Office of Workforce Relations Goal 6 See page 104*

! By the year 2002, develop, promote, and increase the use and accessibility of alternative dispute resolution programs among employees Governmentwide.

S&E/General Fund Appropriation *Office of Workforce Relations Goal 7 See page 105*

! By the year 2002, increase the awareness and use by employees Governmentwide of Employee Assistance Programs, as well as other health promotion and disease prevention programs and practices.

S&E/General Fund Appropriation *Office of Workforce Relations Goal 8 See page 105*
Goal 9 See page 106

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL I. PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

! Develop and promote family-friendly programs and personnel flexibilities (e.g., alternative work schedules, leave flexibilities, telecommuting, dependent care services) so that they are available and used appropriately by employees Governmentwide to balance work and family needs successfully. (Continuing)

S&E/General Fund Appropriation

Office of Workforce Relations Goal 10 See page 107

EXECUTIVE RESOURCES

! Achieve a Governmentwide senior executive corps of strong leaders with a national, corporate vision who can lead the continuing transformation of Government and provide for effective management of the Government's human resources.

S&E/General Fund Appropriation

*Office of Executive Resources Goal 2 See page 115
Goal 3 See page 116*

! In allocating executive personnel resources, maintain the corporate goal of a smaller executive corps that is consistent with an overall smaller, more streamlined and delayed Federal workforce.

S&E/General Fund Appropriation

Office of Executive Resources Goal 4 See page 116

! By the year 2002, foster movement by senior executives as a means of broadening the executive's perspective and bringing fresh insight to agency programs.

S&E/General Fund Appropriation

Office of Executive Resources Goal 5 See page 117

PERSONNEL INVESTIGATIONS

! Ensure the suitability of applicants for and appointees to Federal positions. (Continuing)

S&E/General Fund Appropriation

Investigations Service Goal 1 See page 92

! Be an effective leader in the personnel security community by continuing to set Governmentwide investigative policy and serving as an active member of the Security Policy Board. (Continuing)

S&E/General Fund Appropriation

Investigations Service Goal 2 See page 93

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

**GOAL II. PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE
EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE
OVERSIGHT AND EVALUATION PROGRAM.**

FY 1999 RESOURCE	Salaries & Expenses	Trust Fund	Advances & Reimbursements	Revolving Fund	Total
SUMMARY: (\$ IN 000'S)	\$21,726 195 FTE	\$21,657 235 FTE	\$ 299 6 FTE	\$ 0 0 FTE	\$43,682 436 FTE

! By the year 2000, complete evaluations of agency-level human resources management effectiveness in all major Federal agencies.

S&E/General Fund Appropriation Office of Merit Systems Oversight and Effectiveness Goal 5 See page 47

! Promote agency development of internal accountability systems — including links to ongoing oversight reviews — for conducting human resources management in accordance with merit system principles.

*S&E/General Fund Appropriation Office of Merit Systems Oversight and Effectiveness Goal 6 See page 48
Goal 7 See page 49
Goal 8 See page 49*

! Ensure that delegated examining is conducted in accordance with merit system laws, regulations, and principles. (Continuing)

*S&E/General Fund Appropriation Office of Merit Systems Oversight and Effectiveness Goal 9 See page 50
Employment Service Goal 12 See page 69*

! Evaluate and, when necessary, seek judicial review of the decisions of adjudicatory agencies to ensure they are consistent with civil service laws, regulations, and policies. (Continuing)

S&E/General Fund Appropriation Office of Workforce Relations Goal 11 See page 108

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL II. PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

! By the year 1999, resolve material weaknesses and improve financial systems and internal controls to maintain the integrity of the earned employee benefits trust funds totaling more than \$60 billion in annual benefit payments and OPM’s appropriated and reimbursable funds.

<i>Transfers from the Trust Funds</i>	<i>Retirement and Insurance Service</i>	<i>Goal 4</i>	<i>See page 165</i>
		<i>Goal 5</i>	<i>See page 166</i>
		<i>Goal 6</i>	<i>See page 167</i>
		<i>Goal 7</i>	<i>See page 167</i>
<i>Salaries and Expenses, Trust Fund, and Advances and Reimbursements</i>	<i>Office of the Inspector General</i>	<i>Goal 1</i>	<i>See page 207</i>
		<i>Goal 2</i>	<i>See page 207</i>
		<i>Goal 3</i>	<i>See page 208</i>
		<i>Goal 4</i>	<i>See page 209</i>

! Ensure Federal Employees’ Health Benefits and Federal Employees’ Group Life Insurance contract compliance through financial and performance audits, and quality assurance standards. (Continuing)

<i>Transfers from the Trust Funds</i>	<i>Retirement and Insurance Service</i>	<i>Goal 8</i>	<i>See page 168</i>
		<i>Goal 9</i>	<i>See page 169</i>
<i>Salaries and Expenses, Trust Fund, and Advances and Reimbursements</i>	<i>Office of the Inspector General</i>	<i>Goal 1</i>	<i>See page 207</i>
		<i>Goal 2</i>	<i>See page 207</i>
		<i>Goal 3</i>	<i>See page 208</i>
		<i>Goal 4</i>	<i>See page 209</i>

! Ensure that agencies adhere to Executive orders and regulations by inspecting and evaluating agencies’ personnel security programs. (Continuing)

<i>S&E/General Fund Appropriation</i>	<i>Investigations Service</i>	<i>Goal 3</i>	<i>See page 94</i>
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*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL III. PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

- ! Help agencies design, implement, manage, and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

S&E/General Fund Appropriation Office of Merit Systems Effectiveness and Oversight Goal 12 See page 53
Employment Service Goal 15 See page 72
Workforce Compensation and Performance Service Goal 16 See page 88
Office of Workforce Relations Goal 13 See page 110

- ! By the year 2000, improve agency administration of the earned benefit programs so that (a) 80% of all retirement submissions are received within 30 days of employee retirement dates, (b) most retirement application packages are ready for processing upon receipt at OPM, and © employees receive from their agency complete and timely retirement counseling and services pertinent to the earned benefit programs.

Transfers from the Trust Funds Retirement and Insurance Service Goal 10 See page 171
Goal 11 See page 171
Goal 12 See page 172
Goal 13 See page 173

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL IV. DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

FY 1999 RESOURCE SUMMARY: (\$ IN 000'S)	Salaries & Expenses	Trust Fund	Advances & Reimbursements	Revolving Fund	Total
	\$ 1,311 14 FTE	\$86,665 952 FTE	\$ 1,615 19 FTE	\$178,899 669 FTE	\$268,490 1,654 FTE

- !** Provide information about Federal employment opportunities to the public and to Federal employees 24 hours a day, 7 days a week, through the use of a Governmentwide, comprehensive information system to ensure fair and open competition and to assist agencies in reaching diverse, well-qualified job applicants. (Continuing)
- By the year 1999, expand coverage to include all excepted service job openings.
 - By the year 2000, improve access for disabled information-seekers of employment information by using new technology.
 - By the year 2000, integrate the automated Federal employment information system with other employment information systems, at the State, local and collegiate levels, to ensure comprehensive service to the public.

Revolving Fund

*Employment Service Goal 18 See page 241
Goal 19 See page 242
Goal 20 See page 242
Goal 21 See page 243*

- !** By the year 2000, become the provider of choice for direct human resources management services including examining, test administration, downsizing, career transition, organizational assessment, and occupational analysis, on a reimbursable basis.

Revolving Fund

*Employment Service Goal 16 See page 236
Goal 22 See page 244*

- !** Provide readily accessible primary source data for meeting the workforce information needs of OPM, the other central management agencies, the Congress, the White House, and the public through the Central Personnel Data File and other reporting systems. (Continuing)

S&E/General Fund Appropriation

Office of Merit Systems Oversight and Effectiveness Goal 13 See page 54

- !** By the year 2002, earned benefit programs customers will (a) be paid the right amount on the day payment is due, and (b) receive responses to their inquiries and service requests that are accurate and that meet or exceed their expectations.

Transfers from the Trust Funds

*Retirement and Insurance Service Goal 14 See page 173
Goal 15 See page 175
Goal 16 See page 176*

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL IV. DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

- ! By the year 2002, begin deploying a modern retirement system that fully automates a redesigned retirement process including retirement counseling, trust fund and financial management, and claims processing.
 - By the year 1998, validate business requirements of the retirement programs based on input from Federal agencies and other stakeholders.
 - By the year 1999, based on analysis of business requirements, develop alternative "Concepts of Operations" for modernized system and define system modules (i.e., retirement counseling, trust fund and financial management, claims processing, etc.).
 - From 1999 through the year 2002, based on Concepts of Operation, develop and deploy technology solutions to defined modules consistent with OPM's Information Technology technical architecture.

Transfers from the Trust Funds

*Retirement and Insurance Service Goal 17 See page 177
Goal 18 See page 177
Goal 19 See page 178*

- ! Strengthen the corporate identity and leadership effectiveness of Federal managers and executives through the training and development programs offered by the Federal Executive Institute and the Management Development Centers and through the Senior Executive Service Orientation programs.

Revolving Fund

*Office of Executive Resources Goal 6 See page 258
Goal 7 See page 259*

- ! By the year 1999, increase the capacity of OPM's reimbursable Training and Management Assistance program to provide cost-effective services that enhance human resource effectiveness through a partnership between OPM, Federal agencies, and private sector firms to develop training materials, as well as other performance management, workforce productivity improvement, and business process reengineering applications.

Revolving Fund

Office of Workforce Relations Goal 16 See page 254

- ! Continue to enhance and support the Presidential Management Intern program as a source of future Government leaders through effective assessment and development.

Revolving Fund

Employment Service Goal 23 See page 245

- ! Operate the Governmentwide personnel program for Administrative Law Judges, including examining candidates, classifying positions, and protecting employee rights, in a timely and quality manner. (Continuing)

Revolving Fund

Employment Service Goal 24 See page 245

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

**GOAL IV. DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES
SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND
THE PUBLIC.**

- ! Provide a broad range of high-quality, cost-effective investigative products to Federal agencies.

Revolving Fund

Investigations Service Goal 4 See page 251

*Crosswalk of Annual Performance Goals
by Strategic Plan Goal/Objective, Fund, and Program Activity*

GOAL V. ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND, DIVERSE AND COOPERATIVE WORK ENVIRONMENT.									
FY 1999	Salaries & Expenses		Trust Fund		Advances & Reimbursements		Revolving Fund		Total
RESOURCE SUMMARY:	\$ 2,826	18 FTE	\$ 803	11 FTE	\$ 898	17 FTE	\$ 0	0 FTE	\$ 4,527 46 FTE
<p>! Develop and maintain a well trained and versatile OPM workforce to support our mission. <i>Office of Human Resources and EEO Goal 1 See page 131</i></p>									
<p>! Manage the OPM workforce as an effective team and communicate clearly and knowledgeable with our internal and external customers. <i>Office of Human Resources and EEO Goal 2 See page 132</i></p>									
<p>! Serve as the Governmentwide benchmark for partnership and create a work culture where all employees are valued. <i>Office of Human Resources and EEO Goal 3 See page 132</i></p>									
<p>! By the year 2000, following a multi-year plan, link all of OPM's individual employee performance plans to our agency strategic and performance goals. <i>Office of Human Resources and EEO Goal 4 See page 133</i></p>									

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES ACCOUNT

DESCRIPTION

The Office of Personnel Management's Salaries and Expenses (S&E) account finances the operating expenses necessary to carry out OPM's authorized functions and responsibilities, excluding those specifically included under the Office of the Inspector General and the Revolving Fund accounts. This account has the following three separate fund sources:

- **Salaries and Expenses/General Fund Appropriation**

This annual appropriation pays for the operating expenses required to carry out OPM's mandated responsibilities. This primarily includes Merit Systems Oversight and Effectiveness, Employment Service, Workforce Compensation and Performance Service, Investigations Service, Workforce Relations and the Executive Resources programs.

This appropriation also finances other programs for which OPM has been assigned administrative responsibility. These include the President's Commission on White House Fellowships and parts of the Voting Rights Act program.

In addition, this appropriation funds the S&E share of agencywide Administrative Services and Executive Services.

- **Transfers from the Trust Funds**

OPM receives from Congress an annual appropriation to pay the operating expenses associated with OPM's administration of the civil service retirement and insurance programs. In addition, this appropriation funds the Trust Funds' share of agencywide Administrative Services and Executive Services.

These funds are transferred from OPM's Civil Service Retirement and Disability Fund, Employees and Retired Employees Health Benefits Fund, and Employees Life Insurance Fund.

- **Advances & Reimbursements**

OPM provides services, on a reimbursable basis, to other agencies when OPM possesses special skills and technical expertise that are more economical than alternative public or private sources, e.g., technical assistance on staffing and human resources management.

In addition, OPM has internal reimbursements from other OPM accounts to finance their share of agencywide Administrative Services and Executive Services and internal printing costs.

SALARIES AND EXPENSES ACCOUNT

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$206,579	\$207,322	\$211,550	\$4,228
Carryover	\$500	\$500	—	(\$500)
Total Obligations	\$207,079	\$207,822	\$211,550	\$3,728
 Offsetting Collections:				
Advances and Reimbursements	\$8,472	\$9,089	\$9,089	—
Trust Fund (Annual)	90,457	91,236	91,236	—
Carryover	250	250	—	(250)
Permanent Indefinite Authority				
Title V, Section 8348	18,535	19,555	19,555	—
New Trust Fund (No-Year)	—	—	—	—
Prior Trust Fund (No-Year)	2,538	2,092	6,320	4,228
Total	\$120,252	\$122,222	\$126,200	\$3,978
 Budget Authority:				
Budget Authority	\$87,286	\$85,350	\$85,350	—
Carryover	250	250	—	(250)
Total	\$87,536	\$85,600	\$85,350	(\$250)
Outlays	\$76,163	\$85,400	\$85,200	(\$200)
Full-Time Equivalents	2,302	2,214	2,214	—

SALARIES AND EXPENSES ACCOUNT
(General Fund, Trust Funds and Advances and Reimbursements)

OBLIGATIONS BY OBJECT CLASS
(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1998 Estimate</u>	<u>FY 1999 Request</u>	<u>Change</u>
Personnel Compensation	\$102,332	\$104,780	\$2,448
Personnel Benefits	23,040	24,054	1,014
Benefits for Former Personnel	334	334	0
Travel and Transportation of Persons	2,463	2,463	0
Transportation of Things	145	145	0
Rental Payments to GSA	20,750	20,750	0
Communications and Utilities	14,087	14,087	0
Printing and Reproduction	2,858	2,858	0
Advisory and Assistance Services	1,305	5,305	4,000
Other Services	20,641	19,030	(1,611)
Supplies and Materials	2,475	2,475	0
Equipment	16,833	14,710	(2,123)
Land and Structures	559	559	0
Total Obligations	\$207,822	\$211,550	\$3,728

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	<u>FY 1997 Actual</u>	<u>FY 1998 Estimate</u>	<u>FY 1999 Request</u>	<u>FY 1999 Change</u>
Merit Systems Oversight & Effectiveness	\$15,790	\$19,256	\$19,256	---
Employment Service	32,723	30,003	30,003	---
Workforce Compensation & Perf. Service	7,383	7,319	7,319	---
Investigations Service	2,943	3,194	3,194	---
Workforce Relations	3,617	3,586	3,586	---
Executive Resources	2,686	2,422	2,422	---
Administrative Services	10,751	10,242	10,242	---
Executive and Other Services	<u>10,684</u>	<u>9,328</u>	<u>9,328</u>	<u>---</u>
Total	\$86,577	\$85,350	\$85,350	---
Carryover	<u>\$250</u>	<u>\$250</u>	<u>---</u>	<u>(\$250)</u>
Grand Total	\$86,827	\$85,600	\$85,350	(\$250)
Budget Authority:				
Budget Authority	\$87,286	\$85,350	\$85,350	---
Carryover	<u>250</u>	<u>250</u>	<u>---</u>	<u>(250)</u>
Total	\$87,536	\$85,600	\$85,350	(\$250)
Outlays	\$76,163	\$85,400	\$85,200	(\$200)
Full-Time Equivalents:				
Merit Systems Oversight & Effectiveness	161	198	198	---
Employment Service	375	231	231	---
Workforce Compensation & Perf. Service	75	74	74	---
Investigations Service	25	29	29	---
Workforce Relations	38	37	37	---
Executive Resources	22	23	23	---
Administrative Services	75	50	50	---
Executive and Other Services	<u>101</u>	<u>79</u>	<u>79</u>	<u>---</u>
Total	872	721	721	---

SALARIES AND EXPENSES

GENERAL FUND APPROPRIATION

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1998 Estimate</u>	<u>FY 1999 Request</u>	<u>Change</u>
Personnel Compensation	\$37,356	\$38,352	\$996
Personnel Benefits	8,302	8,676	374
Benefits for Former Personnel	300	300	0
Travel and Transportation of Persons	1,980	1,980	0
Transportation of Things	90	90	0
Rental Payments to GSA	12,000	12,000	0
Communications and Utilities	4,739	4,379	0
Printing and Reproduction	934	934	0
Advisory and Assistance Services	0	0	0
Other Services	9,578	9,108	(470)
Supplies and Materials	1,285	1,285	0
Equipment	8,536	7,386	(1,150)
Land and Structures	500	500	0
Total Obligations	\$85,600	\$85,350	(\$250)

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

OFFICE OF MERIT SYSTEMS OVERSIGHT AND EFFECTIVENESS

(dollar amounts in thousands)

RESOURCES	FY 1997 <u>Actual</u>	FY 1998 <u>Estimate</u>	FY 1999 <u>Request</u>	FY 1999 <u>Change</u>
Obligations	\$15,790	\$19,256	\$19,256	---
Full-Time Equivalents	161	198	198	---

DESCRIPTION OF ACTIVITY

The Merit Systems Oversight and Effectiveness program assures that agency personnel management is conducted in accordance with the merit system principles in 5 U.S.C. 2301. Provides Governmentwide leadership, oversight, and workforce information to further merit system accountability. The Office of Merit Systems Oversight and Effectiveness (OMSOE) helps agencies develop, through demonstration projects and alternative personnel systems, new human resource management policies and programs to improve the effectiveness of the Federal workforce in accomplishing agency missions. OMSOE also serves as the central source for information on the Federal workforce. The workforce information activity was realigned within OPM at the beginning of FY 1998 from OPM's former Human Resources Systems Service, resulting in the change in resources indicated above from FY 1997 to FY 1998.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- In FY 1997 and continuing in FY 1998, monitored trends in personnel actions reported to the Central Personnel Data File, and employee perceptions of those actions reported in the annual *Merit System Principles Questionnaire*. Analyses of available data and agency reviews indicate that the merit system is alive and well, but that there is room for improvement.
- Fifty percent or more of employees have a favorable view on their agency's observation of the merit system principles on staffing, fair treatment, effective management, training, protection of employees from improper political influence, and protection of employees for lawful disclosure of information about waste, fraud and abuse. However, only one-third of employees have a favorable view of agency efforts to retain employees based on performance and to link pay to performance.
- In FY 1997, reviewed human resources management in eight major agencies — Agriculture, Army, Commerce, Veterans Affairs, EPA, NASA, NARA, and SEC — found few violations of the merit system principles and found several examples of excellent practices to share with all agencies. Ordered corrective action where necessary. Reviews of 47 delegated examining units found few violations of regulation and merit system principles. Also, evaluated nine human resources management programs, including delegated examining, position classification, performance awards, non-technical training, HRM deregulation and delegation

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of authorities within agencies, downsizing, career transition, workers compensation, and non-Title 5 personnel systems.

- In FY 1998, oversight reviews are underway in eight agencies: Defense, Education, Housing and Urban Development, Interior, Labor, Railroad Retirement Board, Small Business Administration, and the Social Security Administration. A total of 18 agency delegated examining units will be reviewed. Also, HRM policy studies are underway concerning delegated examining, openness of the Federal employment process, and the nature and extent of poor performance in the Federal workforce.
- In FY 1997 and continuing in FY 1998, ensured that agencies have effective internal HRM accountability programs. Published a report on a 1996 study on *Human Resources Management (HRM) Accountability in Federal Agencies: Current Efforts and Future Directions*. Developed and offered to agencies a 2-hour training module on Merit System Principle awareness. Worked closely with an Interagency Advisory Group Committee on Accountability. With help from the committee, developed an *Accountability Coverage Guide* that is being used in all FY 1998 agency-specific reviews to look at agency internal accountability systems.
- FY 1997 was an unprecedented year for interest in and activity for demonstration projects under Chapter 47 of Title 5, United States Code. Final *Federal Register* plans were published and implementation begun for three projects, the first new ones since 1990: Air Force Research Laboratory; Army Missiles Research, Development and Engineering Center; and Army Aviation Research, Development and Engineering Center. Proposed *Federal Register* plans were completed and published for nine more agency projects.
- In FY 1998, two demonstration projects — Department of Commerce and Naval Warfare Centers Laboratory — are scheduled for implementation in March 1998. Four more are expected to implement later in the year. Work is in progress with three additional projects.
- In FY 1997 and continuing in FY 1998, served as the readily accessible primary source data for meeting the workforce information needs of OPM, the other central management agencies, the Congress, the White House, and the public through the Central Personnel Data File and other reporting systems.
- Our stakeholders — OPM program offices, Federal agencies, Federal employees, and the Federal community at large — reported in FY 1997, and continue to report in FY 1998, that they were highly satisfied with our work. They find our reviews, data, and reports to be accurate and helpful in the conduct of their human resources management.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

*PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.*

FY 1999 RESOURCE SUMMARY: Obligations (000): \$5,234 Full-Time Equivalents: 56

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.

OMSOE **Examine two to three significant HRM policies and programs to identify**
Goal 1: **changes needed to promote a more meritorious and cost-effective Federal**
 civil service; and bring those needed changes to attention of OPM program
 offices.

Means

- Identify areas of HRM that need attention by analyzing trend data and information from the Central Personnel Data File (CPDF), the *Merit System Principles Questionnaire (MSPQ)*, oversight reviews, OPM program office comments, and other sources.

- Conduct evaluation studies of two or three significant HRM policies and programs.
- In partnership with stakeholders, generate policy proposals resulting from reviews and studies.
- Report HRM areas that need attention to OPM program offices for appropriate action.

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	<ul style="list-style-type: none"> ➤ Provide Federal HRM community information on HRM problems to avoid and excellent practices to emulate. ➤ Enhance OPM's on-going relationship with other oversight entities, including the General Accounting Office and the Merit Systems protection Board, to coordinate HRM studies.
Indicators	<ul style="list-style-type: none"> ➤ Demonstrated improvement in employee perceptions measured in FY 1999 <i>MSPQ</i> Governmentwide sample, contributing toward changed perceptions above 1998 baseline: (1) 2 percent increase in favorable perception of overall human resources management; (2) 2 percent decrease in unfavorable perception of equity and merit base of classification and compensation; (3) 2 percent increase in favorable perception of retention of high-quality employees; (4) 2 percent increase in favorable perception of equity and merit base of agency staffing decisions; (5) 2 percent increase in favorable perception of quality of the Federal workforce; (6) 1 percent increase in favorable perception of equity and merit base of performance management decisions; (7) 2 percent decrease in unfavorable perception that poor performance is tolerated in the Federal Government; (8) 1 percent increase in favorable perception of equity and effectiveness of workforce relations. ➤ The number of recommendations to improve HRM that are implemented and prove successful. ➤ Fewer systemic problems found in oversight reviews of agency human resources management programs. ➤ Oversight reviews and studies find improvements in agency human resources management operations. ➤ Increased agency satisfaction with the policy setting process, as measured by agency customer assessments. Baseline data will be established in FY 1998.

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

OMSOE Goal 2: Develop and propose new or revised policies and programs concerning classification appeals, Fair Labor Standards Act claims, and the Intergovernmental Personnel Act in those areas where a need for change is identified.

Means	<ul style="list-style-type: none">➤ Propose new or revised policies and programs, and administer ongoing programs, concerning Classification Act Appeals, Fair Labor Standards Act Claims, and the Intergovernmental Personnel Act. ➤ Adjudicate all Classification Appeals, respond to all FLSA claims, and answer related technical questions.
Indicators	<ul style="list-style-type: none">➤ Correct, consistent, and timely decisions, as tracked by Classification Appeals and FLSA Tracking System. ➤ Agency compliance with program polices and regulations as measured by evaluation of agency programs. ➤ Improved understanding of programs as measured by client feedback.

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2002, modernize the Central Personnel Data File (CPDF) to be the Governmentwide system for efficiently collecting, analyzing, and disseminating accurate, comprehensive and timely workforce information on all Federal civilian employees (other than Postal Service) that supports policy research, development, and evaluation.

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OMSOE **Complete the FY 1999 plan for Central Personnel Data File (CPDF) modernization, in coordination with the Human Resources Technology Council.**

Goal 3:

Means	<ul style="list-style-type: none">➤ Research and evaluate state-of-the-art technology for accessing, maintaining, and presenting workforce information. ➤ Use electronic media to collect and disseminate information widely and cost-effectively. ➤ Begin to develop a more efficient system for electronically collecting, analyzing, and disseminating CPDF data.➤ Facilitate direct, interactive user access to workforce information systems and CPDF electronically.➤ Work with OPM program offices to improve the process by which OPM defines and meets workforce information needs.
Indicators	<ul style="list-style-type: none">➤ The plan for modernizing the CPDF will be completed.

HUMAN RESOURCES SYSTEMS AUTOMATION

- Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and record keeping, by achieving the following sub-objectives:
 - By the year 1998, establish core requirements for human resources management systems; set benchmarks; and evaluate existing and developing systems against requirements and benchmarks.
 - By the year 1999, establish requirements and a model for an electronic Official Personnel Folder (Digital OPF) to replace paper personnel records.

**OMSOE Support OPM leadership of the Human Resources Technology Council.
Goal 4:**

Means

- Work cooperatively with the Human Resources Technology Council, led by OPM's Employment Service and Office of Information Technology; and work with records management organizations, and agencies.

- Revise and simplify Governmentwide recordkeeping policies and requirements to facilitate the use of electronic OPF's.
- Research and evaluate state-of-the-art technology for electronically accessing, maintaining, and presenting nature of action documentation and recordkeeping.

Indicators

- The number of unnecessary requirements regarding personnel action documentation and record keeping that are eliminated, and the number of flexibilities supported.

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- Improved HRM operations, measured by 10-year efficiency and quality indicators, e.g., improved ratios of personnel operations staff to employees covered.

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$10,882 Full-Time Equivalents: 108

- By the year 2000, complete evaluations of agency-level human resources management effectiveness in all major Federal agencies.

OMSOE Goal 5: Evaluations of human resources management effectiveness in four departments and three major Federal agencies are completed as planned.

Means

- Evaluate HRM in the Departments of Energy, Health and Human Services, Navy, and Transportation, and in the Federal Communications Commission, National Labor Relations Board, and the Office of Personnel Management, including installation reviews.
- Ensure that the Central Personnel Data File provides the data needed to assess the state of human resources management in Government, whether by OPM assessment or internal agency review, based on well-defined workforce information needs.
- Administer *Merit System Principles Questionnaire* to random sample of employees in each agency reviewed to assess employee perceptions of how well merit principles are being observed.

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- Identify and examine evolving human resources issues that are critical to public confidence in the Federal merit system.
- Develop and implement evaluation plans in cooperation with agency HR staffs.
- Identify key evaluation issues by analyzing CPDF data, *MSPQ* responses, and other information by merit system principle.
- Conduct the evaluations using both onsite and offsite methods.
- Issue written reports containing recommendations for improvement and required action, as necessary.
- Provide public access to information on the transportable, excellent personnel practices that are identified.

Indicators

- Improvements in human resources management operations found in oversight reviews and studies, as measured by data from the Central Personnel Data File, the Merit Systems Principles Questionnaire, agency personnel records, and interviews with agency managers and employees.
- Oversight reviews identify improvements in agency HRM resulting from OPM policy initiatives.
- Merit violations found, corrected and prevented from recurring.
- Demonstrated improvement in FY 1999 *MSPQ* Governmentwide sample in employee perception of equity and merit base of human resources management, contributing toward 2 percent increase in FY 1999 compared to FY 1998.
- The number of transportable, excellent HR practices that are shared with agencies.
- Client feedback reflects improved satisfaction with the evaluation process of at least 2 on a scale of 3 and at least 4.25 on scale of 5.

- Promote agency development of internal accountability systems---including links to ongoing oversight reviews---for conducting human resources management in accordance with merit system principles.

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OMSOE Goal 6: Promote agency development of accountability systems--including links to ongoing oversight reviews--for managing human resources in accordance with the merit system principles.

Means	<ul style="list-style-type: none"> ➤ Develop model HRM accountability systems that agencies can adapt to their operating needs. ➤ Work cooperatively with the Interagency Advisory Group of Federal Personnel Directors and other relevant groups.
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Indicators	<ul style="list-style-type: none"> ➤ The number of agency systems established or improved. ➤ Formal evaluations of agency accountability systems in key agencies according to accountability guide covering manager awareness of merit system principles, HR support for agency mission, manager and employee support for strategic plan, proactive orientation of HR function, and systematic HR self-assessment.
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OMSOE Goal 7: Establish Governmentwide norms of agency adherence to the merit system principles.

Means	<ul style="list-style-type: none"> ➤ Administer the <i>Merit System Principles Questionnaire</i> to a random sample of employees Governmentwide to assess employee perceptions of how well the merit system principles are being practiced in agency HRM, and share results with OPM, agencies and other interested stakeholders. ➤ Develop <i>MSPQ</i> and CPDF data models and profiles for agencies being reviewed to monitor agency behavior by merit system principle.
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- Organize HR data indicators by merit system principle and encourage agencies to use data profiles that illustrate the effectiveness of their HR operations compared to that of other agencies or the Government as a whole.
- Surface issues for evaluation or investigation arising from the models and profiles.
- Continue expanding the sources of data and information.

Indicators

- Increased use made of *MSPQ* and CPDF agency HRM data as measured by number of requests for data. Baseline data will be established in FY 1998.

OMSOE Goal 8: Promote the growth of merit system principle awareness and understanding, Governmentwide.

Means

- Secure agency top management support and increase awareness and understanding of the merit system principles among employees Governmentwide.

- Develop training and informational materials to secure agency support and increase understanding of the merit system principles among all Federal employees.
- Produce information materials to publicize the merit system principles.
- Work with agencies to incorporate merit system principles training in employee and executive orientation and training curricula.

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	<ul style="list-style-type: none"> ➤ Work with the USDA Graduate School and other vendors to incorporate these educational materials in their curricula.
Indicators	<ul style="list-style-type: none"> ➤ Agencies and vendors train employees well as measured by feedback from trained employees collected by training providers in agencies and at USDA Graduate School. Baseline data will be established in FY 1998. ➤ Increase from 39 percent to 41 percent the proportion of employees who say they know what the merit system principles and prohibited personnel practices are, as reflected in the <i>MSPQ</i> responses. ➤ Understanding and behavior improves as measured by post-training audits conducted as part of ongoing oversight reviews of agencies.

- Ensure that delegated examining is conducted in accordance with merit system laws, regulations, and principles. (Continuing)

OMSOE Goal 9: Conduct delegated examining oversight reviews at 16–18 agencies to ensure that delegated examining is conducted in accordance with merit system laws, regulations, and principles. (See Employment Service Goal 12 on page 69.)

Means	<ul style="list-style-type: none"> ➤ Review delegated examining in 16–18 delegated examining units (DEU's). ➤ Work with OPM's Employment Service to identify potential compliance issues before they occur and head them off. ➤ Verify that agency DEU staff is trained and recertified at least once every 3 years. ➤ Correct any violations found.
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Indicators	<ul style="list-style-type: none">➤ Violations, found, corrected, and prevented as a result of reviews conducted..
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NOTE: To support a highly specialized form of Federal oversight, OMSOE provides observers for elections, and examines and produces lists of eligible voters who are protected under the provisions of the Voting Rights Act of 1965 (Public Law 89-110), as amended.

OMSOE Goal 10: Assist the Attorney General to prevent discriminatory voting practices or procedures.

Means	<ul style="list-style-type: none">➤ Appoint examiners, and other persons as necessary, to prepare and maintain lists of eligible voters in States or other political subdivisions designated by the Attorney General.➤ Appoint hearing officers to adjudicate challenges to voter lists, and receive complaints from eligible voters claiming denial of the right to vote.➤ Assign personnel at the request of the Attorney General to observe elections and prepare related reports.➤ Recruit and train observers, including those individuals fluent in Chinese, Spanish, and Native American languages.➤ Respond to all requests to update federally-registered lists of voters.
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Indicators	<ul style="list-style-type: none"> ➤ OPM’s ability to provide the required number of observers, examiners and hearing officers requested by the Attorney General.
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OPM STRATEGIC PLAN GOAL III:
PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$2,093 Full-Time Equivalents: 23

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)

OMSOE Goal 11: **Develop and provide models, guidance, and technical assistance for agency use.**

Means	<ul style="list-style-type: none"> ➤ Monitor current and emerging issues, trends, and stakeholder interests reflected in the CPDF, the <i>MSPQ</i> and oversight reports. ➤ Develop and apply data models to monitor and analyze critical, high-dollar, high-value issues.
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- Continually improve methodology and quality of *Merit System Principles Questionnaire* and other data tools.
- Through presentations, conferences, training sessions, workshops, multi-media instructional materials, reports and handbooks for agency action, focus attention on merit system principle issues worthy of attention or evaluation.
- Identify and solve common problems and avoid duplication of effort by working cooperatively with consortia, agencies, and interagency groups.
- Supply data and technical assistance for collection, research design, sampling, and use of data.
- Provide technical assistance to improve the use of CPDF by evaluators and the validity of questionnaire data.
- Share trends, tools and models with OPM and other agencies conventionally and electronically via LANs, Electronic Bulletin Boards, Intranet, and Internet.

Indicators

- Improved adherence with merit system principles and improved human resources management effectiveness as measured by (a) personnel action data, (b) employee questionnaires, and © oversight reviews of agency personnel operations.

- Demonstrated improvement in FY 1999 *MSPQ* Governmentwide sample in perception of equity and merit base of human resources management contributing to a 2 percent increase over FY 1998 baseline in the percentage of favorable ratings.
- Improved human resources management operations, measured by 10-year efficiency and quality indicators, e.g., improved ratios of personnel operations staff to employees covered.
- Number of technical questions answered by telephone, email, or letter.
- Increased agency customer satisfaction with advisory services and technical assistance, as measured by agency customer assessments.

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- Help agencies design, implement, manage, and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

OMSOE **Provide leadership and coordination OPM-wide for helping agencies**
Goal 12: **develop and use innovative personnel demonstration projects.**

Means

- Evaluate and publicize existing and new human resources management practices and procedures.

- Identify opportunities for substantive human resources management change by promoting innovative demonstration projects by Federal agencies.
- Work with OPM program offices that have policy responsibility for the human resources management practices and procedures tested in the demonstration project.
- Share lessons learned with agencies.

Indicators

- Incorporation of tested demonstration project features and lessons learned through vehicles such as human resources legislative initiatives, regulations, agency systems, and other policy forums to increase the flexibility and effectiveness of Federal human resources management.

- Demonstration projects are developed, implemented, and conducted appropriately and effectively as measured by vehicles such as evaluation reports, in progress reviews, site visits, and other assessments mechanisms.

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- Promotion of and/or exploration of tested demonstration project features in forums such as Congressional hearings and committees, professional human resource organizations, symposia and conferences, literature and periodicals (including the Internet), and agencies.
- Demonstration project processes and outcomes are increasingly effective and efficient, as measured by client feedback and satisfaction as compared to baseline in FY 1998.

OPM STRATEGIC PLAN GOAL IV:

DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$1,047 Full-Time Equivalents: 11

- Provide readily accessible primary source data for meeting the workforce information needs of OPM, the other central management agencies, the Congress, the White House, and the public through the Central Personnel Data File and other reporting systems. (Continuing).

**OMSOE Collect, analyze and disseminate Federal workforce information for central
Goal 13: management agencies, the Congress, the White House, and the public.**

Means

- Develop partnerships with agencies to develop and maintain personnel data systems, and to submit data for workforce information systems and the Central Personnel Data File (CPDF).

- Update the guides, manuals and expert systems for entering data into the OPF, the CPDF, and other workforce information systems.
- Maintain and update workforce information systems, the CPDF, and other reporting systems.

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- Produce recurring and non-recurring reports for OPM, O&E, agencies, and other users.
- Answer questions on record keeping, documentation, and access to CPDF records.
- Maintain and update Governmentwide personnel data systems.
- Administer Federal record keeping and personnel action documentation.
- Answer questions about use of the Official Personnel Folder (OPF), merged files, medical files, service credit, and documentation of personnel actions.
- Respond to and give legal advice on Freedom of Information and Privacy Act requests concerning Governmentwide personnel systems.
- Share data reports with OPM and other agencies conventionally and electronically via LAN, Electronic Bulletin Board, Intranet and Internet.
- Continuously improve customer service.

Indicators

- Employee records submitted to Central Personnel Data File (CPDF) are accurate on all core elements for 97 percent of the employee records submitted for each of the major agencies.
- Faster and more responsive Central Personnel Data File information provided to Federal agencies, OPM program offices, OPM evaluators, and other interested stakeholders, as measured by customer assessments.
- Updates to publications are completed and submitted for printing within the budget year as monitored by MS Project or similar software.
- Number of technical questions answered by telephone, email or letter. A baseline will be established in FY 1998.
- The number of major data publications on OPM Web site and stakeholder interest in them as measured by web-tracking software.
- Increased client satisfaction with data services provided as measured by customer assessments.

VERIFICATION AND VALIDATION

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- Accepted data collection, analysis, and evaluation practices will be used to collect HRM data, study HRM policies and programs, review agency HRM operations, and answer technical inquiries.
- The *Merit System Principles Questionnaire* used to measure employee attitudes annually on agency practice of the merit principles will be content valid and reliable according to accepted practices.
- Proposals for HRM policy change will be fully justified by the quality and quantity of evidence produced by the data collection, analysis, and evaluation performed.
- Accepted statistical processes will be used to determine personnel service ratio and other 10-year outcome trends for HRM efficiency and quality.
- Accepted, automated tracking software will be used to monitor progress in data collection, analysis, studies and reviews.
- Collect feedback from clients served according to accepted evaluation practice.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EMPLOYMENT SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$32,723	\$30,003	\$30,003	---
Full-Time Equivalents	375	231	231	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) performs major core functions that OPM is required by law to provide to agencies, and which are not supported by reimbursable funds. These functions include policy and leadership in Federal employment areas, including employment information, selection and promotion, testing, delegated examining training and assistance, workforce restructuring, and affirmative recruiting programs.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- In FY 1997, the Employment Service (ES) proposed for final publication more flexible regulations regarding non-permanent employment; negotiated with agencies to eliminate approximately 70 excepted appointment authorities; and provided the tools needed to carry out new personnel initiatives, such as Welfare-to-Work. To help agencies better comply with Veterans' Preference requirements and to provide better information to the public, ES published the *VetGuide*, and began posting legal requirements for staffing, along with explanatory notes, on the OPM's Web site. In FY 1998, ES will propose more flexible merit promotion regulations, and will begin a comprehensive review of all employment policies and programs as part of the OPM initiative to review all significant Governmentwide human resources management policies and programs to identify needed changes by the year 2000.
- To help displaced Federal employees, in FY 1997 ES created the Career Transition Assistance Program (CTAP), which guarantees the selection of well-qualified surplus or displaced Federal employees, and worked with the Department of Labor to set up a Web site to provide information on career opportunities, and to link directly to OPM's employment information systems and State job banks. In FY 1998, ES will conduct reviews of sample vacancy announcements to determine whether they meet special career transition announcement requirements and will conduct a study of the Reemployment Priority Program.

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Employment Service*

- In addition to Congressionally-mandated reports on the Federal Equal Opportunity Recruitment Program and Veterans' Employment, in FY 1997 ES began publishing annual statistical profiles on all minorities, women, and veterans in the Federal government.
- To ensure that agencies are carrying out their delegated examining responsibilities in accordance with law and regulation, in FY 1997 ES established a recertification program for all agency Delegated Examining Units (DEU's) to ensure that agency DEU staff are fully trained; accomplished all scheduled DEU recertifications; established a program of full review of Office of Merit System Oversight and Evaluation reports to ensure that OPM is aware of developing problem areas; and developed an automated system to flag and identify systemic problem areas (to be implemented in FY 1998). Also in FY 1998, ES will continue regular recertification of DEU's, and will develop a strategy to emphasize agency accountability and self-assessment of DEU operations.
- In FY 1997, ES made improvements related to staffing for specific occupational groups, such as designing a new clerical test battery, including a social skills component, for use governmentwide; and implementing the qualification requirements portion of the Federal Acquisition Reform Act (which created new qualification and training requirements for contracting specialist positions in all non-DOD agencies). In FY 1998, ES will work with agencies to identify needed improvements to qualification standards for all Federal occupations, and begin to implement necessary improvements. In FY 1997, ES supported the Office of Management and Budget project to work with all levels of the public sector as well as the private sector to develop a Standard Occupational Code system able to describe both public and private sector jobs in the national economy; this work will continue in FY 1998.
- In FY 1997, ES provided Congressionally-mandated reports on Voluntary Separation Incentive Payments, and, in addition, published reports on the effectiveness of career transition assistance for displaced Federal employees and impact on minorities, women, and veterans in the Federal government. In FY 1998, ES will complete comprehensive reports on agency buyout use and agency reemployment of buyout-takers.
- In FY 1997, ES created a fully automated RIF Appeals database which contains "point-and-click" access to a variety of appellate decisions and opinions dealing with reductions in force, transfer of function, reassignments, benefits, etc., and created the "Smart Reg" program which allows simple navigation of complex regulations, on-line, to find answers in less time with more accuracy. In FY 1998, ES will develop a new regulation-based voluntary early retirement program, finalize regulations on use of annual leave after RIF, finalize regulations on retreat, issue interim regulations on offers of vacant positions in RIF, and issue guidance on the FY 1998 Early Retirement Authority.
- With OPM's Chief Information Officer, in FY 1997, ES reestablished OPM leadership of the interagency Human Resources Technology Council (HRTC), which, in early FY 1998,

completed the initial release of a Governmentwide study to define the core requirements of automated human resources information systems and to evaluate current and emerging systems against these requirements. The goal of this continuing study is to save government money spent on redundant systems, and systems which do not meet minimum requirements. The study was provided to the President's Management Council in November 1997. In FY 1998, the HRTC will develop a strategy to move toward Governmentwide electronic human resources record-keeping, and will convene working groups to address additional initiatives outlined in the Governmentwide study report.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

*PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.*

FY 1999 RESOURCE SUMMARY: Obligations (000): \$11,508 Full-Time Equivalents: 85

OVERALL HUMAN RESOURCES MANAGEMENT

! By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.

ES **Employment Policy Review. ES will complete a review of all Government-**
Goal 1: **wide policies and programs that are the responsibility of the Employment**
 Service in FY 1999. Agencies and other stakeholders will be satisfied with
 the policy review process.

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Employment Service***

Means	<ul style="list-style-type: none">➤ Work closely with other OPM Services and the Office of Merit Systems Oversight and Effectiveness (OMSOE) as they conduct their policy and program reviews, to ensure that policies and programs are supportive of each other. ➤ Listen to, and work closely with agencies and interagency groups to determine their views on existing policies and programs, and obtain ideas on revisions.➤ Work closely with external stakeholder groups, such as veterans' organizations, minority representation groups, and others, to determine their views on existing policies and programs, and obtain their suggestions for revision.➤ Review reports, studies, CPDF data, results of demonstration projects, innovative public and private sector HR programs to identify ideas for program and policy improvement.➤ Review successful and cutting edge private sector HR practices to benchmark Federal practices.➤ Use the OPM Web site to post and obtain feedback on current policies and programs and suggestions for change from a wide variety of additional stakeholders.
Indicators	<ul style="list-style-type: none">➤ Assess the satisfaction of stakeholders with the policy review process through a qualitative analysis of direct feedback from stakeholders, including feedback posted on the OPM Web site, and through the results of the annual agency customer satisfaction assessment to be introduced in FY 1998.

OVERALL HUMAN RESOURCES MANAGEMENT

! By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

ES
Goal 2: **Employment Policy Review. ES will develop new employment policies and programs in FY 1999 in any areas where the need is identified in FY 1998. These policies will be designed to meet specific needs, and agencies and other stakeholders will be satisfied with the policy setting process.**

Means	<ul style="list-style-type: none">➤ Work closely with other OPM Services and OMSOE as they conduct their policy and program reviews and develop new proposals, to ensure that policies and programs are supportive of each other. ➤ Work closely with agencies and interagency groups, and with other stakeholder groups, such as veterans' organizations, minority representation groups, and others, to obtain their comments on the proposed policies and programs. ➤ Use the OPM Web site and other improved information dissemination channels to post and obtain feedback on proposed policies and programs from a wide variety of additional stakeholders.
Indicators	<ul style="list-style-type: none">➤ Assess the satisfaction of stakeholders with the policy development process through a qualitative analysis of direct feedback from stakeholders, including feedback posted on the OPM Web site, and through the results of the annual agency customer satisfaction assessment to be introduced in FY 1998.

HUMAN RESOURCES SYSTEMS AUTOMATION

- Provide Governmentwide leadership via the Human Resources Technology Council for cooperative business process redesign and system modernization efforts, in support of the Clinger-Cohen Act of 1996. (Continuing)

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ES Goal 3: HRTC Leadership. With the Chief Information Officer (CIO), lead and support the Human Resources Technology Council (HRTC) in its Governmentwide business process redesign and systems modernization efforts. Members of the HRTC will be satisfied with the leadership and support provided.

Means	<ul style="list-style-type: none"> ➤ Co-chair the HRTC with the CIO, convene regular meetings, and provide administrative support. ➤ Develop Governmentwide policy for cooperative business process redesign and systems modernization based on HRTC studies and analyses.
Indicators	<ul style="list-style-type: none"> ➤ Evaluate qualitative feedback from HRTC members on satisfaction with the operations of the HRTC. ➤ Use feedback from the HRTC and agencies as a tool for assessing policy effectiveness.

HUMAN RESOURCES SYSTEMS AUTOMATION

- Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and recordkeeping, by achieving the following sub-objectives:
 - By the year 1998, establish core requirements for human resources systems; set benchmarks; and evaluate existing and developing systems against requirements and benchmarks.
 - By the year 1999, establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records.

**ES
Goal 4:** **HRTC Actions. Assist the Human Resources Technology Council (HRTC) to take actions to fully exploit the use of modern automated technologies, so that cost savings will accrue to the government as a result.**

Means

- Widely share the results of the FY 1998 Governmentwide review of system requirements and benchmarks established, and subsequent reviews.
- Evaluate existing and developing systems against requirements and benchmarks.
- Establish consortia or other mechanisms to enable small agencies to benefit from automation advances.
- Assist the HRTC to calculate Governmentwide cost-savings accruing from appropriate use of automation, using a model to be developed in FY 1998 by the HRTC.

Indicators

- Information on estimated cost savings is calculated and available.
- Improvements in efficiency and quality of human resource management operations, e.g., improved ratios of personnel operations staff to employees covered, are identified.

**ES
Goal 5:** **Electronic OPF. Assist the Human Resources Technology Council (HRTC) to establish requirements and a model for an electronic Official Personnel Folder (Digital OPF) to replace paper personnel records, thereby reducing a labor-intensive process of recordkeeping.**

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Means	<ul style="list-style-type: none"> ➤ With the Chief Information Officer (CIO), provide support to the HRTC in its plans to apply automation to specific human resources management functions, such as introducing an electronic official personnel folder (Digital OPF) to replace paper personnel records. ➤ Work with other parts of OPM, particularly the Office of Workforce Information in OMSOE, to revise and simplify Governmentwide recordkeeping policies and requirements to facilitate the use of an electronic OPF. (See OMSOE Goal 4 on page 46.)
Indicators	<ul style="list-style-type: none"> ➤ Assist the HRTC to evaluate potential cost-savings accruing from replacing labor-intensive recordkeeping with electronic OPF.

HUMAN RESOURCES SYSTEMS AUTOMATION

- Continue to increase the number of agencies using Employee Express each year, to enable more employees to make self-directed benefits changes.

ES Goal 6: Self-Service Benefit Selection Systems. Through the Human Resources Technology Council (HRTC), encourage agencies to use self-service benefits selection systems (such as OPM’s Employee Express) in order to increase the numbers of employees with access to such systems governmentwide. The numbers of employees covered by these systems will increase by 10 percent over FY 1998.

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Means	<ul style="list-style-type: none">➤ Through the HRTC, evaluate existing and developing self-service benefits selection systems against requirements and benchmarks. ➤ Expand capability of OPM systems for easy, organized flow of automated HR data to meet diverse system needs of agencies, and thereby encourage agencies to utilize existing or to develop new self-service benefits selection systems.
Indicators	<ul style="list-style-type: none">➤ The numbers of agencies and employees covered by self-service benefits selection systems is increased by 10 percent over the numbers covered in FY 1998. ➤ The scope of OPM data delivery systems is increased to accommodate diverse agency self-service benefits selection system requirements.

STAFFING AND EXAMINING

! Ensure that agencies are able to determine the lawful rights of employees and applicants, including veterans, during hiring, promotion, and restructuring. (Continuing)

**ES
Goal 7: Employment Policy Advisory Services. Administer an effective program to inform and provide advice to agencies on employment policy and regulations. Agencies will be satisfied with this program.**

Means	<ul style="list-style-type: none">➤ Develop simple and clear explanations of laws, regulations, and Presidential policies which can be understood and easily followed by agencies. ➤ Provide models, guidance, and assistance to agencies as they conduct decentralized HR activities.
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- Use electronic media, including the OPM Web site to widely disseminate core policy and program information, including laws, regulations, appellate decisions, and to respond to questions.
- Develop more collaborative processes with agencies to improve the way in which operating managers and personnel staff learn about new developments affecting their human resource management responsibilities and the policy tools available to them.

- Indicators**
- Evaluate the results of the annual Merit System Principles Questionnaire to determine if there has been at least a 2 percent improvement in perception of equity and merit base of agency staffing decisions over the FY 1998 results.
 - Report on the models and guidance issued during the year, the process used to define agency needs, and the methods used to disseminate information.
 - Evaluate qualitative feedback from agencies on usefulness of guidance provided, including feedback on the OPM Web site.
 - Evaluate customer satisfaction with the policy development process through a qualitative analysis of direct feedback, including feedback posted on the OPM Web site, and through the results of the annual agency customer satisfaction assessment to be introduced in FY 1998.
 - Evaluate the results of oversight reviews to determine if fewer findings of systemic problems are found in agencies, and improvements are noted.

**ES
Goal 8:** **Agency Waiver Requests. Respond to agency requests regarding variations, exceptions, extensions, waivers, adjudications, and Schedule C activities in a manner that is both timely and consistent with law and merit staffing principles; ensure that exceptions are narrow and compellingly justified. Agencies will be satisfied with the timeliness and courtesy of the service provided.**

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Means	<ul style="list-style-type: none">➤ Maintain expert staff fully knowledgeable of relevant statute, legislative history, case law, regulation, guidance, agency practice, and interaction between these various sources, in order to provide accurate reviews of issues which fully consider the impact on existing statute, regulations, and other programs and policies. ➤ Review exceptions on a periodic basis to ensure that the basis for the exception is well-documented, and compellingly justified.➤ Establish timeliness standards for response to each type of review requested.
Indicators	<ul style="list-style-type: none">➤ Evaluate customer satisfaction with the response process through the results of agency customer assessments to be introduced in FY 1998. ➤ Meet standards for response to each type of review requested at least 90 percent of the time (these standards will be established in FY 1998). ➤ Evaluate the results of the review of exceptions through qualitative analysis to determine if standards for documentation and justification have been met.

STAFFING AND EXAMINING

! Increase the quality of the Federal workforce by continually encouraging the use of valid, fair, and merit-based examining procedures for selection and promotion. (Continuing)

**ES
Goal 9:** **Merit-based Examining. Support the continued use of merit-based examining procedures in a decentralized environment, in order to increase the confidence of Federal managers and employees in the quality of the workforce and the procedures used for selection and promotion.**

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Means	<ul style="list-style-type: none">➤ Assist agencies to tailor and manage their own decentralized personnel systems so they select, in accordance with merit principles, those employees who will best help them accomplish agency missions. ➤ Evaluate validity and cost effectiveness of existing and new methods for selection and promotion and share findings with agencies. ➤ Maintain staff expertise in best practices for selection and promotion, in order to provide the best possible advice and assistance to agencies as they tailor their programs. ➤ Review data in the CPDF to monitor the types of appointing authorities used to determine if any should be moved to the competitive service. ➤ Support a Competency Interest Group of agencies to conduct a study of competencies required to perform Federal jobs, and design occupational development plans, selection procedures, and other human resource tools to improve workforce quality.
Indicators	<ul style="list-style-type: none">➤ Evaluate the results of the annual Merit System Principles Questionnaire to determine if there has been at least a 2 percent improvement in perception of equity and merit base of agency staffing decisions over the FY 1998 results. ➤ Evaluate feedback from agencies on usefulness of policies and guidance provided, through a qualitative analysis process, and through the results of the annual agency customer satisfaction assessment process to be introduced in FY 1998. ➤ Evaluate the results of oversight reviews to determine if fewer findings of systemic problems are found in agencies, and improvements are noted.

STAFFING AND EXAMINING

- ! Encourage the use of targeted programs designed to attract highly qualified candidates for the Federal Government, such as the Presidential Management Intern Program.
(Continuing)

ES
Goal 10: **Entry Level Recruitment Programs. Develop and apply effective programs to identify high quality, diverse candidates for professional and administrative careers in the Federal Government. Agencies will be satisfied with the availability and results of these programs.**

Means

- Maintain a program of recruitment to attract the "best and the brightest" applicants with graduate degrees to the Presidential Management Intern (PMI) program, particularly from diverse backgrounds, academic disciplines, and schools.

- Work with agency advisory groups, such as the Federal Agency PMI Steering Group, to ensure that these entry/intern programs are meeting their needs, and to encourage PMI hiring up to the ceiling of 400 hires per year.
- Develop, in partnership with agencies, a new program to select and develop outstanding college graduates and those with equivalent education and background.
- Target recruitment for these entry/intern programs to Historically Black Colleges and Universities, the Hispanic Association of Colleges and Universities, and other sources of high-quality candidates from groups that are underrepresented in Federal employment.
- Utilize the USAJOBS Governmentwide automated employment information system to provide PMI and other entry/intern program information and application forms to a wide audience of potential candidates.
- Conduct a study of the effectiveness (validity) of the PMI assessment process in providing high quality hires.

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Indicators	<ul style="list-style-type: none">➤ Evaluate agency satisfaction with the PMI and other entry/intern programs through qualitative analysis of direct feedback and through the results of agency customer assessments to be introduced in FY 1998. ➤ Evaluate comparative data to determine if minority PMI hires for FY 1999 increased by at least 2 percent for groups where underrepresentation for the relevant labor market was reported in FY 1998. ➤ Evaluate the satisfaction of external stakeholders of the PMI and other entry/intern programs through a qualitative analysis of direct feedback.
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<p>STAFFING AND EXAMINING</p> <ul style="list-style-type: none">• By the year 2002, using incremental targets established each year, raise the levels of underrepresented groups in Federal employment to be equivalent to their percentages in the relevant external labor market.
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ES Goal 11: Underrepresentation. Assist agencies to raise the levels of under-represented groups in key federal occupations and at key grade levels by 2 percent over FY 1998 levels.

Means	<ul style="list-style-type: none">➤ Work cooperatively with veterans' groups such as the Disabled American Veterans, The American Legion, Veterans of Foreign Wars, AMVETS; minority groups such as the Hispanic Association of Colleges and Universities (HACU), Historically Black Colleges and Universities (HBCU), Federal Asian Pacific American Council (FAPAC), Federally Employed Women (FEW), Blacks in Government (BIG), National IMAGE, Inc., the American Indian Higher Education Consortium; and other relevant groups such as the Equal Employment Opportunity Commission, and the President's Committee on Employment of People with Disabilities to develop strategies for encouraging applications from minority applicants.
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- Promote awareness of the USAJOBS Governmentwide employment information system to the groups identified above.
- Place Federal job information TOUCHSCREEN computers at selected HACU's and HBCU's and other targeted educational institutions in order to increase the diversity of Federal job applicant pools.
- Explore, develop, and implement programs, tools, techniques, and policies which assist agencies in downsizing and restructuring with methods which do not adversely impact diversity; create new methods to avoid involuntary separations which typically have a more disparate impact on women and minorities.
- Provide agencies with clear, easy-to-understand, and timely diversity data and other information to support their own assessment of policy goals and objectives.
- Maintain staff expertise in order to provide advice and assistance to agencies in their own efforts to increase diversity.

Indicators

- Evaluate satisfaction with assistance through a qualitative analysis of direct feedback from stakeholders, including feedback posted on the OPM Web site, and through the results of the annual agency customer satisfaction assessment to be introduced in FY 1998.
- Evaluate comparative data to determine if minority hiring and retention has resulted in a 2 percent increase in numbers in key occupations and at key grade levels where underrepresentation in the relevant labor market was shown in FY 1998.

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$6,532 Full-Time Equivalents: 49

- Ensure that delegated examining is conducted in accordance with merit system laws, regulations, and principles. (Continuing)

ES Goal 12: Delegated Examining Units. Maintain effective program of support to agency Delegated Examining Units (DEU's). Complete the first 3-year cycle of recertification for all DEU's by the end of FY 1999. Agency DEU's will operated according to merit system requirements and agencies will be satisfied with the DEU support they receive.

Means

- Recertify and train the staffs of agency DEU's at least once every three years.
- Review quarterly reports filed by agency DEU's (of workload, certificate use, and veterans preference activity) for indicators that more frequent (or immediate) recertification and training is required.
- Work cooperatively with the Interagency Advisory Group of Federal Personnel Directors (IAG) and other relevant groups to define needs.
- Work with OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE) to clarify what is expected of DEU operations when oversight reviews are conducted. (See OMSOE Goal 9 on page 50.)
- Issue revisions (if needed) to Delegated Examining Operations manual in FY 1999 and work with agency users to ensure the guidance is clear and easy to follow.
- Review results of oversight reviews conducted by OMSOE to identify problem areas consistently identified.

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	<ul style="list-style-type: none">➤ Work with OMSOE to create new methods for agencies to self-assess and enhance accountability in DEU operations.
Indicators	<ul style="list-style-type: none">➤ Adherence to schedule for DEU training and recertification.
	<ul style="list-style-type: none">➤ Results of OPM oversight reviews indicate fewer findings of systemic problems are found in agency DEU's and improvements are noted.
	<ul style="list-style-type: none">➤ Evaluate agency satisfaction with the DEU guidance manuals and advice and assistance provided through qualitative analysis of direct feedback and through the results of the annual agency customer satisfaction assessment to be introduced in FY 1998.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$11,963 Full-Time Equivalents: 97

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)

ES Goal 13: Employment Policy Flexibilities. Maintain advice and assistance program to support agencies in their use of employment policy flexibilities and tools. Agencies will be satisfied with this program and more aware of the flexibilities that are available.

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Means	<ul style="list-style-type: none">➤ Identify and solve common problems and avoid duplication of effort by working cooperatively with consortia, agencies, and interagency groups, including the National Performance Review, the President's Management Council, the National Partnership Council, the Interagency Council on Administrative Management, the Interagency Advisory Group of Federal Human Resources Directors and its component Networks and Working Groups, the Human Resources Technology Council, Federal Executive Boards and Associations, and other more program-specific groups.➤ Use electronic media, including the Internet, to share with agencies the most current information about applicable laws, policy and program improvements, and innovative practices.➤ Track where OPM has removed barriers but agencies have maintained internal barriers.➤ Help agencies to apply the best HRM tools and practices available under law in order to hire, develop, and retain those who are most successful at accomplishing the agencies' missions.➤ Support a "one call does it all" policy with designated, accountable staff available anytime to troubleshoot for agency officials and staff.➤ Ensure consistent guidance is given and hold both agencies and OPM staff accountable for clear communications.
Indicators	<ul style="list-style-type: none">➤ Qualitative analysis of direct feedback and complaints received from agencies indicates that agencies are more aware of existing policy flexibilities.➤ Evaluate satisfaction with advisory services process through a qualitative analysis of direct feedback, including feedback posted on the OPM Web site, and through the results of agency customer assessments to be introduced in FY 1998.➤ Evaluate whether standards for "one call does it all" have been met.➤ Improvement in perception of equity and merit base of human resources management as measured by a 2 percent increase in the percentage of favorable ratings in the annual Merit System Principles Questionnaire.

- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

**ES
Goal 14:** **Status as Leader in Employment Technical Assistance. Improve recognition as a leading source for effective, efficient technical assistance in a broad range of employment programs.**

Means

- Monitor current and emerging issues, trends, and stakeholder interests.
- Evaluate existing and new human resources management practices and procedures and share findings.
- Maintain the expertise of staff through training, participation in professional associations, and establishing direct contacts within the human resource management community.
- Provide human resources management leadership through presentations, conferences, training sessions, workshops, multi-media instructional materials, reports, and handbooks for agency actions.
- Conduct a 2nd annual conference on employment policy and programs for agency staff (See Employment Service Goal 17 on page 240).

Indicators

- Numbers and scope of requests received by staff to give presentations at external conferences, workshops, etc.
- Numbers of reports issued and/or workshops and other events held to share information on best practices with human resources community.
- Increased requests for advisory assistance and information as measured by the number of "hits" on the OPM Web site.

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- Help agencies design, implement, manage, and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

ES Goal 15: Alternative Personnel Approaches (Employment). Work cooperatively with the Office of Merit Systems Oversight and Effectiveness (OMSOE) to provide review and assistance to agencies on personnel demonstration projects and other alternative personnel approaches, such as performance-based organizations (PBO's), when they include proposals and plans in the area of employment policy.

Means	<ul style="list-style-type: none"> ➤ Support opportunities for substantive human resources management change by promoting and assisting with innovative demonstration projects. ➤ Share with agencies the "lessons learned" from earlier demonstration projects and alternative personnel systems which included employment innovations.
Indicators	<ul style="list-style-type: none"> ➤ Reporting on the numbers and types of innovative projects initiated by agencies, and their effectiveness in solving human resource management problems. ➤ Assess the satisfaction of agencies with the assistance received through a qualitative analysis of direct feedback and through the results of agency customer assessments to be introduced in FY 1998.

VERIFICATION AND VALIDATION

The measures included in this FY 1999 Annual Performance Plan for the Employment Service are a mix of measures that are already in place, or will be introduced in FY 1998. During FY 1998, ES will assess these and other mechanisms for supplementing or replacing these measures. The support for the measures included in this Plan is described below.

- ES will use accepted professional survey design, sampling techniques, and analysis procedures for any customer assessment surveys, to ensure reliability and validity.
- ES will use accepted qualitative analyses techniques to assess direct feedback, to ensure objectivity.
- ES will use data from Governmentwide surveys such as OPM's *Merit System Principles Questionnaire*, and from surveys conducted by external organizations such as the Merit System Protection Board, the General Accounting Office, and the National Performance Review, but only if the particular survey meets professional standards for validity and reliability.
- ES will evaluate qualitative analyses of feedback against survey data to determine if the findings from the two assessment methods are consistent, and will follow up discrepancies with additional research.
- ES will use results from OPM oversight reviews which have been conducted following accepted professional evaluation practices.
- ES will use accepted professional accounting and tracking software to measure cost savings and improvements in quality and efficiency, and assess accuracy of data through quality control reviews.
- ES will use appropriate, valid and reliable external data sources to collect and track comparisons (such as the Central Personnel Data File).

In future years, after these measures have been validated, ES will use measures of Governmentwide improvements in the quality and efficiency of human resources management operations, for example: the employment cost per new employee hired (by different employee classifications, such as by grade level, type of appointment, etc.), time in calendar days to recruit, process and select applicants.

*S&E/General Fund Appropriation
Workforce Compensation and Performance Service*

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

WORKFORCE COMPENSATION AND PERFORMANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 <u>Actual</u>	FY 1998 <u>Estimate</u>	FY 1999 <u>Request</u>	FY 1999 <u>Change</u>
Obligations	\$7,383	\$7,319	\$7,319	---
Full-Time Equivalents	75	74	74	---

DESCRIPTION OF ACTIVITY

Programs and functions previously organized as components of OPM's Human Resources Systems Service have been reorganized into a new Workforce Compensation and Performance Service (WCPS). The reorganization was accomplished to refocus human resources systems toward promoting results-oriented performance in support of reinvention, the Government Performance and Results Act, and Performance Based Organizations (PBO's) and to encourage innovative thinking and long-range planning about new ways to compensate Federal employees as we enter the 21st century. WCPS has been established to include total compensation strategic planning, pay and leave administration, classification programs, performance management, incentive awards, and, for administrative purposes, the Federal Prevailing Rate Advisory Committee (FPRAC). It includes a Total Compensation Policy Center, which is responsible for developing a new performance-oriented approach to Federal compensation and earned employee benefits.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

During FY 1997, when they were organized under the Human Resources Systems Service, WCPS component organizations pursued a variety of specific initiatives, as well as providing for the orderly administration of ongoing compensation and performance systems. In addition to special-purpose efforts, ongoing duties and responsibilities included: drafting and implementing regulations; administering the Governmentwide pay systems; overseeing the Governmentwide leave, classification, appraisal, and awards systems; providing professional technical support to Federal agencies; expanding program-specific Internet home pages; and answering a myriad of telephone and correspondence inquiries from Congressional representatives, agencies, employees, and the public.

- Coordinated the development of a model proposed legislative package for PBO's, and provided technical assistance and policy guidance to participating agencies.

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- Reviewed and prepared analyses of legislative proposals to establish new personnel systems for Federal agencies or components thereof, including proposed PBO's.
- Formed five COLA (Cost-of-Living Allowance) partnership committees to advise and assist OPM in administering the COLA program and successfully completed on-site living-cost surveys in each COLA area and in Washington, DC (projected annual savings over the previous private sector contract of \$250,000). During FY 1998, WCPS will oversee independent research in preparation for OPM's report to Congress in FY 2000.
- Analyzed agencies' reports on sick leave for family care and bereavement purposes under the Federal Employees Family Friendly Leave Act and prepared a report to Congress recommending that this legislation be made permanent. During FY 1998 WCPS will work with the Retirement and Insurance Service and a private sector contractor to evaluate paid time off policies within the context of the entire Federal employee benefits package.
- Produced two editions of the classification issuance system called HRCD-ROM, which reduced 22,000 pages of classification documents to a single CD and to which nearly 4,500 agencies and private vendors have subscribed in the past year. Two new editions of the HRCD-ROM will be produced during FY 1998, with enhanced graphics and hypertext in order to enhance customer usability.
- Developed and issued the first two job family classification standards which will replace 28 single occupational series standards. Five additional job family standards will be developed during FY 1998.
- Created databases for awards data and salary and demographic information for all agencies that report to CPDF. A new report on Self-Directed Work Teams will be published in June 1998.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 1999 RESOURCE SUMMARY: Obligations (000): \$6,814 Full-Time Equivalents: 68

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.

**WCPS Goal 1: Compensation Policy Review. Lead the second year of a 3-year comprehensive review of Governmentwide compensation policies and programs under the following schedule:
(FY 1998: General Schedule pay-setting and basic pay administration;
FY 1999: allowances, differentials, premium pay, and hours of duty;
FY 2000: Federal Wage System administration and all leave programs).**

Means

- Issue a Federal Register notice of OPM’s intent to conduct a review of selected Governmentwide compensation policies and programs; seek comments on specific policies and programs in an effort to identify possible legislative and regulatory changes; distribute copies of notice widely through electronic means.
- Seek involvement of existing stakeholder groups, such as the President’s Management Council (as appropriate) and the Planning Committee and Compensation Network of the Interagency Advisory Group, in identifying needed changes.
- Issue a report on the results of each phase of the review, including changes identified by stakeholders.

Indicators

- Comments and feedback provided through customer satisfaction surveys, agencies and other key stakeholders indicate that their views have been taken into account in identifying needed changes.
- Informal comments provided by stakeholders indicate that they believe that their views have been taken into account in identifying needed changes.

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Workforce Compensation and Performance Service*

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

WCPS Goal 2: Compensation Policy Revision. Develop proposed changes in law or regulation to carry out needed changes identified in the first year (FY 1998) of the 3-year comprehensive review of compensation policies and programs described under WCPS Goal 1 on page 77.

Means

- In consultation with existing stakeholder groups, reach agreement with key stakeholders on changes needed in specific General Schedule pay-setting and basic pay administration policies and programs.
- Publicize consensus reached among stakeholders through electronic and other means.
- Develop specific legislative and regulatory proposals to carry out agreements reached.

Indicators

- Comments and feedback provided through customer satisfaction surveys, agencies and other key stakeholders indicate that their views have been taken into account in developing proposed changes.
- Informal comments provided by stakeholders indicate that they believe that their views have been taken into account in developing proposed changes.

COMPENSATION, CLASSIFICATION, AND BENEFITS

- By the year 2002, propose legislative changes to achieve a modernized performance-oriented system of total compensation including establishing the value of jobs/work/performance; setting and adjusting basic pay; designing and delivering variable pay; and establishing and ensuring appropriate earned benefits — that can adapt to a variety of missions, structures, labor markets, and work technologies and can keep total costs apparent to managers who are held accountable for managing those costs.

WCPS Goal 3: Total Compensation Design. Lead the second year of a multi-year effort involving stakeholder groups and research and outreach efforts to identify and formulate options for approaches to total compensation in the Federal Government.

Means

- Hold ongoing meetings of a Stakeholder Steering Committee to identify and discuss issues.

- Research—and, where applicable, pilot test—alternative approaches to establishing the value of jobs/work/performance, setting and adjusting basic pay, linking pay to performance, assessing comparability, comprehensive cost accounting and management, etc.
- Sponsor a conference on compensation, classification, and performance issues to share state-of-the-art practice and information about alternative approaches.
- Use electronic media to share and gather information about alternative approaches, stakeholder concerns, etc.

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Indicators	<ul style="list-style-type: none"> ➤ Responses to customer satisfaction surveys demonstrate that stakeholders are satisfied with their role and participation in system development efforts. ➤ Alternative approaches are identified and analyzed for applicability to Federal settings. ➤ Responses to participant surveys indicate that conference attendees are satisfied with the value of information received and the level of discourse.
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<p>COMPENSATION, CLASSIFICATION, AND BENEFITS</p> <ul style="list-style-type: none"> • Carry out the tasks required to ensure cost-effective implementation of existing and newly-enacted pay and leave provisions. (Continuing)
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WCPS **Administration of Current Compensation Systems. Carry out tasks necessary to ensure efficient, accurate, and timely administration of compensation systems under current law, including:**

Goal 4: **(1) the pay-setting process for General Schedule (GS) and related pay systems;**

(2) the Federal Wage System (FWS); and

(3) the Nonforeign Area Cost-of-Living Allowance (COLA) Program.

Means	<ul style="list-style-type: none"> ➤ Maintain and/or modify, as necessary, a methodology for comparing GS and non-Federal salaries in designated locality pay areas. ➤ Provide staff support to the Federal Salary Council, OMB, and the President’s Pay Agent, as appropriate, for decisions on (a) the Employment Cost Index-based pay adjustment, (b) locality payments for GS and other employees, and SES pay rates. ➤ Prepare annual report of President’s Pay Agent on locality payments. ➤ Issue salary tables and other explanatory materials to assist agencies in implementing pay adjustments.
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- Provide Governmentwide leadership and staff support for FWS labor-management partnership activities, primarily through the Federal Prevailing Rate Advisory Committee.
- Conduct a continuing program of maintenance and improvement regarding FWS pay policies and programs, including a targeted review of FWS local wage area boundaries.
- Conduct living-cost surveys in nonforeign allowance areas and Washington, DC, through involvement of affected agencies and employee groups in the COLA Partnership Pilot Project. Implement new COLA rates, as needed.

Indicators

- All actions necessary to make new pay schedules effective are accomplished within statutory deadlines, and agencies are provided with sufficient information to implement new pay schedules on a timely basis.
- Comments and feedback provided through customer satisfaction surveys indicate that relevant Federal agencies, unions, and employee groups are satisfied with OPM's efforts to:
 - (a) provide leadership for FWS administration; and,
 - (b) involve them in administering the COLA program.
- Informal comments from key stakeholders indicate that they are satisfied with OPM's efforts to:
 - (a) provide leadership for FWS administration; and,
 - (b) involve them in administering the COLA program

**WCPS
Goal 5:**

Review of COLA Program. Carry out a collaborative review of the COLA (Cost-of-Living Allowance) program and other compensation issues affecting employees in the COLA areas in preparation for a report to Congress.

Means

- Work with COLA plaintiffs, their attorneys, and the Department of Justice to conduct joint research under the terms of a court-approved Memorandum of Understanding and arrive at common principles for administering and/or reforming the program in the future.

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- Oversee and or conduct independent research in preparation for OPM's report to Congress in FY 2000.

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Indicators	<ul style="list-style-type: none">➤ On the basis of joint and independent research efforts and appropriate discussions with key stakeholders, OPM reaches agreement with COLA plaintiffs on common principles and/or clearly articulates its rationale for areas of disagreement.
WCPS Goal 6:	Administration of Governmentwide Pay, Leave, and Hours of Work Policies and Programs. Carry out tasks necessary to ensure timely and effective Federal pay, leave, and hours of work policies and programs under current law.
Means	<ul style="list-style-type: none">➤ Maintain and interpret Governmentwide regulations on the administration of pay, leave, and hours of work for Federal employees and develop appropriate regulatory proposals in response to changes in law, OPM staff analyses, or requests from Federal agencies, as needed.➤ Conduct and implement the results of OPM’s annual review of special rates for white-collar employees and respond to requests for new or modified special rates.➤ Monitor title 38 delegation agreements on special pay authorities for health care workers and facilitate agreement among agencies on use of delegated authorities.
Indicators	<ul style="list-style-type: none">➤ Comments and feedback provided through customer satisfaction surveys indicate that Federal agencies and affected employees are satisfied with OPM’s administration of Governmentwide pay, leave, and hours of work policies and programs under current law.➤ Informal comments from key stakeholders demonstrate satisfaction with OPM’s administration of Governmentwide pay, leave, and hours of work policies and programs under current law.

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- Increased number of hits on the Office of Compensation Administration home page indicate that users are satisfied with the information being made available electronically.

COMPENSATION, CLASSIFICATION, AND BENEFITS

- By the year 2002, simplify and automate the current General Schedule position classification system, reducing the number of position classification standards from more than 400 to fewer than 100.

WCPS Goal 7: Classification Simplification. Further simplify the General Schedule classification system by reducing the number of classification standards to approximately 250.

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| Means | <ul style="list-style-type: none"> ➤ Continue development of job family standards in collaboration with agency HR managers and the IAG Position Classification Network. ➤ Determine the sequence in which standards will be developed based on such factors as significant changes in the nature of the occupation, size of Federal employee population and agency requests. |
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| Indicators | <ul style="list-style-type: none"> ➤ Approximately 150 single series standards have been eliminated from the classification system. |
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WCPS Goal 8: Job Family Standards. Job family standards are being used to evaluate a substantial portion of Federal positions (over 500,000 positions or approximately one-half of all Federal Positions).

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Means	<ul style="list-style-type: none">➤ Monitor and assist in the implementation of standards across agencies. ➤ Meet with the Position Classification Network of the Interagency Advisory Group and other stakeholders to discuss concerns and any unanticipated problems.
Indicators	<ul style="list-style-type: none">➤ Improved capability of stakeholders to use system flexibilities and develop innovative solutions; e.g.,<ul style="list-style-type: none">(1) Takes less time to evaluate positions—Customer assessments(2) Position descriptions are shorter—Input from Oversight reviews and/or customer assessments(3) Managers can readily use standards—Input from Oversight reviews and/or customer survey(4) HR community/managers are familiar with and understand new/simplified approach—Input from IAG Position Classification Network, Internet Forums, conferences, and Oversight reviews.
WCPS Goal 9:	Classification Enhancements. Further enhance the electronic distribution of classification/position management guidance.
Means	<ul style="list-style-type: none">➤ Use hypertext linking and other technologies on networks, intranets, the Internet, and the HRCD-ROM to assure classification information and guidance is understandable to all levels of users and is widely accessible. ➤ Work with IAG Position Classification Network and the Human Resources Technology Council to identify and refine automation needs.

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Indicators	<ul style="list-style-type: none"> ➤ Feedback on satisfaction and usefulness through representatives on the IAG Network on Position Classification and the Human Resources Technology Council, and questionnaires on the OPM Web site and OPM ONLINE. ➤ Issuance of two enhanced HRCD-ROMs and other automated improvements. ➤ Increased number of hits on the home page on classification topics.
WCPS Goal 10:	<p>Support Delaying and Streamlining. Devise means and provide guidance to help managers delayer and streamline their organizations.</p>
Means	<ul style="list-style-type: none"> ➤ Monitor the initial impact of Team Leader Grade (TLG) Evaluation Guide implementation, and effect whatever revisions/changes are deemed necessary to facilitate optimum utility of the Guide. ➤ Explore with stakeholders the need to revise the General Schedule Supervisory Grade Evaluation Guide (GSSG) to make it a more useful management tool.
Indicators	<ul style="list-style-type: none"> ➤ Comments and feedback provided through customer surveys of the IAG Network on Position Classification representatives indicate satisfaction with the Guide in their agencies. ➤ Informal comments from customers indicate that Classification Programs staff respond quickly and accurately to questions and problems received by telephone or in person.

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- Increased number of hits on the Classification home page indicate that agencies perceive a real impact of TLG implementation.
- Increased number of hits on the Classification home page indicate that agencies perceive a real need for General Schedule Supervisory Grade Evaluation Guide revision/replacement.

COMPENSATION, CLASSIFICATION, AND BENEFITS

- By the year 1999, work with stakeholders to formulate a consensus regarding a credible annual pay adjustment process for the General Schedule and related pay systems.

WCPS Goal 11: Annual Pay Adjustment. Develop a proposal for a credible annual pay adjustment process for the General Schedule and related pay systems pending major reform of the Federal compensation system.

Means

- Work with an informal work group on pay issues to research the current literature on key topics related to the annual pay adjustment process and present findings to key stakeholders (OPM, OMB, and major Federal unions).

- Hold informal discussions between work group members, leading non-Federal compensation experts, and representatives of private sector data providers on the factors considered by major non-Federal employers in making pay adjustments and the sources of data (salary surveys, etc.) used in making such decisions.

- Attain informal agreement among working group members on short-term and/or long-term changes in the annual pay adjustment process and develop appropriate legislative proposals to accomplish these changes.

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Indicators	<ul style="list-style-type: none"> ➤ Stakeholders indicate that their interests and views are reflected in proposals to implement the consensus reached on short-term and/or long-term changes.
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PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT	
<ul style="list-style-type: none"> • Promote performance improvements by maintaining a flexible, decentralized policy framework for appraisal, awards, and human resource development within which agencies can establish results-oriented and merit-based programs for planning, measuring, developing, and rewarding employee performance at the individual, group, and organizational level that by 2002 are tailored to agency mission, structure, culture, workforce, and work technology. (Continuing) • Promote credible, effective programs that provide monetary and nonmonetary incentives and recognition for individual, group, and organizational achievements. (Continuing) 	

WCPS Goal 12: Performance Policy Leadership. Maintain a flexible, decentralized Governmentwide policy framework within which agencies can design and implement programs to improve individual and organizational performance and assure individual accountability.

Means	<ul style="list-style-type: none"> ➤ Issue timely regulations, interpretations, and guidance on appraisal and awards issues that maintain agency authority to develop and administer appraisal and awards programs tailored to agency mission, workforce, and culture.
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Indicators

- Comments and feedback provided through customer satisfaction surveys of Federal agencies and affected employees express satisfaction with OPM's administration of Governmentwide appraisal and awards policies and programs under current law.

- Informal comments provided by key stakeholders indicate their satisfaction with OPM's administration of Governmentwide appraisal and awards policies and programs under current law.

**WCPS
Goal 13: Performance Program Leadership. Ensure that agencies are informed about appropriate uses of available performance management flexibilities and ways in which they can be used to support and reward accomplishment of agency strategic goals.**

Means

- Ensure that guidance on how to link employee performance appraisal plans to organizational goals is widely available and used.

- Develop and evaluate guidance on how to use awards and incentive plans to support achieving strategic objectives.

- Increase the number of available formats for existing products, as well as marketing and distribution efforts.

- Distribute policy guidance materials to share best practice experience and discuss emerging issues and trends, with particular emphasis on using rewards and recognition to support achieving strategic goals and objectives.

- Continue development and testing of awards-related material.

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Indicators	<ul style="list-style-type: none"> ➤ Increased number of requests for and heightened customer satisfaction with products. ➤ Informal comments from key stakeholders indicate a perception of appropriate balance of technical guidance and program innovations. ➤ Changes made to employee plan approaches and awards programs as a result of applying the products. ➤ Increased number of hits on the Performance home page indicate that key stakeholders find the information useful.
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WCPS Goal 14: Performance Management Advice. Support implementation of flexible, decentralized appraisal and awards programs that support program performance management in the agencies by maintaining high quality customer service and assistance.

Means	<ul style="list-style-type: none"> ➤ Provide policy interpretation, guidance and assistance through distribution of newsletters and reports, timely responses to customer inquiries, and effective support of Administration initiatives.
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Indicators	<ul style="list-style-type: none"> ➤ Comments and feedback on customer surveys show increased customer satisfaction with and positive feedback on products.
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OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$505 Full-Time Equivalents: 6

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

WCPS Compensation, Classification, and Performance Management Assistance.
Goal 15: Human resources management specialists and line managers are equipped with a broad range of information and assistance about the application of WCPS policies and programs that are made available using a variety of media.

- Means**
- Disseminate the latest information on pay and leave, classification, and performance management through electronic communication, meetings of appropriate IAG Networks, and consultation with individual agency representatives.

 - Use policy reviews, customer feedback, and needs analysis to identify areas where models and guidance are needed.
 - Seek involvement of existing stakeholder groups, such as the President's Management Council (as appropriate) and appropriate IAG Networks, in identifying needed material.
 - Establish standard procedures to enhance distribution of program materials using electronic media.

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	<ul style="list-style-type: none"> ➤ Conduct a feasibility study of using the Internet to collect and share appraisal and award program techniques and practices.
Indicators	<ul style="list-style-type: none"> ➤ Comments and feedback provided through various customer assessments indicate that agencies and other key stakeholders believe that their views have been taken into account in identifying appropriate models, guidance, and technical assistance needs and that those needs are satisfied. ➤ Increased numbers of hits on WCPS home pages indicate that users are satisfied with the information being made available electronically. (Baseline data to be established in FY 1998.) ➤ Increased number of requests for consultation demonstrates overall satisfaction with the quality of services provided.

- Help agencies design, implement, manage and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

WCPS Goal 16 : **Personnel Demonstration Projects. Agencies are provided assistance on personnel demonstration projects and other alternative personnel approaches when they include proposals and plans in the areas of compensation, classification, and performance management.**

Means	<ul style="list-style-type: none"> ➤ Based on subject matter expertise, work cooperatively with OPM’s Office of Merit Systems Oversight and Effectiveness (OMSOE) to review and identify compensation, classification, and performance management issues with regard to Demonstration Project proposals, and assess the soundness of proposed alternatives. When appropriate, provide options for improvement.
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	<ul style="list-style-type: none">➤ Share with agencies the “lessons learned” from earlier demonstration projects and alternative personnel systems which included effective compensation, classification, and performance management approaches.
Indicators	<ul style="list-style-type: none">➤ Positive comments and feedback provided informally and/or through customer satisfaction surveys conducted by OMSOE.

VERIFICATION AND VALIDATION:

- Client access to information will be measured by such accepted accounting means as Web site “counter” software and Government Printing Office data on the numbers of publications and CD-ROMs ordered in FY 1998 in order to establish baselines, and again in FY 1999 to measure progress.
- Data will be collected, analyzed, and studied according to accepted collection, analysis, and evaluation practices from key stakeholders and survey participants to determine the level of customer satisfaction and acceptance of WCPS products and services, and the amount of progress toward achieving WCPS goals.
- Ongoing customer service assessment efforts through daily contacts and meetings with agency and other stakeholders that provide continuous feedback about program delivery and customer satisfaction.
- Accepted, automated scheduling software will be used to track turnaround time on responses to requests for information and assistance.
- Average length of position descriptions and appropriateness of job family standards will be measured through both OMSOE agency reviews and through direct customer assessments.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

INVESTIGATIONS SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$2,943	\$3,194	\$3,194	---
Full-Time Equivalents	25	29	29	---

DESCRIPTION OF ACTIVITY

The Investigations Service (IS) provides policy guidance and oversight for agency security and suitability programs.

The Service oversees the conduct of investigations to determine the fitness and suitability of persons entering Federal positions. Investigations are conducted to resolve issues, enforce the civil service laws, rules and regulations, and to verify the qualifications of applicants for certain high level administrative and professional positions. The investigations are carried out by a private company with OPM oversight. The authorities governing OPM's responsibilities are covered under 5 U.S.C. 3301 and 7301, Executive Orders 10450, 10577, 12968, and the Atomic Energy Act of 1954, among others.

Through its security appraisal program, OPM inspects and evaluates personnel security programs in other departments and agencies to fulfill our oversight responsibility to ensure compliance with the provisions of E.O. 10450 and 12968.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

Investigations Service (IS) provided extensive support to agencies' personnel security and suitability programs over FY 1997 and FY 1998 and carried out several agency appraisals.

Specifically, in FY 1997, IS completed 1,160 determinations of applicant and employee suitability and 110 more extensive investigations into employment suitability issues. Six investigations into alleged abuse of OPM's merit systems were also completed. The FY 1997 agenda for evaluations of agency security programs produced six completed appraisals.

During FY 1998, IS will continue to meet customer workload demands for suitability cases. An effort to develop and use a new security appraisal follow up survey tool to determine improvements in agencies' personnel security and suitability programs will also be completed. A full agenda of security appraisals will be carried out, and plans are underway to incorporate additional suitability determination data gathering questions into both initial and follow up appraisal agendas.

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Investigations Service*

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 1999 RESOURCE SUMMARY: Obligations (000): \$2,907 Full-Time Equivalents: 27

PERSONNEL INVESTIGATIONS

- Ensure the suitability of applicants for and appointees to Federal positions.

**IS With respect to applicants, appointees and employees, direct or take action
Goal 1: to promote the efficiency of the Federal service.**

Means

- Make applicant suitability determinations when an agency or OPM office refers applications for resolution of serious issues to include:
 - Screen cases for seriousness and relevance.
 - Retain cases with potentially actionable issues for further investigation.
 - Proceed with cases which require more extensive investigation.
 - Rate applicants ineligible for Federal service after review of issues surfaced in agencies' recruiting.
 - Direct removals of appointees to Federal positions after case review, resolve them in favor of the subject, discontinue cases for administrative reasons or, if appropriate, refer them for agency adjudication.
- Continue to share information with agencies' security offices regarding suitability adjudication to help ensure the suitability of all Federal employees

Indicators

- Trends in ineligible/debar decisions as tracked against Government hiring (as reported to the Central Personnel Data File), number of agency referrals, and agency experience with increased delegated authority.
- Percentage of cases upheld by MSPB upon appeal, using FY 1996's 91 percent level as a baseline.
- Timeliness of suitability case processing is maintained at standards established and refined in FY 1998.

PERSONNEL INVESTIGATIONS

- Be an effective leader in the personnel security community by continuing to set Governmentwide investigative policy and serving as an active member of the Security Policy Board.

IS Goal 2: Fulfill policy and oversight responsibilities mandated by statute and executive order and ensure that OPM's roles and interests are represented in the community.

Means

- Continue to participate as an active member of the Security Policy Forum of the Security Policy Board, and continue to help ensure Governmentwide uniformity in the application of investigative standards.
- Conduct a customer survey which covers our effectiveness in communicating and implementing Government-wide changes in investigative policy, process, or direction.
- Develop and disseminate investigative policy to other Federal agencies through Federal Investigative Notices (FIN's) and Security Directors' Conferences hosted by OPM.

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Investigations Service*

Indicators	<ul style="list-style-type: none">➤ Assess results of customer surveys. ➤ Determine whether agencies have implemented new policies and standards through security appraisal visits.
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<p>OPM STRATEGIC PLAN GOAL II: <i>PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.</i></p>
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FY 1999 RESOURCE SUMMARY: Obligations (000): \$287 Full-Time Equivalents: 2

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| <ul style="list-style-type: none">• Ensure that agencies adhere to Executive orders and regulations by inspecting and evaluating agencies' personnel security programs. |
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IS Goal 3: **Make a continuing study for the purpose of determining deficiencies in the department and agency personnel security programs which are inconsistent with the interests of, or directly or indirectly weaken, the national security.**

Means	<ul style="list-style-type: none">➤ Inspect and evaluate agencies' personnel security programs. ➤ Identify deficiencies in agencies' personnel security programs. ➤ Recommend corrective actions for problems identified.
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Investigations Service*

	<ul style="list-style-type: none">➤ Continue to train agency security staffs to assist in security operations.➤ Conduct investigations into alleged abuses (including test fraud) of the merit system at the request of OPM's or agencies' examining offices.
Indicators	<ul style="list-style-type: none">➤ Agency reviews completed on schedule.➤ Review results from on-site customer satisfaction surveys.➤ Track the quality of agencies' personnel security operations.➤ Review formal and informal agency comments.➤ Measure reductions in the number and severity of problems found in audits of agencies' personnel security processes.

VERIFICATION AND VALIDATION

- Standard accounting methods and tracking software will be used to verify workload measures.
- IS will complete a Web site designed to aid personnel security offices in agencies. Access to information will be measured through Web site counter software to determine the number of visits during FY 1998 to establish baseline data.
- An additional mechanism for measuring customer/stakeholder satisfaction will be developed.
- A security appraisal follow up tool will be revised to provide additional data on personnel security improvements in agencies.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$3,617	\$3,586	\$3,586	---
Full-Time Equivalents	38	37	37	---

DESCRIPTION OF ACTIVITY

Components of the former Human Resources Systems Service have been reorganized into a new Office of Workforce Relations (OWR), including the Employee Relations and Health Services Center, the Work and Family Program Center, and the Office of Human Resources Development. The Center for Partnership and Labor-Management Relations (CPLMR), which reported to the Director of OPM during FY 1997, has also been combined into OWR.

The purpose of the newly formed OWR is to strengthen the Government's investment in human resources by developing a workplace culture that: sustains high-performance, enhances quality of work life, and supports a learning environment. OWR assists Federal agencies in developing labor-management and employee relations systems that support performance, results, and public service; promoting programs and flexibilities that enable employees to balance work and family needs successfully; and supporting the transformation of Federal training to support performance improvement and learning. OWR also provides, on a reimbursable basis, training and management assistance to improve human resource management, as well as employee assistance services to Federal employees in the Boston region .

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

The following lists the accomplishments of OWR components and the Center for Partnership and Labor-Management Relations during FY 1997, as well as OWR FY 1998 initiatives. In addition to specific accomplishments and initiatives, duties and responsibilities included: collaborating with other OPM program offices on the drafting and implementation of regulations; providing professional technical support to Federal agencies; developing program-specific Internet home pages; conducting seminars and workshops on human resource topics; and answering a myriad of telephone and correspondence inquiries from Congressional representatives, agencies, employees, and the public.

- In FY 1998, developed a CD-ROM and booklet addressing the issue of poor performance. An extensive information campaign is being launched in the second quarter of FY 1998 to notify agency officials of the availability of these new resources for supervisors.

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Office of Workforce Relations***

- Developed guidance on strategies for dealing with workplace violence and implementing Employee Assistance Programs which will be printed and distributed to a wide audience in hard copy and via the OPM Web site by the end of FY 1998.
- In FY 1997 and FY 1998, intervened and/or sought reconsideration of a number of Merit Systems Protection Board decisions involving misinterpretation of OPM law, rule, or regulation which, if left unchallenged, would have had substantial Governmentwide impact.
- During FY 1997, developed and published a variety of informational and technical materials on work and family issues and distributed them through the Government Printing Office and directly through Federal agencies. Publications included the *Handbook of Child and Elder Care Resources*, *Adoption Benefits Guide for Federal Employees*, *Balancing Work and Family Demands Through Telecommuting*, *Telecommuting Briefing Kit*, and *How to Do a Fair - A Guide to Successfully Putting on a Child or Elder Care Fair*.
- During FY 1998, OWR will continue to develop and promote family-friendly programs and personnel flexibilities by publishing and distributing through a variety of methods informational and technical materials to include: *Balancing Work and Family Demands Through Part-time Employment and Job Sharing* (revised), *Telecommuting Resources Kit*, and *Work and Family Issues: A Module for Supervisors*.
- In FY 1997 began developing a fully automated information system on the Federal collective bargaining program with capacity to collect, analyze, and disseminate useful information and analysis on union recognition, collective bargaining agreements, and arbitration decisions, and published a report on *Union Recognition in the Federal Government*, the first such publication since 1992. In FY 1998 OWR will explore options for making the collective bargaining information system available to Federal agencies, unions and the public through the OPM Web site.
- In FY 1997 and FY 1998 implemented the National Partnership Council's Strategic Plan on behalf of the Council Chair by organizing and managing Council projects and working groups, preparing and publishing the Council's annual *Report to the President on Progress in Labor-Management Partnerships*, maintaining the National Partnership Clearinghouse, managing in-town and out-of-town meetings, and coordinating the Council's annual National Partnership Awards program.
- In FY 1998 OWR will issue revised Governmentwide guidance for implementing Executive Order 12871, *Labor-Management Partnerships*. This guidance will be available in a printed version and on the OPM Web site.
- In FY 1997 expanded human resource development (HRD) cooperative activities within the Federal Government by providing staff support for the overall operation of the Human Resources Development Council (HRDC), an interagency group of HRD professionals;

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assisted with publishing the *Getting Results Through Learning* handbook; and developed a Federal Benchmarking Forum for gathering and sharing Federal training data.

- In FY 1997 developed and maintained policies, guidelines, and information on Federal human resource development by publishing new training regulations that reflect the Administration's directives; issued diversity training guidelines, revised the *Training Policy Handbook: Authorities and Guidelines* reference manual, and revised OPM's *Training Needs Assessment* publication.
- FY 1998 initiatives include continuing to strengthen OPM's Federal HRD leadership role by sponsoring a Human Resource Development Policy Leadership Conference; increasing technical assistance; developing a home page containing HRD information; examining current training statutes and regulations and proposing needed changes; continuing to effectively manage the Training and Management Assistance Revolving Fund activity; and establishing baseline measurement data for determining customer satisfaction with HRD services and products.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

*PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.*

FY 1999 RESOURCE SUMMARY: Obligations (000): \$2,117 Full-Time Equivalents: 25

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

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Office of Workforce Relations*

OWR
Goal 1: **In order to maintain a flexible Governmentwide regulatory framework that supports a sound and cooperative work environment and a well-trained, productive work force, reviews are conducted on workforce relations policies and programs and needed changes are identified.**

Means

- Review current employee relations, employee health services, work and family, labor-management relations, and human resources development statutes, regulations, programs and policies and identify changes needed to maintain a flexible Governmentwide regulatory framework.
- Seek comments on specific policies and programs in an effort to identify possible legislative and regulatory changes.
- Formulate appropriate policy proposals, both legislative and regulatory, and issue timely regulations, interpretations and guidance on needed changes identified in reviews.
- Assist agencies, the public, and others in interpreting law and regulations, and provide policy workshops and orientations to agency personnel.

Indicators

- Increase in the level of stakeholder satisfaction with regard to the policy process and with the accuracy, quality, timeliness, and utility of policy information as measured by informal customer feedback and OPM/OWR customer satisfaction surveys. (Baseline data will be established in FY 1998.)
- Improvement in perception of equity and effectiveness of workforce relations as measured by a 1 percent increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. (Baseline data were established in FY 1997 and FY 1998.)

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- Promote programs for dealing with poor performers and improve the capacity of managers to identify and resolve performance problems effectively. (Continuing)

OWR Goal 2: Poor Performance. High-level attention is brought to dealing with poor performance, and Federal managers and supervisors have improved access to multi-media instructional materials that focus on how to identify and resolve performance problems.

Means	<ul style="list-style-type: none"> ➤ Continue to distribute multi-media instructional materials (including interactive CD-ROM) and explore other strategies to educate Federal managers on how to identify and resolve performance problems, including taking successful action to remove a poor performer. ➤ Assess the effectiveness of informational materials on dealing with poor performance, including interactive CD-ROM, as well as a Presidential Memorandum issued in FY 1998 that advocates senior level accountability for dealing with poor performance by highlighting the importance of Federal managers in exercising their responsibility to ensure that agencies maintain a level of high performance.
Indicators	<ul style="list-style-type: none"> ➤ Improvement in the extent to which instructional materials about identification and resolution of performance problems are available to Federal managers and supervisors as measured by: <ul style="list-style-type: none"> (a) increases in the number of “hits” on the poor performance home page that will be implemented in FY 1998; and (b) increase in the level of customer satisfaction captured by a survey to be developed in FY 1998. ➤ Reduction in the perception that poor performance is tolerated in the Federal Government as measured by a 2 percent decrease in the percentage of unfavorable ratings in the annual <i>Merit System Principles Questionnaire</i>. (Baseline data were established in FY 1997 and FY 1998.)

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- By the year 2002, successfully support and promote cross-cutting efforts to streamline the adjudicatory system and make it understandable, timely, and less costly.

OWR Goal 3: Address Adjudicatory Processes. Seek improvement in adjudicatory processes that address workplace conflicts, and work to make them more understandable, timely, and less costly.

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Office of Workforce Relations*

Means	<ul style="list-style-type: none"> ➤ Promote and provide active participation in response to Governmentwide efforts to improve the adjudicatory process.
Indicators	<ul style="list-style-type: none"> ➤ Adjudicatory agencies provide positive comments and feedback, both formally and informally, on the quality and timeliness of OPM's participation and analyses. ➤ Increased customer satisfaction with OPM educational materials regarding the adjudicatory system, as measured by the OPM customer satisfaction survey and other customer feedback mechanisms. (Baseline data will be established in FY 1998.)

PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- Support the transformation of Federal training from a set of process-focused, event-based activities into an outcome-oriented, measurable performance improvement function that supports managers and employees in sustaining a consultative, learning environment.

OWR Goal 4: HRD Community Leadership. The Federal HRD community is strengthened so that HRD becomes a performance improvement activity more fully integrated with other human resource management processes.

Means	<ul style="list-style-type: none"> ➤ Broaden HRD outreach activities, including appropriate follow-on to the 1998 Human Resource Development Policy Leadership Conference. ➤ Work with the Human Resources Development Council (HRDC), increase agency participation in the HRDC, and participate on selected HRDC committees.
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- Represent OPM in the training and development activities of interagency groups and HRD-related organizations.
- Review, assess, and make available training materials and research programs, as warranted.
- Provide technical assistance to agency training programs.

Indicators

- A network of agency HRD officials with whom OPM shares accurate and timely information on HRD law, trends, and practices in training and developing Federal employees is expanded to include representation from various levels of Federal agencies.

- Maintain FY 1998 levels of support that HRDC member agencies provide to the HRD Council as measured by the degree of agency involvement in Council activities.
- Increase in HRD Council members' and other stakeholders' satisfaction with OPM support and technical assistance as measured by informal customer feedback and the OPM customer satisfaction survey. (Baseline data will be established in FY 1998.)
- Improvement in perception that employees are well-educated and well-trained, as measured by a 2 percent increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. (Baseline data were established in FY 1997 and FY 1998.)

EMPLOYEE AND LABOR RELATIONS

- Advise and consult with Federal agencies on labor-management relations by providing timely, accurate and useful information so that agencies may effectively work with their labor organizations that represent 1.1 million Federal employees. (Continuing)

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OWR
Goal 5: **Labor Relations Policy Leadership. Liaison activities are conducted with administration and agency officials and Federal labor organizations in order to maintain and enhance agencies' ability to deal effectively with labor relations matters in a matter consistent with OPM policy and objectives.**

Means	<ul style="list-style-type: none">➤ Coordinate the Interagency Group Network on Partnership and Labor-Management Relations and share information on Governmentwide policies and practices in labor-management relations. ➤ Regularly consult at the national level with agency officials and labor organizations in the development of human resource policy and on Governmentwide rules, regulations, and binding directives that affect conditions of employment.
Indicators	<ul style="list-style-type: none">➤ Improvement in the availability of information on developing labor relations case law, trends, and best practices in working with labor organizations, as evidenced by continued high levels of attendance at meetings of the Interagency Group Network on Partnership and Labor-Management Relations and positive feedback from members. ➤ Labor organizations and agency officials are regularly informed of proposed Governmentwide human resource policies and regulations and their recommendations are considered in their development. All statutory consultation requirements are met. ➤ Improvement in perception that employees are treated fairly and equitably, as measured by a 2 percent increase in the percentage of favorable ratings in the annual <i>Merit System Principles Questionnaire</i>. (Baseline data were established in FY 1997 and FY 1998.)

EMPLOYEE AND LABOR RELATIONS

- In cooperation with the National Partnership Council, continue to champion strong and effective labor-management partnerships that support Federal employees, managers, and their representatives and promote improved performance, results, and service to the public.

OWR Goal 6: Promote Labor-Management Partnerships. The Director of OPM is supported in her role as Chair of the National Partnership Council in order to champion effective labor-management relations that support Federal employees, managers, and their representatives and promote improved performance, results, and service to the public.

Means

- Work in cooperation with the National Partnership Council to develop and implement annual strategic plans designed to support and promote collaborative labor relations programs that get results.

Indicators

- Improvement in the results and value of collaborative labor-management relationships, as evidenced by:
 - (a) consistency in the numbers of and an increase in the quality of nominations for the National Partnership Award (sixty-seven nominations were received in FY 1997);
 - (b) continued positive union and management perceptions regarding the Federal labor-management relations climate (sixty-seven percent of survey respondents believed that the climate was positive in FY 1997); and
 - © a reduction in the number of unfair labor practices received by the Federal Labor Relations Authority.
- Satisfaction of senior officials and Presidential appointees on the National Partnership Council (NPC), as measured by continued positive Member feedback regarding the development and satisfactory implementation of the NPC's strategic plan.

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- Improvement in perception that employees are treated fairly and equitably, and that the workforce is used efficiently and effectively, as measured by a 2 percent increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. (Baseline data were established in FY 1997 and FY 1998.)

EMPLOYEE AND LABOR RELATIONS

- By the year 2002, develop, promote, and increase the use and accessibility of alternative dispute resolution programs among employees Governmentwide.

OWR Goal 7: Agencies have improved access to information and examples of existing Federal alternative dispute resolution (ADR) programs.

Means

- Showcase examples of agency ADR programs.

Indicators

- Improvement in the availability of information regarding current agency ADR programs Governmentwide as measured by:
 - (a) increases in the number of “hits” on the ADR home page that will be implemented in FY 1998; and
 - (b) increase in the level of customer satisfaction captured by a survey to be developed in FY 1998.

- Improvement in perception that employees are treated fairly and equitably, as measured by a 2 percent increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. (Baseline data were established in FY 1997 and FY 1998.)

EMPLOYEE AND LABOR RELATIONS

- By the year 2002, increase the awareness and use by employees Governmentwide of Employee Assistance Programs, as well as other health promotion and disease prevention programs and practices.

OWR Goal 8: Federal managers and employees have improved access to current Federal policy and guidance on Employee Assistance Programs, as well as other health promotion and disease prevention programs and practices.

Means

- Provide Governmentwide guidance on Employee Assistance Programs (EAP's), as well as other health promotion and disease prevention programs through:
 - (a) the distribution of a handbook, with availability through printed versions and access on the OPM Web site; and
 - (b) presentations to program managers at interagency meetings.

- Conduct an annual survey of EAP'S to monitor implementation, usage and quality of programs in Federal agencies.

Indicators

- Improvement in the availability of policy information and program guidance as measured by:
 - (a) increases in the number of "hits" on the employee health services home page that will be implemented in FY 1998; and
 - (b) increase in the level of customer satisfaction captured by a survey to be developed in FY 1998.

- Satisfaction with the quality of OPM information on EAP's as measured by annual EAP survey.

- Improvement in perception that employees with personal or work-related problems are offered help, as measured by a 2 percent increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. (Baseline data were established in FY 1997 and FY 1998.)

OWR Goal 9: Violence in the Workplace. Federal planners have improved access to current Federal guidance on dealing with workplace violence.

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Means	<ul style="list-style-type: none"> ➤ Provide managers with Governmentwide guidance on strategies to deal with workplace violence through: <ul style="list-style-type: none"> (a) presentations to agency planners on the guidance; (b) workshops to provide necessary expertise to deal with workplace violence; and © development of additional resources for the workplace violence home page.
Indicators	<ul style="list-style-type: none"> ➤ Improvement in the availability of policy information and program guidance as measured by increases in the number of “hits” on the violence in the workplace home page that will be implemented in FY 1998. ➤ Increase in the level of customer satisfaction with regard to guidance on strategies to deal with workplace violence, as measured by feedback mechanisms including the OPM customer satisfaction assessment survey. (Baseline data will be established in FY 1998.)

EMPLOYEE AND LABOR RELATIONS

- Develop and promote family-friendly programs and personnel flexibilities (e.g., alternative work schedules, leave flexibilities, telecommuting, dependent care services) so that they are available and used appropriately by employees Governmentwide to balance work and family needs successfully. (Continuing) .

OWR Goal 10: Promote Family-Friendly Programs. Federal agencies have increased understanding of and commitment to addressing work and family needs through improved access to Federal policies and guidance on personnel flexibilities and programs.

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Means	<ul style="list-style-type: none">➤ Provide Governmentwide leadership and guidance on work and family programs through presentations to stakeholders--unions, managers, employees, and program representatives. ➤ Work in partnerships with the Department of Health and Human Services and the General Services Administration across areas of respective expertise and jurisdiction.
Indicators	<ul style="list-style-type: none">➤ Increased awareness by agencies of the work and family issues which confront their employees and greater understanding of the personnel practices, programs, and policies which are available to help, as evidenced by:<ul style="list-style-type: none">(a) an increase in the number of agencies offering their employees flexible work schedules, part-time employment and job sharing, telecommuting opportunities, and the number of agencies sponsoring child and elder care activities, as determined by information collected for the <i>Directory of Federal Agency Dependent Care Programs</i> (baseline data will be established in FY 1998);(b) consistency in the number and quality of agency programs nominated for the annual OPM <i>Director's Award for Outstanding Work and Family Programs</i> (the average number of receipts over the past four years is 36 nominations); and© consistency in attendance at OPM's <i>Interagency Adult Dependent Care Working Group</i> meetings (baseline data were established in FY 1997). ➤ Improvement in perception that employees' family responsibilities are understood and supported, as measured by a 2 percent increase in the percentage of favorable ratings in the annual <i>Merit System Principles Questionnaire</i>. (Baseline data were established in FY 1997 and FY 1998.)

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$70 Full-Time Equivalents: 1

- Evaluate and, when necessary, seek judicial review of the decisions of adjudicatory agencies to ensure they are consistent with civil service laws, regulations, and policies. (Continuing)

OWR Goal 11: Intervention, Reconsideration, and Judicial Review. Respond to agencies' regular requests that OPM seek review of third-party decisions, and contribute to the goal of obtaining decisions that are consistent with civil service laws, rules, and policies.

Means

- Review all decisions of the Merit Systems Protection Board, and appropriate decisions of arbitrators, the courts and the Federal Labor Relations Authority, to identify, analyze and act upon those decisions warranting formal OPM intervention, reconsideration, or judicial review.

Indicators

- All decisions of the Merit Systems Protection Board and appropriate Federal Labor Relations Authority, court, and arbitration decisions are reviewed and intervention or judicial review is recommended in appropriate cases.
- Results of a customer survey indicate an increased level of agency satisfaction.

- Of those cases in which OPM intervenes or seeks reconsideration, an increasing number of decisions are reversed or are appealed to higher levels by Department of Justice.

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$1,399 Full-Time Equivalents: 11

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

OWR **Workforce Relations Guidance, Technical Assistance and Information**
Goal 12: **Services. Lead the Government in improving operations by providing**
timely, accurate and useful advice and technical assistance to Federal
agencies on employee relations, employee health services, work and family,
labor-management relations and human resources development.

Means

- Answer inquiries and provide in-depth, case-oriented assistance to agencies and employees regarding technical issues.

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- Act as information broker, facilitating information-sharing among agencies and providing Governmentwide leadership, guidance and information on effective workforce relations through a variety of means, including:
 - (a) publishing and distributing information in a variety of formats, including handbooks, pamphlets, fact sheets, training materials, and briefing packages;
 - (b) serving as the single source for data and trends on Federal union recognition and collective bargaining agreements, and tracking innovations and best practices in labor-management relations;
 - © providing to agency officials useful and accurate analysis of case law decisions by courts, administrative tribunals, and arbitrators; and
 - (d) promoting widespread access to information through both hard copy and electronic means, and disseminating policy information through OPM ONLINE, the OWR home page and other forums.

Indicators

- Improvement in the availability of information on Federal workforce relations as measured by an increase in the number of “hits” on the OWR home pages that will be implemented in FY 1998. (Baseline data will be established in FY 1998.)
- Increase in the level of customer satisfaction with regard to the quality of advice, assistance, products and services on Federal workforce relations, as measured by informal customer feedback and OPM/OWR customer satisfaction surveys to be developed in FY 1998. (Some baseline data were established by a CPLMR customer survey in FY 1997.)
- Reduction in the number of unfair labor practices, negotiability appeals and other cases received by the Federal Labor Relations Authority and the Federal Service Impasses Panel.
- Improvement in perception of equity and effectiveness of workforce relations as measured by a 1 percent increase in the percentage of favorable ratings in the annual *Merit System Principles Questionnaire*. (Baseline data were established in FY 1997 and FY 1998.)

- Help agencies design, implement, manage and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)

OWR Goal 13 : **Personnel Demonstration Projects. Agencies are provided assistance on personnel demonstration projects and other alternative personnel approaches when they include proposals and plans in the area of workforce relations.**

Means	<ul style="list-style-type: none">➤ Based on subject matter expertise, work cooperatively with OPM’s Office of Merit Systems Oversight and Effectiveness (OMSOE) to review and identify workforce relations issues with regard to Demonstration Project proposals, and assess the soundness of proposed alternatives. When appropriate, provide options for improvement. ➤ Share with agencies the “lessons learned” from earlier demonstration projects and alternative personnel systems which included effective workforce relations.
Indicators	<ul style="list-style-type: none">➤ Positive comments and feedback provided informally and/or through customer satisfaction surveys conducted by OMSOE.

VERIFICATION AND VALIDATION

- During FY 1998, OWR will assess various mechanisms for collecting baseline data and measuring customer/stakeholder satisfaction. Such valid and reliable assessment tools as OPM’s *Merit System Principles Questionnaire* and other OPM/OWR surveys and participant evaluation forms will be considered in this process.

- Results of the OPM customer service assessment survey will focus on the timeliness, clarity, accessibility, and helpfulness of policy issuances and technical guidance; OWR is participating on work group to develop the survey.

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- FY 1998 and FY 1999 data will be collected, analyzed, and studied according to accepted collection, analysis, and evaluation practices to determine customer satisfaction and acceptance of OWR products and services, and the level of progress toward achieving OWR goals.
- Client access to information will be measured by such accepted accounting means as Web site “counter” software and GPO data on the numbers of publications ordered during FY 1998 in order to establish baselines, and again in FY 1999 to measure progress.
- To the extent that OWR relies on other organizations such as the Federal Labor Relations Authority or the Government Printing Office for data and information, standard tracking systems have been developed and implemented by those organizations.
- The quality of nominations for OWR-sponsored Governmentwide awards is determined by neutral, expert panels that rely upon predetermined selection criteria.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

OFFICE OF EXECUTIVE RESOURCES

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$2,686	\$2,422	\$2,422	---
Full-Time Equivalents	22	23	23	---

DESCRIPTION OF ACTIVITY

The Executive Resources program provides Governmentwide leadership, policy direction, and guidance and technical assistance for the Senior Executive Service (SES) and other executive personnel systems to maximize agencies' needs for flexibility while safeguarding the larger corporate interests of the Government.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- Provided policy direction and guidance for agencies on the entire range of executive resources activities, including such elements as allocations, recruitment, selection, pay, benefits, performance, awards, development, removals, and reduction in force. Developed a working draft of a comprehensive *SES Desk Guide* which will assist agencies by pulling together and interpreting the various laws and regulations that govern the Senior Executive Service and related executive personnel systems and shared it with agencies for review. The guide will be revised based on user comments and published for Governmentwide use in FY 1998.
- Held the number of allocated SES and other senior positions at the 10 percent reduction achieved in 1996 and prepared allocations at that level for the next biennium (FY 1998–1999) in order to ensure that an appropriate and fair share of the reduction in the workforce is at the senior level.
- Revised the Executive Core Qualifications (ECQ's) in collaboration with and based on the research of colleagues in the Employment Service. The new ECQ's speak clearly and forcefully, in fresh language, about the abilities executives need today and tomorrow. In FY 1998, OER will work with agencies to implement the new ECQ's, provide training to potential executives, and improve the executive selection process.
- Managed the annual SES rank awards program in which the President confers the ranks of Distinguished and Meritorious Executive to recognize selected career SES members for exceptional extended performance, and arranged a White House reception by the President for the Distinguished Executives.

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Office of Executive Resources***

- Assisted the Employment Service in fully automating the SES Vacancy Announcement System (SESVA) as part of the Governmentwide Federal Employment Information System to provide electronic access to vacancy information as well as online data entry for agencies. In FY 1998, OER will monitor agency operation of the automated system, address any user difficulties, and make system changes as needed.
- Continued to maintain a comprehensive data system which is frequently used by the public, the Congress, and the press to obtain information on executive positions and incumbents. In FY 1997, OER completed the first year of a multi-year project to transfer the Executive Information System to a client server environment which will allow us to provide more current data with less time and effort by agencies and OPM staff. In FY 1998, the system will be tested and brought on line for direct agency access.
- Two additional FY 1997 items that were outside OER's "core" mission, but contributed to OPM's human resources management leadership responsibilities were: facilitating Governmentwide transition efforts following the 1996 Presidential election by providing guidance for agencies and the White House on appointments and separations; and producing the 1996 Plum Book at the request of the House Committee on Government Reform and Oversight and fully automating the data collection process.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 1999 RESOURCE SUMMARY: Obligations (000): \$2,422 Full-Time Equivalents: 23

OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year, 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.

OER
Goal 1: **Executive Resources Policy Review and Implementation. Continue the project initiated in FY 1998 to modify the Senior Executive Service and other senior personnel systems. Changes will strike a balance among management flexibility, employee protections, and the larger corporate interests of Government.**

Means

- With the assistance of stakeholders, continue to develop legislation, implementing regulations, and agency guidance to achieve the modifications in the SES and other senior personnel systems that were proposed in FY 1998.

- With stakeholder assistance, begin an initiative to develop mechanisms to evaluate whether the modifications achieve the intended improvements.

Indicators

- Through comments and feedback provided informally and through the customer satisfaction surveys, the agencies, senior executives, and other stakeholders indicate that their views have been taken into account in identifying the needed modifications.

EXECUTIVE RESOURCES

- Achieve a Governmentwide senior executive corps of strong leaders and change agents with a national, corporate vision for the continuing transformation of Government and for effective management of the government's human resources, who are the critical factor in this transformation. The overall outcome is a better, results-oriented government.

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**OER
Goal 2:** **Promote the selection of executives with solid leadership and management skills, public service values, and a Governmentwide perspective, who are prepared to lead the continuing transformation of Government.**

Means	<ul style="list-style-type: none">➤ Monitor developments in executive competency requirements to ensure that the tools used to develop and select Government executives continue to reflect cutting-edge research.
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Indicators	<ul style="list-style-type: none">➤ Increased recognition and support among executives and agency selecting officials for the value of executive skills and talent in addition to technical qualifications.
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**OER
Goal 3:** **Continue to provide high quality guidance, consultative services, and technical assistance to agency management, the human resources management community, senior executives, and other stakeholders.**

Means	<ul style="list-style-type: none">➤ Respond to requests for information and assistance on the full range of executive resources management activities. Maintain ongoing communications with stakeholders through meetings, briefings, presentations, publications, and the SES home page.
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Indicators

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

EXECUTIVE RESOURCES

- In allocating executive personnel resources, maintain the corporate goal of a smaller executive corps that is consistent with an overall smaller, more streamlined and delayed Federal workforce.

OER Goal 4: Administer the FY 1998–1999 biennial allocations cycle and maintain the corporate goal of a smaller workforce at the executive level that is consistent with overall Government downsizing.

Means

- Focus agencies' attention on the importance of executive resources planning and analysis, including succession planning, to meet current and future mission requirements and integrate those activities with their strategic plans.

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Indicators	<ul style="list-style-type: none">➤ Legal limits and Presidential objectives for the size of the executive workforce are maintained. Agencies operate within their allocations.
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<p>EXECUTIVE RESOURCES</p> <ul style="list-style-type: none">• By the year 2002, foster voluntary movement by senior executives as a means of broadening the executive's perspective and bringing fresh insight to agency programs.
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OER **Continue to focus the attention of agencies and senior executives on**
Goal 5: **promoting voluntary movement of executives to broaden their perspectives**
 and bring fresh insights to agency programs.

Means	<ul style="list-style-type: none">➤ Use communications vehicles such as the SES home page, publications, presentations, and seminars at the executive and management development centers to emphasize the benefits of mobility for both the agency and the executive and to provide information about mobility opportunities and executives interested in mobility assignments.
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Indicators

- Increases in intra/interagency, intergovernmental, and/or interdisciplinary selections for senior executive positions, as tracked through OPM's automated Governmentwide Executive Information System.

VERIFICATION AND VALIDATION:

Ongoing customer service assessment efforts through daily contacts and regularly scheduled meetings with agency and other stakeholders that provide continuous feedback about program delivery and customer service.

Results of the senior executive survey developed in FY 1998 to determine baseline information on executive attitudes, experiences, and issues and ultimately gauge progress in developing executives with solid leadership skills, a broad perspective of Government, and public service values as well as in improving Governmentwide executive resources management.

Results of the OPM customer service assessment survey that focuses on the timeliness, clarity, accessibility, and helpfulness of policy issuances and technical guidance.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

ADMINISTRATIVE SERVICES

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations				
Salaries and Expenses	\$10,751	\$10,242	\$10,242	---
Trust Fund	4,437	2,909	2,909	---
Advances and Reimbursements	<u>3,901</u>	<u>3,256</u>	<u>3,256</u>	<u>---</u>
Total	\$19,089	\$16,407	\$16,407	---
Full-Time Equivalents				
Salaries and Expenses	75	50	50	---
Trust Fund	34	31	31	---
Advances and Reimbursements	<u>48</u>	<u>48</u>	<u>48</u>	<u>---</u>
Total	157	129	129	---

DESCRIPTION OF ACTIVITY

OPM's Administrative Services provide administrative support to all OPM programs and are financed by all OPM fund sources (Salaries and Expenses/General Fund Appropriation, Transfers from the Trust Funds, Revolving Fund, and the Office of the Inspector General's Salaries and Expenses/General Fund Appropriation and Transfers from the Trust Funds). In addition, certain information technology services are directly funded under the Revolving Fund Investigations Service.

OFFICE OF CONTRACTING AND ADMINISTRATIVE SERVICES

The Office of Contracting and Administrative Services' (OCAS) mission is to directly support OPM core program managers by keeping their operating costs low and acquiring the quality products they need at the best value to help them achieve their policy goals. OCAS provides delegated authority, information, expert advice, and service delivery to ensure efficient and cost-effective administrative management throughout OPM. OCAS ensures that OPM employees enjoy a quality working environment, safe, secure and conducive to high productivity. In addition, OCAS is working to assist in achieving Governmentwide administrative and procurement policy goals.

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Administrative Services*

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

Specific accomplishments include:

- A nearly 100 percent increase in the use of Government Purchase Cards;
- Contracted with a commercial company to pre-sort outgoing mail to realize postage savings;
- Completed major improvements to Theodore Roosevelt Building physical security system;
- Renovated and consolidated office space to improve productivity and increase utilization;
- Returned unneeded space to GSA to lower rent bill; and
- Established active personal property re-utilization program to avoid buying new furniture.

Planned initiatives include:

- Lead acquisition reform within OPM, including conversion to performance-based service contracts, increased use of electronic commerce and purchase cards, and implementation of qualification and training requirements. Train, certify and issue warrants to contracting officers and purchase card holders, and oversee delegated procurement authority. Conduct contract negotiations and administer contracts for best value. Administer small and disadvantaged business contracting program.
- Provide cost-effective publishing services including publications review, commercial graphics, printing procurement, and mail distribution. Ensure proper publication of OPM regulations and official notices. Operate an information Resource Center for OPM staff.
- Acquire and design space for maximum utilization and productivity. Oversee the management of personal property, including capital assets.
- Provide security, occupational safety and health, and telecommunications services. Operate, manage and maintain the Theodore Roosevelt Building (TRB) under GSA delegation.

ANNUAL PERFORMANCE GOALS FOR FY 1999

OCAS helps OPM achieve its Strategic Plan Goals I, II, III and IV, particularly where performance goals and strategies involve the development and distribution of policy guidance materials and the use of contractor support to provide services.

**OCAS
Goal 1: Reduce Overhead Costs.**

Means	<ul style="list-style-type: none">➤ Reduce costs by negotiating low rent/lease costs, relinquishing excess space, monitoring the need for local telecommunications lines, recycling personal property, reducing the cycle times for contract awards and publications, and increasing the use of purchase cards. ➤ Monitor contract and publications cycle times to serve as basis for future improvements.➤ Compile and share information with OPM managers and employees to raise awareness of overhead costs, to apply cost savings techniques, and to realize cost savings.
Indicators	<ul style="list-style-type: none">➤ Review financial data to ensure actual cost reductions of up to 10 percent in local telecommunications, postage, printing and reproduction. ➤ Feedback to managers and employees on percent of simplified purchases made using the purchase card.

**OCAS
Goal 2: Improve the Work Environment within the Theodore Roosevelt Building (TRB).**

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Administrative Services***

Means	<ul style="list-style-type: none">➤ Develop, in partnership with the General Services Administration and the local utility company, the funding necessary to modernize the TRB infrastructure and operating systems. ➤ Convert to performance based service contracts to improve custodial, pest control, and grounds keeping services.➤ Introduce physical security and safety improvements to protect against violence, theft, workplace accidents and occupational health hazards.
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Indicators	<ul style="list-style-type: none">➤ Improvements made to core building systems. Employee feedback on customer satisfaction with building services. ➤ Reduction in number of security incidents and workplace accidents from the current level of 38 per year.
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**OCAS
Goal 3: Enhance Program Missions.**

Means	<ul style="list-style-type: none">➤ Design space and telecommunications configurations that improve productivity. ➤ Maximize the use of electronic commerce to obtain price quotations for competitive purchases under \$100,000, issue request for proposals and order products from electronic catalogs. ➤ Base all award decisions on the basis of best value, not lowest price.
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Administrative Services*

	<ul style="list-style-type: none">➤ Convert to performance-based service contracts, especially in retirement systems modernization.➤ Provide streamlined and integrated (print and electronic) publishing service.➤ Provide logistical support for interagency meetings and events.
Indicators	<ul style="list-style-type: none">➤ Feedback from program managers on effect of OCAS services on OPM mission and goals. ➤ Increase in the use of electronic commerce and performance-based service contract principles from current baseline of approximately 15 percent.

**OCAS
Goal 4: Fulfill Administration Policy Objectives.**

Means	<ul style="list-style-type: none">➤ Promote fulfillment of Governmentwide administrative and procurement policy objectives. ➤ Transfer excess computers to schools. ➤ Adhere to the policies regarding the mandatory use of mandatory sources of procurement, e.g. small and disadvantaged business, UNICOR, National Industries for the Severely Disabled.➤ Lead OPM efforts to comply with environmentally sensitive targets, e.g., alternative fuel vehicles and recycled copier paper.➤ Support OPM's Combined Federal Campaign and U.S. Savings Bond drives.
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Administrative Services*

Indicators	<ul style="list-style-type: none">➤ 75 percent of all motor vehicle acquisitions are made for alternative fueled vehicles. ➤ Use of recycled paper against targets set in FY 1998 ➤ Surplus computers are transferred to schools.➤ Number of procurements using mandatory sources.➤ Both Combined Federal Campaign and US Savings Bonds meet or exceed target goals.
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VERIFICATION AND VALIDATION

- Survey OPM customers to develop satisfaction baseline data and understand/learn of specific areas which need improvement.

- Establish tracking systems necessary to reduce overhead costs including local telephone lines, purchase card and electronic commerce usage, publication cycle time, security and workplace accidents, space, surplus computers to schools, and improvements made to core building systems.

- Share information with its customers to raise awareness of overhead costs and strategies to reduce these costs.

OFFICE OF INFORMATION TECHNOLOGY

The information technology (IT) program supports OPM’s Chief Information Officer (CIO) in providing OPM’s senior managers with agencywide IT advice and oversight in accordance with the Clinger-Cohen Act (formerly the Information Technology Management Reform Act). The IT program provides a broad spectrum of technical consultation that supports OPM’s core programs in the prudent use of technology to enhance service delivery and simplify and improve business processes. Services include: coordinating agencywide IT policy, plans, and capital investments; promoting improvements in OPM work processes; and implementing a sound and integrated agencywide IT architecture and a performance-based IT management system. In addition, this

office responds to agencywide information resources management requirements and reports imposed by law and central management agencies and provides agencywide policy, advice, and services on data communications, computer security, Freedom of Information Act, Privacy Act, and reports, forms, and records management.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

In compliance with the Clinger-Cohen Act and in response to OMB guidance, the Office of Information Technology (OIT) developed a comprehensive agencywide IT architecture, and in FY 1998, began a multi-year project to migrate OPM to this architecture.

To ensure that OPM was prepared for computer processing in the Year 2000, OIT established a Year 2000 Steering Committee and an agencywide remediation plan that met OMB mandated target dates. OIT continues to oversee OPM's preparation for Year 2000 compliance and to provide reports to OMB and the Congress on OPM's progress.

In addition, OIT conducted studies to identify requirements for and then to implement OPM staff access to the Internet in order to improve OPM's ability to access human resources information using the Internet and to communicate more effectively with our customers.

OPM is heavily involved in processing documents, and therefore, OIT conducted a study to identify OPM's internal document handling and imaging needs in order to apply technology to improve productivity. This effort was pursued in parallel with a Governmentwide interagency personnel recordkeeping project, initiated through the Human Resources Technology Council, to further explore personnel automation and the application of electronic records to reduce the labor intensive nature of human resource functions. This later study will focus on personnel automation feasibility, cost/benefit analyses, and the development of implementation alternatives.

ANNUAL PERFORMANCE GOALS FOR FY 1999 BY STRATEGIC PLAN GOAL AND OBJECTIVE

IT will play a major role in OPM's accomplishment of the strategic goals and objectives described in OPM's FY 1997–FY 2002 Strategic Plan. The IT program helps OPM to achieve Strategic Plan Goals I, II, III, and IV, particularly where performance goals and strategies involve the application of technology, by ensuring that IT resources are used most effectively. In order to assure that OPM's IT processes and infrastructure are able to support the agency's strategic plan, OPM's CIO will take a number of actions to oversee OPM IT initiatives, to implement the Clinger-Cohen Act of 1996, and to address the Year 2000 and information security challenges of the coming years.

OPM STRATEGIC PLAN GOAL I:

PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$2,550 Full-Time Equivalents: <1

HUMAN RESOURCES SYSTEMS AUTOMATION

- Provide Governmentwide leadership via the Human Resources Technology Council for cooperative business process redesign and system modernization efforts, in support of the Clinger-Cohen Act of 1996. (Continuing)
- Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and record keeping, by achieving the following sub-objective:
 - By the year 1999, establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records.

OIT Goal 1: **Lead and support the Human Resources Technology Council (HRTC) in its Governmentwide business process redesign and systems modernization efforts. Assist the HRTC to establish requirements and a model for an electronic Official Personnel Folder (Digital OPF) to replace paper personnel records. (See also Employment Service Goals 3–5 on pages 61–62).**

Means

- Co-chair the HRTC, and jointly with Employment Service (ES) convene regular meetings, and provide administrative and technical support.

- Jointly with ES, develop Governmentwide policy for cooperative business process redesign and system modernization based on HRTC studies and analyses.

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| | <ul style="list-style-type: none">➤ Jointly with ES, provide support to the Council in its plans to apply automation to specific human resources management functions. OPM's budget request includes \$2.6 million to begin implementation of the HRTC action plan to develop a Governmentwide electronic personnel recordkeeping system (Digital OPF) using pilot applications. Based on studies conducted in FY 1998, initiate this Governmentwide interagency personnel recordkeeping project to further explore personnel automation and the application of electronic records to reduce the labor intensive nature of human resource functions. |
| Indicators | <ul style="list-style-type: none">➤ HRTC members are satisfied with operations of the HRTC based on joint evaluation with ES of qualitative feedback from members.➤ Policies are determined to be effective based on a joint assessment with ES of feedback from the HRTC members and other agencies.➤ The Governmentwide personnel automation pilot systems effectively exploit modern automation technologies to improve human resource management practices based on a joint evaluation with ES. Subsequent year funding will be based on the success of the pilot applications and a determination of whether funding should be provided centrally or decentralized to the agencies. |

NOTE: OPM's Strategic Plan includes a special *Information Technology Strategy* section outlining specific goals and strategies for OPM's successfully implementing the Clinger-Cohen Act's IT Management reforms, addressing the Year 2000 challenge, and ensuring appropriate information security programs are in place.

OPM STRATEGIC PLAN :
INFORMATION TECHNOLOGY STRATEGY

- Clinger-Cohen Act Implementation
- Year 2000 Compliance
- Information Security

FY 1999 RESOURCE SUMMARY: Obligations (000): \$3,633 Full-Time Equivalents: 12

*S&E/General Fund Appropriation
Administrative Services*

**OIT
Goal 2:** **Clinger-Cohen Act Implementation: The CIO will provide independent oversight of major OPM IT initiatives and investments to ensure that OPM’s core functions can meet their business goals and objectives through the prudent application of technology and improve the use of IT through the implementation of the requirements of the Clinger-Cohen Act of 1996.**

Means

- Provide independent oversight of major OPM IT initiatives including the modernization of the retirement program’s service delivery systems and the earned benefit financial systems, the modernization of the Central Personnel Data File system, and the development and integration of OPM’s employment information systems. (See also Retirement and Insurance Service Goals 18–19 on pages 177–178, Office of Merit Systems Oversight and Effectiveness Goal 3 on page 45, and Employment Service Goals 18–21 on pages 241–243.)

- Implement a sound and integrated IT architecture to enhance OPM’s ability to communicate with its customers and ensure maximum return on IT investments. Complete the second year of the phased implementation of OPM’s IT architecture to achieve the “standards state.” OPM’s budget request includes \$2.0 million for this effort, and these funds will be used to replace non-conforming and obsolete workstations and software components and to complete the establishment of a centralized IT resources management capability.

- Manage OPM’s IT capital planning and investment control process and implement a performance-based IT management system to ensure that OPM capital investments in IT produce the desired business outcomes.

- Implement an agencywide systems development life cycle methodology and train OPM staff in its use to support OPM’s achievement of Software Engineering Institute Capability Maturity Model (CMM) level 3 for systems development.

- Facilitate the agencywide implementation and use of IT to provide effective communication links to OPM’s workforce throughout the country consistent with OPM’s IT architecture.

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Administrative Services*

Indicators	<ul style="list-style-type: none">➤ Maximum return on investment and conformance with OPM’s IT architecture standards are achieved prior to committing funds based on a review and evaluation of OPM’s portfolio of IT investment initiatives. ➤ System development projects remain on schedule and within budget. ➤ Planned IT performance measures are attained, and customer expectations are achieved based on the conduct of post-implementation evaluations of OPM systems.➤ Agencywide IT standards and uniform management of IT resources are in place as a result of the implementation of the IT architecture.➤ Operational cost reductions, due to improved efficiency and effectiveness, are achieved from an automated agencywide IT resources management capability.➤ OPM makes progress toward achievement of CMM level 3 based on benchmarking of OPM system development practices against the CMM.
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OIT Goal 3: Year 2000 Compliance: Ensure that OPM IT systems will operate properly on and after January 1, 2000.

Means	<ul style="list-style-type: none">➤ Manage OPM’s Year 2000 remediation effort through the agencywide steering committee, ensuring that adequate resources and priorities are applied to the remediation tasks to meet established Governmentwide target dates. ➤ Continue independent verification and validation processes to ensure that OPM’s systems are fully tested and verified operational in a Year 2000 compliant environment.
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Indicators	<ul style="list-style-type: none">➤ OPM systems will meet or improve on the OMB established Governmentwide target dates for Year 2000 compliance. All systems will be renovated by September 1998 and will be implemented in a Year 2000 compliant environment by December 1998. ➤ OPM's mission-critical systems will be independently verified as Year 2000 compliant and will continue to function properly after December 31, 1999.
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OIT
Goal 4: **Information Security: Refine and enhance OPM's information security program to ensure adequate security commensurate with the risk and magnitude of harm that could result from loss or compromise of mission-critical IT systems.**

Means	<ul style="list-style-type: none">➤ Conduct internal and external evaluations of OPM's information security program to include engaging assistance from experts, e.g., National Security Agency, to review OPM's security capabilities and implement appropriate recommendations to improve information security. ➤ Ensure that OPM staff receive appropriate computer security training. ➤ Oversee the implementation and testing of OPM disaster recovery/continuity of operation plans for OPM's general support system and major financial, benefits, and workforce information application systems.
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Indicators	<ul style="list-style-type: none">➤ Few security problems are identified during internal and external evaluations and those that are identified are not material weaknesses and are rectified promptly. ➤ Staff are trained, as necessary, based on assessment of needs. ➤ A tested disaster recovery capability is in place for OPM's general support and major financial, benefits, and workforce information application systems.
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VERIFICATION AND VALIDATION

Verification and validation mechanisms that are in place for OIT's performance measures include:

- Accepted qualitative analyses techniques to assess customer feedback and satisfaction for HRTC related projects and OPM system development activities.

- Accepted accounting methods and procedures to evaluate net present value, return on investment, and cost/benefit analyses for IT systems.

- Accepted project management and tracking software to monitor project schedules, earned value milestones, budgets, and accomplishments for IT systems.

- The Software Engineering Institute's Capability Maturity Model.

OFFICE OF HUMAN RESOURCES AND EEO

The program covers the operation of internal personnel management and equal employment opportunity programs agencywide. The Office of Human Resources and EEO (OHREEO) is responsible for position management, policy development, employee and labor relations, pay administration, staffing services, classification, training, EEO complaint processing, automated personnel information systems, and employee benefits.

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Administrative Services

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

Specific accomplishments include:

- Improved customer satisfaction. February 1997 customer satisfaction survey results showed that management's satisfaction with the overall quality of personnel service from 1995 to 1997 increased 89 percent.
- Developed an Employee Resource Handbook to provide all OPM employees with comprehensive, up-to-date human resources information.
- Attained Welfare to Work Hiring Goals. OPM achieved 120 percent of its FY 1997 hiring goal.
- Implemented a training model that addressed gaps in core competencies at the basic level and ensures gaps in core competencies at the intermediate and advanced levels will be addressed.
- Developed and implemented a two-part orientation program that warmly welcomes new employees, better equips them with the knowledge they need to succeed in OPM, and helps them make informed personal decisions.
- Monitored charges under unemployment and worker's compensation programs that resulted in saving \$15,000 in costs inappropriately charged to us under the unemployment program and diminished long-term compensation payments made under the worker's compensation program.

Planned initiatives include:

- Track implementation of the OPM Core Competency Training and Development Model and ensure that HREEO employees get training in automation and other basic competencies.
- Deploy USACareers and HRManager internally in OPM and share results with Employment Service.
- Implement the Hispanic Employment Initiative and develop affirmative recruitment strategies for selected positions.
- Modernize our automated personnel data system and ensure continuity of automated personnel services, consistent with Year 2000 requirements.
- Reestablish a joint HREEO/CFO working group to improve customer service.
- Review the accuracy of delegated classification decisions.

- Conduct exit interviews to identify issues for improvement.
- Implement OPM’s internal policy on Workplace Violence.
- Raise the Thrift Savings Plan (TSP) participation rates by providing information to OPM employees regarding the value of investing in the TSP.
- Work with the Executive Resources Board and Performance Review Board to align all SES performance plans to the OPM strategic plan.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL V:
*ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND,
DIVERSE AND COOPERATIVE WORK ENVIRONMENT.*

FY 1999 RESOURCE SUMMARY Obligations (000): \$4,527 Full-Time Equivalents: 46

- Develop and maintain a well-trained and versatile OPM workforce to support our mission.

**OHREEO Core Competency Training. Fully implement the OPM Core Competency
Goal 1: Training and Development Model and fully implement a targeted
recruitment program.**

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| Means | <ul style="list-style-type: none"> ➤ Having addressed gaps in core competencies at the basic level in FY 1998, HREEO will ensure that OPM managers are addressing identified gaps in core competencies at the intermediate and advanced levels in FY 1999.
 ➤ HREEO will evaluate the results from its FY 1998 Hispanic Employment Initiative and develop a targeted recruitment program to address underrepresentation in occupations where OPM offices forecast the largest numbers of hires. |
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*S&E/General Fund Appropriation
Administrative Services*

Indicators	<ul style="list-style-type: none">➤ Information obtained from OPM managers and employees concerning the extent to which intermediate and advanced training needs have been identified and all basic needs addressed. ➤ Increase the percentage of hiring opportunities that have been used to address underrepresentation.
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| <ul style="list-style-type: none">• Manage the OPM workforce as an effective team and communicate clearly and knowledgeably with our internal and external customers. |
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**OHREEO Customer Service. Implement program improvements to address the
Goal 2: FY 1998 cycle of customer feedback and to apply policy changes.**

Means	<ul style="list-style-type: none">➤ HREEO will issue guidance and information throughout the OPM workforce to effectively deploy FY 1999 policy initiatives and changes emanating from OPM program offices and other federal HR policymakers. ➤ HREEO will complete the transition to the Department of Defense's Modern Personnel System, re-engineer its internal processes to take full advantage of the new system's capabilities, and introduce OPM managers to the advantages of paperless procedures and direct access to workforce data. ➤ In FY 1999, HREEO will support OMSOE in its evaluation of OPM's internal HR program. HREEO will promptly adopt all recommendations.
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Indicators

- Improve the overall quality of personnel services as reported by all OPM supervisory and managerial respondents to the FY 1999 customer survey. In 1997, 72 percent of all supervisory and managerial respondents rated service as Good to Very Good.

- OPM employees' responses to the OMSOE Merit Systems Principles Survey are better than Governmentwide averages and improved over previous surveys of OPM employees.

- Serve as the Governmentwide benchmark for partnership and create a work culture where all employees are valued.

**OHREEO Labor-Management Partnership. Support union-management
Goal 3: partnerships throughout OPM and implement initiatives to raise the
 quality of worklife for OPM employees.**

Means

- Fully implement the changes negotiated in FY 1998 to the collective bargaining agreement between OPM and AFGE Local 32.

- Fully implement an initiative begun in FY 1998 to provide prompt and constructive feedback to OPM employees who apply for positions in OPM, but are not selected.

- Analyze the results of exit interviews begun during FY 1998 to identify and introduce program improvements that will improve employee retention and satisfaction.

- Implement decisions made as a result of a FY 1998 feasibility study to consolidate various services for headquarters employees into a centrally located center.

**S&E/General Fund Appropriation
Administrative Services**

	<ul style="list-style-type: none"> ➤ Step up efforts to provide information to OPM employees regarding the value of investing in the Thrift Savings Program, during the two open seasons in FY 1999.
Indicators	<ul style="list-style-type: none"> ➤ Improve the overall quality of personnel services as reported by all OPM non-supervisory respondents to the FY 1999 customer survey. In FY 1997, 68 percent of the non-supervisory respondents rated the overall quality of personnel services as Good to Very Good. ➤ Raise the TSP participation rates. In FY 1997, 83 percent of OPM's FERS employees participated: OPM was ranked 18th among 24 executive Departments and agencies in TSP participation.

- By the year 2000, following a multi-year plan, link all of OPM's individual employee performance plans to our agency strategic and performance goals.

OHREEO Goal 4: Strategic Management. In addition to all SES plans, ensure that all individual supervisory and managerial performance plans are linked to the OPM Strategic Plan and to this FY 1999 Performance Plan.

Means	<ul style="list-style-type: none"> ➤ In accordance with the multi-year plan developed in FY 1998: <ul style="list-style-type: none"> • Provide clear direction and support to OPM offices in developing managerial and supervisory performance plans for FY 1999, • Support OPM offices that are ready to link non-supervisory plans, and • Align the Director's Awards for Excellence Program to the OPM Strategic Plan.
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Indicators

- All (100 percent) supervisory and managerial performance plans are linked to the OPM Strategic Plan and the FY 1999 OPM Performance Plan.

VERIFICATION AND VALIDATION

- HREEO's customer surveys are administered by another office in OPM with professional expertise in that methodology.
- The *Merit System Principles Questionnaire* is administered annually by OMSOE and results can be compared to similar surveys administered from time to time by the Merit Systems Protection Board and the National Performance Review.
- Data on hiring and underrepresentation comes from the Central Personnel Data File and is validated in the reports sent to the Employment Service for consolidation in a Governmentwide report to Congress (FEORP) and to the Equal Employment Opportunity Commission (EEOC).
- The Thrift Savings Plan participation rates are compiled independently by the Thrift Savings Board.
- The data on the Core Competency Training and Development is documented on individual development plan forms and can be compared to data submitted on standard training authorization forms.
- The data on the linkage of supervisory and managerial performance plans to the OPM strategic plan is verifiable when offices send completed performance appraisal documentation to HREEO for data entry into CPDF and for official personnel recordkeeping purposes.

SALARIES AND EXPENSES/GENERAL FUND APPROPRIATION

EXECUTIVE AND OTHER SERVICES

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations				
Salaries and Expenses	\$10,684	\$9,328	\$9,328	---
Trust Fund	3,347	3,825	3,825	---
Advances and Reimbursements	<u>2,710</u>	<u>3,908</u>	<u>3,908</u>	<u>---</u>
Total	\$16,741	\$17,061	\$17,061	---
Full-Time Equivalents				
Salaries and Expenses	101	79	79	---
Trust Fund	39	46	46	---
Advances and Reimbursements	<u>30</u>	<u>39</u>	<u>39</u>	<u>---</u>
Total	170	164	164	---

The Director and Deputy, Combined Federal Campaign, and the President's Commission on White House Fellowships are funded exclusively by OPM's Salaries and Expenses/General Fund Appropriation.

The Offices of the Director, the Chief Financial Officer, the General Counsel, Communications, and Congressional Relations are financed by all OPM fund sources (Salaries and Expenses, Transfers from the Trust Funds, Revolving Fund, Office of Inspector General's Salaries and Expenses and Transfers from the Trust Funds).

OFFICE OF THE DIRECTOR

The Office of the Director (OD) provides leadership for all initiatives and activities of the Office of Personnel Management. It serves as the focus for promoting the President's agenda on matters relating to the Federal workforce.

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FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

OD carried out its leadership role during FY 1997 to support the continued reinvention of Government agencies and operations. In FY 1998, particular focus is being given to developing and carrying out a framework of initiatives for regulatory action and legislative proposals to improve human resource management systems and programs in the executive branch.

ANNUAL PERFORMANCE GOAL FOR FY 1999

OD Goal: Shape the Administration’s direction on Federal human resources policy issues.

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| Means | <ul style="list-style-type: none">➤ Provide leadership within the executive branch as the central management agency responsible for effective human resources management by serving as the focal point for the development of innovative human resource programs and initiatives.➤ Continue to serve as the Chair of the National Partnership Council established by Executive Order 12871 in order to enhance labor management relations throughout the executive branch, and to promote the principles and recommendations adopted as a result of the National Performance Review.➤ Continue to serve on the President’s Management Council to advise and assist the President and Vice President in ensuring that the reforms adopted as a result of the National Performance Review are implemented throughout the executive branch.➤ Serve on the President’s Interagency Council on Administrative Management which functions to improve agency administrative and management practices.➤ Direct the activities of the 28 Federal Executive Boards which are responsible for personnel policy coordination among Federal activities outside Washington, D.C. Coordinate various activities with approximately 80 Federal Executive Associations nationwide. |
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Indicators

- Feedback from the President and Vice President, Members of Congress, Federal agencies, Federal employee unions and representative organizations, the media, and the general public.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer is responsible for all financial management activities relating to OPM's programs and operations in compliance with the Chief Financial Officers Act, Public Law 101-576, and must ensure OPM's financial operations, systems, reports and statements comply with the Government Management Reform Act, Government Performance and Results Act, Federal Managers Financial Integrity Act, Debt Collection Improvement Act, and the Federal Financial Management Improvement Act. These include developing and maintaining an integrated accounting and financial management system; ensuring that program information systems provide reliable, consistent and timely financial and program data; managing the budgeting and expenditure of OPM resources including the preparation of external budget information for OMB and Congress; performing debt management; and preparing agency financial statements, reports and plans. The organization is responsible for budget and oversight, and financial management of administrative and earned-benefits programs.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

Major accomplishments by the Office of the Chief Financial Officer (OCFO) in FY 1997 included the following:

- Completed the agency's strategic plan for FY 1997–FY 2002, in accordance with requirements of the Government Performance and Results Act.
- Implemented a new version of the off-the-shelf accounting and budgeting system.
- Implemented enhancements to the procurement system and completed training the users on these changes.

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- Implemented an electronic data interchange capability for vendor invoices and payments and began testing and using it with a limited number of vendors.
- Prepared the financial statements for all the accounts.
- Developed a wide range of customized financial reports for OPM's program managers and made them available electronically.
- Continued to provide and improve the total financial services to all customers and stakeholders.
- Began the implementation of the Debt Collection Improvement Act.

In FY 1998, OCFO is building upon these accomplishments with the following initiatives:

- Prepare auditable financial statements for all accounts.
- Continue to implement the Government Performance and Results Act through performance measures and budgeting.
- Develop the Results Act Annual Performance Plan that is integrated with the budget.
- Implement the Debt Collection Improvement Act requirements.
- Decrease accounts delinquency by improving the billing and dunning processes and encouraging the use of credit cards and electronic payments.
- Improve payments related to the Prompt Pay Act and intra-governmental activities to an on-time rate of at least 96 percent.
- Continue to improve OPM's Financial Management System by expanding the electronic interchange of data with OPM program systems and external parties (e.g., contractors, customers, other Federal agencies).
- Provide oversight to ensure the adequacy of management controls which safeguard assets. Coordinate with OPM programs, Inspector General, and OMB to execute corrective action plans that eliminate high risk areas.
- Issue guidance and monitor the administration of OPM's Federal Managers Financial Integrity Act (FMFIA) program requirements. Prepare the Director's Annual Assurance Letter to the President and Congress in accordance with FMFIA.

- Team with the Department of Treasury’s Financial Management Service to review, re-engineer and document our policies, processes and procedures.

ANNUAL PERFORMANCE GOALS FOR FY 1999

NOTE: OPM’s Strategic Plan includes a special *Financial Management Systems Strategy* section outlining the goal and objectives for the Financial Management System (FMS) and Employee Benefits System (EBS). Both the Office of the Chief Financial Officer and the Retirement and Insurance Service have set FY 1999 annual performance goals that are designed to bring about the achievement of the goal and objectives set out in the Strategic Plan. (See Retirement and Insurance Service annual performance goals 4–6 on pages 165–167.)

**OCFO
Goal 1: Resolve material weaknesses and improve the Financial Management System, the Employee Benefits System, and internal controls to maintain the integrity of the earned employee benefits trust funds totaling more than \$60 billion in annual benefit payments and OPM’s appropriated and reimbursable funds.**

Means	<ul style="list-style-type: none">➤ Generate auditable financial statements and receive unqualified audit opinions. ➤ Implement and maintain current documentation of our policies, processes and procedures that resulted from the Department of Treasury’s study. ➤ Maintain close, detailed administration of the Revolving Fund to ensure full costs recovery and solvency. ➤ Improve debt collection process and be in full compliance with the Debt Collection Improvement Act. ➤ Improve the on-time rate for payments related to the Prompt Pay Act and intra-governmental activities. ➤ Decrease administrative accounts receivable delinquency by improving the billing, charge-back and dunning processes and by encouraging the use of credit cards and electronic payments. ➤ Ensure effective cash management and control by reconciling any differences with the Department of Treasury within 30 days.
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- Continue to improve OPM's Financial Management System by expanding the electronic interchange of data with OPM program systems and external parties; incorporating performance measures; expanding electronic document approval processing capabilities to include travel-related documents; and resolving any findings and recommendations from financial statement audits.
- Implement timely and cost-effective improvements to our financial systems/sub-systems such as the FACTS II capability.
- Enhance the property management module in the Financial Management System.
- Continue to improve the Employee Express System, allowing employees to update or change payroll information electronically.
- Enhance cost allocation/recovery methodology and reduce the unidentified hours in the Work Reporting System.
- Issue guidance and monitor the administration of OPM's Federal Managers Financial Integrity Act (FMFIA) program requirements. Also, prepare the Director's Annual Assurance Letter to the President and Congress on time and in accordance with FMFIA requirements.
- Provide oversight to ensure the adequacy of management controls which safeguard assets. Coordinate with OPM programs, Inspector General, and OMB to execute corrective action plans that eliminate risk areas.
- Prepare the Financial Management Status Report and Five-Year Plan for the agency Director and OMB in compliance with the CFO Act.

Indicators

- Material weaknesses eliminated.
- Achieved a customer satisfaction rating of at least 4.5 on a scale of 5 on the point-of-service and annual customer surveys.
- Improved financial condition (health) of our programs, gauged through frequent analysis and being at least breakeven.
- Improved Inspector General, Independent Public Accountant (IPA) and GAO audit results.

- Received positive feedback from quality assurance ongoing reviews of the financial processing functions and results.
- Reduced system/accounting errors to 2 percent or less.
- Achieved an on-time rate of at least 98 percent (3 percent above the OMB target) for payments related to the Prompt Pay Act and intra-governmental activities.
- Decreased administrative accounts receivable delinquency to 1 percent or less.
- Reconciled any differences in the cash accounts with the Department of Treasury within 30 days.
- Reduced the unidentified hours in the Work Reporting System to 0.5 percent or less.

OCFO **Provide integrated financial management support and reporting to ensure**
Goal 2: **OPM's core functions can meet their goals and objectives.**

Means

- Provide responsive, high quality and cost-effective service to all our customers.
- Ensure our personnel are trained in the core competencies and assigned effectively.
- Ensure accurate, timely and effective formulation and execution of OPM's budget.
- Integrate the Government Performance and Results Act requirements into the budget process.
- Fully implement the Government Management Reform Act (Title IV).
- Provide ongoing training to OPM managers on the use of information from OPM's financial management systems.
- Ensure accurate and timely financial reporting to OMB and Department of Treasury.

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- Identify potential savings in systems/procedures implemented by other financial offices by participating in FINANCENET, which is a new user group for Federal, state, and local government and private sector finance personnel.
- Expand the use of electronic payments to improve the timeliness of payments to vendors and comply with the Debt Collection Improvement Act.
- Convert Department of Defense (DOD) billings to an On-line Payment and Collection system that integrates and or interfaces with the FMS to record the cash collection.
- Support the efforts of the Federal Joint Systems Solutions Team established by the CFO Council.

Indicators

- Achieved a customer satisfaction rating of at least 4.5 on a scale of 5 on the point-of-service and annual customer surveys.
- Achieved the quantitative targets for on-time payments of at least 98 percent and for collections of at least 99 percent.
- Improved responsiveness and on-time compliance for financial reporting.
- Improved Inspector General, Independent Public Accountant (IPA) and GAO audit results.
- Received positive feedback from the Quality Improvement Teams' ongoing reviews of the financial processing functions and results.

VERIFICATION AND VALIDATION

- Use *point-of-service* and annual customer satisfaction surveys to receive ongoing feedback from customers/stakeholders.
- Gauge, through frequent analysis, the financial condition (health) of our programs.
- Use the Inspector General, Independent Public Accountant (IPA) and GAO audit results.
- Use Quality Improvement Teams for cross-organizational problem-solving, to improve practices and to validate our performance measures.

- Use FMFIA analysis to verify and validate financial internal controls.
- Use automated system edit/error detection and documentation.
- Perform reconciliations of accounts to the general ledger and Department of Treasury cash balances.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel (OGC) provides legal services, both representational and advisory, to the Director, Deputy Director, and programs within the Office of Personnel Management (OPM). The OGC is also a source of expertise for other Government agencies, Federal employees, and the public.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- Pursued a legislative solution, working with the Office of Congressional Relations, to expedite the legal review of cases which have Governmentwide significance. Secured a unanimous victory in the Supreme Court in one such case, Lachance v. Erickson.
- Prepared and updated Governmentwide regulations concerning garnishment and Hatch Act provisions of Title 5, United States Code.
- Managed the agency's ethics program which includes the public financial disclosure system, confidential financial disclosure system, ethics education and training, counseling and advice, and a system of monitoring the outside employment activities and the acceptance of travel expenses from non-federal sources. Issued supplemental ethics regulations for OPM employees.
- Published final regulations governing agency relations with managerial, supervisory, professional, and other organizations that are not labor organizations.
- Participated in public COLA (Cost-of-Living Allowance) meetings in non-foreign allowance areas (Alaska, Puerto Rico, Virgin Islands, Hawaii and Guam) to inform attendees of the history of the COLA program, summarize pending litigation, recent legislation, and a recent memorandum of understanding, explain proposed research, provide a question and answer period, and solicit input from employees into proposed research.
- Successfully defended OPM, or assisted the Justice Department in defending, in hundreds of cases filed in administrative and judicial tribunals.

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- Issued final regulations for the adjudication of pay claims.

ANNUAL PERFORMANCE GOAL FOR FY 1999

**OGC
Goal:** Provide timely and quality legal expertise on Federal civil service law and related matters.

Means

- Provide legal guidance and assistance to OPM managers related to OPM's contract for investigative services with US Investigation Services, Inc., an Employee Stock Ownership Plan company created by OPM during privatization. Share that privatization experience concerning legal issues with other Federal agencies considering privatization options.
- Represent OPM before the Merit Systems Protection Board (MSPB), the Equal Employment Opportunity Commission (EEOC), the Armed Services Board of Contract Appeals, and Federal courts in EEO cases, appeals of OPM's suitability and adverse action decisions, Government contract cases, retirement cases, and other litigation involving agency actions.
- Provide advice and counsel on internal and Governmentwide labor-management issues, and when necessary, represent OPM in litigation involving these issues before the Federal Labor Relations Authority and Federal courts.
- Continue to respond to Governmentwide inquiries involving reductions-in-force (RIF), agency reorganizations, employee buyouts, career transition services, and early out authority.
- Advocate legal review of cases which have Governmentwide significance at the MSPB and before arbitrators, and seek authorization to appeal those erroneous decisions which will have a substantial impact on the civil service to the Federal court of appeals.
- Review and approve procurement matters to strengthen OPM's procurement process, minimize the risk of contract related litigation, and successfully defend procurement actions, including actions under the Federal Employees Health Benefits Act (FEHB).
- Communicate advice and information to OPM programs and offices so that they will be better equipped to recognize issues which have legal implications and carry out their program responsibilities in a manner that will reduce the agency's litigation risks.
- Resolve appeals of full or partial denials of information or refusals to amend documented information under FOIA/Privacy Act, and provide legal assistance to OPM and officials from other agencies on FOIA/Privacy Act matters.

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- Process support garnishment and commercial garnishment actions affecting payments to OPM employees.
- Develop and issue internal regulations, policies, and instructions, and provide guidance to OPM employees on ethics. Review and provide guidance on the preparation and filing of public and confidential financial disclosure reports of OPM officials and employees.
- Execute the civilian pay and leave claims adjudication and advance decision functions.
- Adjudicate and settle claims involving employees' personal property, deceased employees' accounts, veterans benefits, and personal injury.

Indicators

- Timeliness and quality of representation in defending OPM in litigation before the MSPB and EEOC.
- Timeliness and quality of support to the Justice Department in defending MSPB decisions sustaining OPM retirement decisions.
- Timeliness and quality of advocacy to appeal cases involving significant civil service issues to the Federal court of appeals.

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- With regard to specific categories of administrative litigation, the results and targets are as follows:

Appeals, Claims, etc.	Number of Cases		Number Resolved		Favorable to OPM		Unfavorable to OPM		Target Number of Cases	
	FY 1996	FY 1997	FY 1996	FY 1997	FY 1996	FY 1997	FY 1996	FY 1997	FY 1998	FY 1999
	RIF Appeals	16	5	11	2	11	2	0	0	0
Suitability Appeals	78	32	58	30	53	30	0	0	40	40
Adverse Action Appeals	3	8	2	5	2	5	0	0	8	8
EEO Actions	38	80	18	16	16	16	2	0	85	90
Federal Circuit Retirement Decisions	221	251	141	158	132	152	9	6	250	270
FEHB Claims	28	36	13	13	13	13	0	0	40	45
ALJ Part 300 Cases	5	19	2	10	2	10	0	0	20	25
Torts	75	28	75	18	75	18	0	0	30	30

Reconsiderations	Number of Cases		Number Resolved		Favorable to OPM		Unfavorable to OPM		Target Number of Cases	
	FY 1996	FY 1997	FY 1996	FY 1997	FY 1996	FY 1997	FY 1996	FY 1997	FY 1998	FY 1999
	MSPB Reconsideration of OPM Petitions	4	9	4	9	2	6	2	3	3
Arbitrator Reconsideration of OPM Petitions	1	0	1	0	0	0	1	0	0	0

FOIA/Privacy Act	Number of Cases		Number Resolved		Favorable to OPM		Unfavorable to OPM		Target Number of Cases	
	FY 1996	FY 1997	FY 1996	FY 1997	FY 1996	FY 1997	FY 1996	FY 1997	FY 1998	FY 1999
	FOIA/Privacy Act Initial Requests	33	37	33	37	n/a	n/a	n/a	n/a	40
FOIA Appeals	17	16	17	16	n/a	n/a	n/a	n/a	20	20
Privacy Act Appeals	9	7	9	7	n/a	n/a	n/a	n/a	10	10
FOIA/Privacy Act Litigation	1	0	1	0	1	0	0	0	1	1

n/a = not applicable

VERIFICATION AND VALIDATION

- Collect information relative to legal issues affecting the civil service.
- Report to management when statistics show a pattern of significant increase in areas such as EEO cases filed, FOIA/PA actions appealed, and other litigation involving agency actions. Report to management on impacts of litigation.

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- Continue to provide specialty training for attorneys and ensure that they have available to them the necessary technological resources needed to represent and advise OPM Director and program officials.
- Implement correspondence tracking and reporting system to collect and analyze workload measures.

OFFICE OF COMMUNICATIONS

The Office of Communications (OC) presents the messages, initiatives and achievements of OPM, develops new channels and techniques to promote awareness of the challenges and rewards of public service, and serves as frontline liaison in meeting both internal and external communications needs. The OC answers thousands of inquiries annually for statistics and facts about the Federal workforce and the civil service system.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

The Office of Communications (OC) presents the messages, initiatives and achievements of OPM, develops new channels and techniques to promote awareness of the challenges and rewards of public service, and serves as frontline liaison in meeting both internal and external communications needs. The OC answers thousands of inquiries annually for statistics and facts about the Federal workforce and the civil service system.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- Used every opportunity to expand coverage of OPM in the media, including op-ed pieces, radio and TV talk shows. Made outreach efforts to the media accredited to cover the White House, Senate and House of Representatives, and editorial boards across the nation, especially in areas with high numbers of Federal employees and retirees.
- Continued to increase outreach program to weekly newspapers, ethnic/community publications and broadcast outlets, women's and veterans' media.
- Provided a responsive customer service program to handle OPM's public, media and internal inquiries.
- Continued to serve as OPM's corporate marketing coordinator, including design and production of materials and scheduling of OPM exhibits. During FY 1998 the efforts have included marketing consultation and OPM conference promotion in various media.

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- Produced educational satellite broadcasts for the human resource management community in the Federal government together with the Interagency Advisory Group of Federal Personnel Directors. The schedule of quarterly broadcasts will continue in FY 1998.
- Coordinated the majority of OPM events, including town meetings, award ceremonies, and official visits.
- Advanced customer relations and external communications by way of modern electronic technology. It is estimated that OPM's Internet Web site will have approximately four million file openings in the upcoming year. Additionally, 1998 marks the beginning of the educational component on the Web site for students and educators.

ANNUAL PERFORMANCE GOAL FOR FY 1999

OC Goal: Provide human resources management assistance and deliver human resources management information to Federal agencies, the media, and the general public.

Means

- Provide responsive customer service in handling OPM's public, media and internal inquiries.
- Establish an active outreach program to weekly newspapers, ethnic/community publications and broadcast outlets, and women's and veterans' media. Make outreach efforts to media accredited to cover the White House, Senate, and House of Representatives, and editorial boards across the nation, especially in areas with high numbers of Federal employees and retirees.
- Provide human resources management information to the public through OPM's Web site, which logs in well over 70,000 user sessions per week.
- Further the promotion of the agency's reimbursable services and products by serving as the OPM marketing coordinator. In the more entrepreneurial Government of the future, OPM's marketing exhibit and materials will continue to be disseminated to educate Federal agency activities, employees and the general public on human resources management programs and issues.
- Assist OPM's programs in developing, preparing and clearing print and electronic publications on human resources management programs and issues to ensure that they are accurate and consistent with OPM and Administration policies.

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- Serve as the Secretariat to the Interagency Advisory Group (IAG) of Federal Personnel Directors, their executive committee and planning committee, to assist the IAG's human resource management efforts. The Office of Communications anticipates coordinating approximately 65 IAG meetings in FY 1999.
- Communicate human resources management information to the Interagency Advisory Group. In FY 1999, the Office of Communications will disseminate approximately 200 mission-critical notices to the IAG.
- Produce educational satellite broadcasts for the human resource management community in the Federal government, together with the Interagency Advisory Group. There will be four Federal HR Forum satellite broadcasts in FY 1999.

Indicators

- Feedback from officials and employees of other Federal agencies, Federal retirees, OPM employees, members of the media, and the general public through customer satisfaction surveys to ensure that OC meets the needs of those served.

- Feedback from IAG committee members, officials and employees from other federal agencies, OPM employees, and viewers of the satellite broadcasts. The feedback is reviewed and suggestions are considered when working with the IAG and when planning satellite broadcasts.

VERIFICATION AND VALIDATION

- In simple terms, the number of positive mentions of the agency in print and electronic media validates OC's efforts. OC expects that coverage on television will continue to increase and will collect records of all such coverage. OC subscribes to a news clipping service for a record of nationwide coverage and contracts with video monitoring services to acquire tapes of television coverage.
- Client access to information will be measured by comments and electronic mail transmitted to the News and Complaints mailboxes on the OPM Web site. OC monitors, responds and/or forwards such correspondence. OC continues to test the value of OPM ONLINE, the agency

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electronic bulletin board. Continuous customer feedback suggests that OPM's customers increasingly look to the Web site for downloadable files and other information.

- Viewer and moderator surveys provide feedback on the effectiveness of information provided on the satellite broadcasts. The IAG Executive Committee and Satellite Advisory Board are polled monthly.
- OC plans to institute a survey for *Bulletin* newsletter readers, to ascertain whether the publication is meeting the needs of OPM employees.
- Marketing efforts primarily consist of guidance and assistance to the program offices which have products/services/information to market. OC encourages more marketing feedback activities; e.g., follow-up to warm leads; survey of exhibit visitors; collection of registration/business cards at marketing venues, etc.

OFFICE OF CONGRESSIONAL RELATIONS
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The Office of Congressional Relations (OCR) provides liaison between the agency and the Congress, Congressional staff, interest groups, the White House and other Federal agencies on legislative matters affecting Federal personnel policies and practices. OCR develops strategies for the design and implementation of OPM's legislative program and analyzes and responds to congressional initiatives which impact federal human resource management issues.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- During FY 1997 OCR provided legislative analysis, drafting assistance and policy review in response to the Office of Management and Budget referrals to OPM. OCR reported orally or in writing on:
 - 177 OMB referrals on House and Senate bills
 - 110 OMB referrals on agency drafts of legislation
 - 9 OMB referrals on miscellaneous budget and conference provisions
 - 6 OMB referrals on draft executive orders
 - 7 OMB referrals on presidential memorandum
 - 31 OMB referrals on hearings
 - 14 OMB referrals on OPM legislative proposals
- OCR also responded to 14 requests for technical assistance, provided testimony in response to twelve congressional hearing invitations, prepared agency officials for congressional testimony and responded to follow up questions submitted subsequent to these hearings.

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- OCR’s congressional liaison staff, in coordination with RIS, will continue to upgrade technology and expand our ability to handle annuitant requests.
- During FY 1998 and FY 1999 OCR plans a proactive legislative agenda in support of the OPM strategic plan. To accomplish this goal, OPM has submitted several legislative proposals to OMB for clearance and some have been transmitted to the Congress.

Workload	<i>FY 1998 estimate</i>	<i>FY 1999 estimate</i>
Congressional hearings	12	15
OMB referrals	348	400
Congressional policy inquiries	1,500	1,500
Casework		
Calls	47,000	49,000
Letters	21,000	22,500
Congressional staff visits	7,500	8,000

ANNUAL PERFORMANCE GOAL FOR FY 1999

OCR Goal: **Provide guidance and assistance to agency management and to Congress in the development of human resources management policies and programs to promote a merit-based and cost effective Federal service and the optimum balance of Governmentwide consistency and agency specific flexibilities.**

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|--------------|--|
| Means | <ul style="list-style-type: none"> ➤ Maintain effective representation of OPM and the Administration to Members of Congress and their staff so as to enable the OPM Director to exercise leadership in Congressional consideration of Federal human resource related legislation and other Congressional matters. ➤ Develop and coordinate OPM strategy for the implementation of legislative recommendations. Analyze legislation and prepare legislative materials such as bill reports, testimony, and technical assistance to the Congress. ➤ Manage OPM legislative planning process that ensures full consideration of OPM initiatives by both the Administration and Congress. |
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	<ul style="list-style-type: none">➤ Respond quickly and thoroughly to requests for assistance from Congressional committees and Members' offices. OCR responds to hundreds of referrals, requests for comment on legislative proposals from the Office of Management and Budget (OMB) and thousands of inquiries made by phone, letter or in person by Congressional staff.
Indicators	<ul style="list-style-type: none">➤ Enactment of the legislative proposals put forth by OPM and the Administration with regard to federal human resource management issues. ➤ Positive feedback from Congressional staff, employee organizations, OPM policy offices, interest groups and OMB as indicated by surveys to ensure OCR meets the needs of those served.

VERIFICATION AND VALIDATION

- Receive feedback through daily contacts with congressional staff, regular meetings with agency stakeholders and frequent meetings with OPM program offices.
- Provide feedback regarding legislative agenda to OPM policy offices based on communications with employee organizations and congressional staff.
- Submit OPM legislative initiatives to OMB for clearance and feedback from agencies with a coordinating or crosscutting interest.
- Closely monitor OPM correspondence tracking system and facilitate more expeditious response to congressional correspondence.
- Update system for tracking legislative, policy and casework issues.

PRESIDENT'S COMMISSION ON WHITE HOUSE FELLOWSHIPS

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Executive Order 11181, as amended, established the President's Commission on White House Fellowships (WHF) to provide gifted and highly motivated Americans with firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of society. The Order also requires OPM to provide administrative assistance to the Commission.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- Raised awareness of the White House Fellowships program through extensive outreach mailings, creating databases and working closely with the White House Fellows Alumni Association.
- Increased alumni participation through revised outreach methods. Enhanced the outreach efforts through the use of updated application brochure, reconstructed Internet Web site, media information and quarterly newsletter.
- Adjusted administrative systems, practices and supplies to increase the effectiveness and efficiency of the program's staff including streamlining the application process into a five month period within a single calendar year, redesigning outdated stationery, reorganizing the limited office space, repairing or replacement of nonfunctioning equipment and archiving old files and materials.
- Brought the Commission board together for an extensive 2 day meeting to discuss improving the Fellowship program and broadening the recruitment efforts and to meet and interact with the White House Fellows and key administration officials.

ANNUAL PERFORMANCE GOAL FOR FY 1999

WHF Goal: Provide broad public outreach to attract a diverse pool of exceptionally qualified applicants to the Fellowship program.

Means	<ul style="list-style-type: none">➤ Conduct an extensive selection process including producing and distributing a comprehensive application brochure, a quarterly newsletter, screening applicants, regional interview, and bringing national finalists together for an intensive four-day meeting with the members of the President's Commission. The Commission then recommends to the President those men and women it finds most qualified for appointment as White House Fellow.➤ Enhance outreach information pieces through the use of an updated application brochure, re-designed Internet Web site, and media information.
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	<ul style="list-style-type: none">➤ Improve the program offices's access to electronic communication technology and the public's access to information about the Fellowship program through the Internet.➤ Adjust administrative systems, practices and supplies to increase the effectiveness and efficiency of the program's small staff including redesign of outdated stationery, reorganization of limited office space, repair or replacement of non-functioning equipment and archiving of old files and materials.➤ Develop a computerized information system linking all areas of program responsibility to track candidate applications throughout the complicated three-part selection process, thus compressing the selection process into a five month period within a single calender year.➤ Create a calendar-based chronicle of all tasks involved in the selection, placement and education of a fellow to receive feedback on record-keeping and efficient task management.
Indicators	<ul style="list-style-type: none">➤ Increase the diversity in the WHF applicant pool and in the final selection of Fellows.

VERIFICATION AND VALIDATION

- Maintain accurate data on WHF applicant pool and final selections.

TRANSFERS FROM THE TRUST FUNDS

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Retirement and Insurance Service *	\$103,996	\$106,399	\$110,377	\$3,978
Administrative Services	4,437	2,909	2,909	---
Executive and Other Services	3,347	3,825	3,825	---
Total	\$111,780	\$113,133	\$117,111	\$3,978
Offsetting Collections:				
Annual	\$90,457	\$91,236	\$91,236	---
Carryover	250	250	---	(250)
Permanent Indefinite Authority Title V, Section 8348	18,535	19,555	19,555	---
New No-Year	---	---	---	---
Prior No-Year	2,538	2,092	6,320	4,228
Total	\$111,780	\$113,133	\$117,111	\$3,978
Trust Funds Budget Authority:				
Annual	\$91,236	\$91,236	\$91,236	---
No-Year	3,500	---	---	---
Total	\$94,736	\$91,236	\$91,236	---
Carryover	\$250	\$250	---	(\$250)
Grand Total	\$94,986	\$91,486	\$91,236	(\$250)
Outlays	\$111,780	\$113,133	\$117,111	\$3,978
Full-Time Equivalents:				
Retirement and Insurance Service	1,265	1,301	1,301	---
Administrative Services	34	31	31	---
Executive and Other Services	39	46	46	---
Total	1,338	1,378	1,378	---

* Note: Obligations for Retirement and Insurance include no-year funds and Title V, Section 8348, which provides permanent indefinite authority.

TRANSFERS FROM THE TRUST FUNDS

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1998 Estimate</u>	<u>FY 1999 Request</u>	<u>Change</u>
Personnel Compensation	\$59,771	\$61,082	\$1,311
Personnel Benefits	13,759	14,355	596
Benefits for Former Personnel	25	25	0
Travel and Transportation of Persons	277	277	0
Transportation of Things	50	50	0
Rental Payments to GSA	8,750	8,750	0
Communications and Utilities	8,987	8,987	0
Printing and Reproduction	1,830	1,830	0
Advisory and Assistance Services	1,300	5,300	4,000
Other Services	9,715	8,704	(1,011)
Supplies and Materials	1,045	1,045	0
Equipment	7,624	6,706	(918)
Total Obligations	\$113,133	\$117,111	\$3,978

TRANSFERS FROM THE TRUST FUNDS

RETIREMENT AND INSURANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 <u>Actual</u>	FY 1998 <u>Estimate</u>	FY 1999 <u>Request</u>	FY 1999 <u>Change</u>
Obligations				
Annual	\$82,673	\$84,502	\$84,502	---
Carryover	250	250	---	(250)
Permanent Indefinite Authority				
Title V, Section 8348	18,535	19,555	19,555	---
No Year	<u>2,538</u>	<u>2,092</u>	<u>6,320</u>	<u>4,228</u>
Total Obligations	\$103,996	\$106,399	\$110,377	\$3,978
No-Year New Obligational Authority	\$3,500	--	---	---
Full-Time Equivalents	1,265	1,301	1,301	---

DESCRIPTION OF ACTIVITY

The Retirement and Insurance Service (RIS) is a large-scale financial enterprise that provides fast, friendly, accurate, and cost-efficient benefit services to Federal agencies, employees, annuitants, and their families. It is a vital part of the Government's effort to recruit and retain a Federal workforce equipped to meet the challenges of the 21st century.

Sub-activities include:

Retirement Programs

- Act as the personnel and payroll office for 2.3 million retired Federal workers and their survivors covered under the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).
- Make benefit determinations in accordance with sound benefit policy and applicable laws and regulations.
- Process over 4 million workload items per year, ranging from the initial decision on eligibility and the amount of an annuity to recording changes in beneficiaries' addresses.

*Transfers from the Trust Funds
Retirement and Insurance Service*

Insurance Programs

- Negotiate and administer contracts with approximately 350 health insurance carriers and the Metropolitan Life Insurance Company to provide benefits at a reasonable cost to eligible employees and annuitants enrolled in the Federal Employees Health Benefits (FEHB) and Federal Employees' Group Life Insurance (FEGLI) programs.
- Conduct annual FEHB Open Seasons and FEGLI Open Seasons as required.
- Monitor use and benefit trends within the health and life insurance industries and implement program changes directed by the Administration and Congress.
- Decide disputed claims between FEHBP enrollees and carriers.

Retirement Policy / Insurance Policy / Agency Services / Actuarial Support

- Lead agencies and carriers in improving the quality of benefits administration.
- Develop policies, regulations and proposals to improve Federal employee earned benefit programs.
- Design and maintain user-friendly informational publications, training programs, and software to help Government agencies comply with benefits laws.
- Help agencies to resolve complex technical benefits issues.
- Negotiate health insurance premiums and conduct periodic actuarial valuations of the retirement and life insurance programs in accordance with statutory guidelines.
- Serve as a resource for a broad range of issues affecting the financing and delivery of health care by providing policy documents, contributing technical materials, and answering requests for information from Congressional staff, Federal agencies, the media, and the general public.

Financial Management

- Maintain financial oversight and control over the OPM Retirement and Insurance Trust Funds and prepare accounting and program performance reports for the Department of the Treasury, the Office of Management and Budget, and Congress according to guidelines issued by the Chief Financial Officer.
- Ensure that benefit program and administrative resources are used effectively, and continuously evaluate retirement and insurance products to determine if they meet established standards.

*Transfers from the Trust Funds
Retirement and Insurance Service*

- Provide administrative services in support of retirement and insurance operations.

Systems Modernization and Maintenance

- Develop and implement an integrated RIS information technology strategy that promotes the efficient and effective delivery of service to customers and incorporates technological advances in the industry.
- Operate the Washington Technology Center and provide OPM-wide mainframe systems development and hardware maintenance services.

FY 1997 ACCOMPLISHMENTS AND 1998 INITIATIVES

- Initiated a benefits vision study to collect information regarding the structure, financing, and service delivery of contemporary and emerging earned employee benefits being used and developed by private and other public sector employers. During FY 1998, use the information we developed from this study to perfect a consensus among major stakeholders about a vision for the future of Federal earned employee benefits.
- Took the first major steps to modernize the Federal retirement system by validating the business requirements of the current system and developing a concept of business operations for the future. During FY 1998, with the assistance of our major stakeholders, re-engineer work processes in components consistent with the newly developed business concept.
- Signed a remediation contract to bring OPM's employee benefit program systems into Year 2000 compliance. During 1998, ensure all enterprise hardware meets Year 2000 Compliance requirements, and complete the process of renovating and validating all mission-critical support systems and programs.
- Purchased off-the-shelf, integrated core financial and receivables management systems. During FY 1998, install the core financial systems and integrate them with major sub-systems.
- Limited the average rate of contract year 1998 premium increases in the Health Benefit Program to 8.5 percent, which is projected to continue to be below the rate experienced by other employers.
- Improved Retirement Program customer satisfaction with teleservices, responses to written inquiries, and maintenance of annuity payment accounts. Customer satisfaction improved for the following reasons:
 - Reduction in caller hold times by 35 percent and the number of lost calls by 22 percent.
 - Expansion of Annuitant Express (our automated teleservice system) services to include withholdings for state income tax and purchase of savings bonds. The volume of transactions completed via Annuitant Express increased by 60 percent.

*Transfers from the Trust Funds
Retirement and Insurance Service*

- Establishment of toll-free telephone access to all Retirement Program call centers.
 - Reduction in the total processing time for interim annuity payments, and an increase in the percentage of these payments authorized on a same day basis to 30 percent.
 - Establishment of a new Teleservice Center to respond more quickly to customer telephone calls.
- The Administration is proposing legislation to cancel the FERS Open Season scheduled for July 1, 1998, through December 31, 1998. If the Congress does not act to approve the Administration's proposal, however, OPM and other Federal agencies are prepared to carry out a successful FERS Open Season during the period specified under current law.

FY 1998 initiatives will maintain these gains in customer satisfaction while expanding the range of services available via teleservice technology and implementation of similar services through the OPM Web site.

- Expanded use of the OPM Web site to support the earned benefit programs, particularly with regard to consumer information made available during the Health Benefits Open Season. Program goals for FY 1998 include building on these improvements by enhancing and expanding the information so that health benefit program customers can make better-informed choices when evaluating and selecting a health plan.
- Made continuing investments in the RIS infrastructure to support the upgrade and full integration of the OPM's LAN and mainframe computer systems. During FY 1998, will make training investments to ensure that all employees meet the OPM Core Competencies, begin implementing a significantly expanded and improved computer network, and continue developing new job competencies and performance management tools.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL I:

***PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE
FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.***

FY 1999 RESOURCE SUMMARY: Obligations (000): \$14,700 Full-Time Equivalents: 244

COMPENSATION, CLASSIFICATION, AND BENEFITS

- Become the acknowledged leader in the design and provision of cost-effective employee earned benefit programs.

RIS **Develop a proposal to implement the design, financing, and service
Goal 1:** **delivery of Federal earned benefits recommended by the Benefits Vision
Study.**

Means

- Sponsor a conference of major stakeholders to review the results of the Benefits Vision Study and develop a consensus regarding what future earned benefits should be and how they are administered.

- Work with stakeholders to produce a final report describing the consensus vision that will maintain the Federal government's competitiveness as an employer.

*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators

- Proposals based on the benefits vision study mirror practices used by other large employers and are endorsed by the Administration, the Congress, and stakeholders.

**RIS
Goal 2:**

Correct retirement coverage errors for all people affected, in a way that is easy to understand, can be effectively administered, and provides effective income security in retirement.

Means

- Work with congressional oversight committees to develop a consensus to correct retirement coverage errors.

- When the legislation is passed, implement an operational plan with agencies and affected persons to effect the legislation quickly.

- Continue working with the Interagency Network on Retirement and Insurance issues to keep agencies and their benefit counselors informed about legislative and policy issues.

*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators	<ul style="list-style-type: none">➤ Agency feedback obtained through IAG meetings, the Annual Benefits Officers Conference, and OPM Customer Surveys indicates that coverage errors are corrected effectively.
RIS Goal 3:	Position OPM to be able to support other retirement systems with the delivery of their services.
Means	<ul style="list-style-type: none">➤ Support the Central Intelligence Agency retirement system by providing account maintenance services for existing customers and performing initial processing of new claims for benefits.➤ Work with CIA officials to determine the payment processing times, payment accuracy, etc. that CIA annuitants and survivor annuitants are currently experiencing and ensure that these levels of service delivery are maintained by OPM.➤ Ensure that both OPM and CIA continue to meet their financial management and fiduciary responsibilities in areas affected by the transfer of services to OPM.➤ Develop performance measures to assess service delivery for CIA annuitants and survivor annuitants.
Indicators	<ul style="list-style-type: none">➤ Transfer of responsibility for CIA retirements to OPM occurs within timeframes agreed to by OPM and CIA and within projected costs.➤ CIA annuitants and survivor annuitants receive benefit payments, account maintenance services, and benefit/program information at levels that maintain or enhance the service received from the CIA.

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$11,563 Full-Time Equivalents: 130

- By the year 1999, resolve material weaknesses and improve financial systems and internal controls to maintain the integrity of the earned employee benefits trust funds totaling more than \$60 billion in annual benefit payments and OPM's appropriated and reimbursable funds.

RIS **Install a new core financial management system for the employee benefit**
Goal 4: **programs and integrate it will appropriate sub-systems. The system will be**
 year 2000 compliant and will integrate appropriate sub-systems.

- Means**
- Install the new core financial management system, test the system to ensure system integrity, convert data from the existing system and test the system to ensure that it produces the desired results.
 - Develop the necessary interfaces to ensure that sub-systems are integrated.
 - Ensure that the overall system meets all Federal financial management systems requirements at the transaction level, including the Federal accounting standards and the Standard General Ledger.

*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators	<ul style="list-style-type: none">➤ RIS management's FY 1999 annual performance reports show that new system produces more accurate and timely financial information and that this facilitates management decision making. ➤ Systems implementation occurs on schedule and within expected budget. ➤ Annual audits by OPM's Auditor and Inspector General validate that weaknesses identified in current systems have been resolved.➤ Material weaknesses in financial systems are reported as resolved in FY 1999 FMFIA annual assurance letter.➤ FMFIA reviews conducted by the OCFO during the year 2000 validate that the material weaknesses in financial systems have been resolved, or are being resolved.➤ Audit reports for the FY 1999 financial statements for the Government's benefits programs show that the information reported fairly represents the financial position of the benefits programs.
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RIS
Goal 5: **Replace existing receivables management system and ensure that it is integrated with core financial system.**

Means	<ul style="list-style-type: none">➤ Install off-the-shelf technology that meets all Federal financial management systems requirements, including the Federal accounting standards, and the Standard General Ledger at the transaction level. ➤ Fully integrate the new receivables system with the new core financial systems installed during FY 1998 so that the overall system meets all Federal financial management systems requirements, including the Federal accounting standards, and the Standard General Ledger at the transaction level.
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*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators	<ul style="list-style-type: none"> ➤ Provide improved customer service to our constituents that results from an efficient real-time customer look-up system that will permit our employees to effectively communicate the current status of accounts. ➤ System implementation occurs on schedule and within expected budget. ➤ Annual audits by OPM's Auditor and Inspector General validate that weaknesses identified in current systems have been resolved. ➤ Material weaknesses in financial systems are reported as resolved in FY 1999 FMFIA annual assurance letter. ➤ FMFIA reviews conducted by the OCFO during the year 2000 validate that the material weaknesses in financial systems have been resolved, or are being resolved. ➤ Audit reports for the FY 1999 financial statements for the Government's benefits programs show that the information reported fairly represents the financial position of the benefits programs.
RIS Goal 6:	<p>Ensure that financial policies and procedures that establish internal controls and financial management/accounting systems, which provide useful and reliable financial information for OPM's benefit programs, are adequately documented.</p>
Means	<ul style="list-style-type: none"> ➤ Use RIS Financial Policy staff, established in 1997, to develop sound financial policies for all retirement and insurance activities. ➤ Use contract signed with the Department of the Treasury in October 1997 to review and document accounting policies and procedures, and produce needed procedure manuals. ➤ Closely monitor contractor performance to ensure that deliverables meet OPM's financial management documentation needs.

*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators	<ul style="list-style-type: none">➤ Material weaknesses in financial policies and procedures are reported as resolved in FY 1999 FMFIA annual assurance letter. ➤ FMFIA reviews conducted by the OCFO during the year 2000 validate that the material weaknesses in financial policies and procedures have been resolved, or are being resolved. ➤ Audit reports for the FY 1999 financial statements for the Government's benefits programs show that the information reported fairly represents the financial position of the benefits programs.
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RIS
Goal 7: Begin implementing Central Enrollment Clearinghouse for selected health benefit carriers and agency payroll offices.

Means	<ul style="list-style-type: none">➤ Use contractor to design and implement system. ➤ Work with agencies and carriers to obtain their agreement to participate.
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Indicators	<ul style="list-style-type: none">➤ Contract in place. ➤ After implementation, testing, and evaluation, carriers and agencies using the clearinghouse report that it is an improvement over the existing system because more reconciliations are completed successfully and in a timely fashion.
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*Transfers from the Trust Funds
Retirement and Insurance Service*

- Ensure Federal Employees' Health Benefits and Federal Employees' Group Life Insurance contract compliance through financial and performance audits and quality assurance standards.

RIS Improve insurance carrier financial reporting and performance.
Goal 8:

Means

- Implement accounting and auditing guidelines requiring that experienced-rated carriers report FEHB financial activity in accordance with generally accepted accounting principles.
- Require that the carriers engage an independent public accountant, to perform agreed upon procedures to ensure that carriers are complying with required guidelines.
- Validate compliance with FEHB and FEGLI contract provisions through regular financial and performance audits.
- Work with carriers to consolidate contracts with the same organization in multiple geographic areas.
- Reduce the administrative burden placed on prepaid carriers by standardizing their performance reporting requirements. Where appropriate, begin using externally recognized contractor performance standards, such as those issued by the National Committee for Quality Assurance (NCQA).
- Improve FEHB and FEGLI contract recordkeeping practices and procedures so that they parallel the requirements of the Federal Acquisition Regulations.
- Improve the process used to develop the service charge for experience-rated carriers through the development of more consistently applied, objective criteria.

*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators	<ul style="list-style-type: none">➤ Program financial decision-making, including rate setting can occur with increased confidence in the information provided by the experienced-rated carriers. ➤ Audit reports for the FY 1999 financial statements for the Government's benefits programs show that the information reported fairly represents the financial position of the benefits programs.
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RIS
Goal 9: **Ensure that health benefit and life insurance program customers receive the services described in negotiated contracts, plan brochures, and customer service standards, and provide them with improved consumer information regarding these services.**

Means	<ul style="list-style-type: none">➤ Use relationships with other large purchasers, research by recognized organizations such as NCQA and the Foundation for Accountability (FAACT), and survey results to develop and test publication formats and content to facilitate informed consumer choice. Then use print media and the OPM Web site to deliver this information to customers. ➤ Continue to measure OPM and carrier performance against customer expectations through surveys and use results to identify needed policy and operational improvements. ➤ Continue implementing the Consumer Bill of Rights with the health benefits program. ➤ Re-evaluate customer service standards, and if necessary develop new standards. ➤ Continue working with NCQA, FAACT, and others to develop health care outcome measures for eventual incorporation into consumer informational materials. ➤ Continue to report NCQA accreditation status of HMO's in our consumer information materials and develop strategies to encourage additional plans to seek accreditation.
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*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators

- All of FEHB carriers report on compliance with quality assurance and performance standards for 1999, and meet the following:

HEALTH BENEFITS PROGRAM – PERFORMANCE INDICATORS

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	Performance Standard
Overall Customer Satisfaction with Their HB Plan	HMOs - 86% FFSs - 87%	HMOs - 85% FFSs - 87%	HMOs -84% FFSs- 87%	HMOs -84% FFSs- 87%	HMOs - 85% FFSs - 88%	HMOs - 85% FFSs - 88%
Accuracy of Claims Coding (FFS Plans only)	67% met target	67% met target	70% will meet target	75% will meet target	80% met target	98% Accurate

***Transfers from the Trust Funds
Retirement and Insurance Service***

HEALTH BENEFITS PROGRAM – PERFORMANCE INDICATORS (cont.)

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	Performance Standard
Speed to answer customer calls (HMO Plans only)	82% Met target	84% met target	85% will meet target	85% will meet target	87% meet Standard	Calls answered w/in 1.5 minutes
HB Disputed Claims Processing Times (All Plans)	40% met target	92% met target	95% will meet target	95% will meet target	95% will meet target	95% processed w/in 45 days
Routine Correspondence Answered On Time	88%	90%	90%	90%	90%	90% w/in 30 days

LIFE INSURANCE PROGRAM – PERFORMANCE INDICATORS

Output Indicators	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	Performance Target
Accuracy of Claims Payments: as % of # Paid as % of \$ Paid as % of # Cert/OPM	0.5% 0.4% 0.3%	0.4% 0.2% 0.3%	0.4% 0.2% 0.3%	0.5% 0.3% 0.3%	0.5% 0.3% 0.3%	Less Than 1% Errors
Timeliness of Claims Payments:	6.3 Days	6.8 Days	6.3 Days	6.0 Days	6.0 Days	Fully documented claims paid w/in 10 days

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$1,583 Full-Time Equivalents: 23

- By the year 2000, improve agency administration of the earned benefit programs so that (a) 80% of all retirement submissions are received within 30 days of employee retirement dates, (b) most retirement application packages are ready for processing upon receipt at OPM, and © employees receive from their agency complete and timely retirement counseling and services pertinent to the earned benefit programs.

*Transfers from the Trust Funds
Retirement and Insurance Service*

RIS
Goal 10: **Increase to 50 percent the number of retirement applications that Federal agencies submit to OPM using automated records.**

Means	<ul style="list-style-type: none">➤ Provide agencies with the technical assistance they need to join the automated submissions program, focusing particularly on those in the Department of Defense. ➤ Work with agencies to improve and automate benefits application processes to:<ul style="list-style-type: none">• facilitate counseling,• provide reliable estimates and projections of benefits,• speed application submissions,• reduce redundant data entry, and• ensure data and application integrity by employing “smart forms” that require consistency in preparation. ➤ Continue efforts to improve the timeliness and accuracy of agency retirement submissions by issuing quarterly progress reports to retirement counselors and using the Interagency Advisory Group as a forum to deal with systemic problems.
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Indicators	<ul style="list-style-type: none">➤ Aging of Separations reports show that on average, 80 percent of all retirement claims are received within 30 days of retiring employees' date of separation for retirement. ➤ Reports from OPM's automated annuity payment system show that 50 percent of all new annuitant payment records were generated via the automated submissions program.
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RIS
Goal 11: **Enhance quarterly timeliness reports to the agencies concerning their submission of retirement claims by telling them how many of the retirement claims they submitted were complete and ready for immediate processing.**

*Transfers from the Trust Funds
Retirement and Insurance Service*

Means	<ul style="list-style-type: none"> ➤ Complete the project that was started during FY 1998 to develop the tracking systems needed to measure the number of new retirement claims that are fully documented, and the number that require further documentation in order to compute the full annuity benefit due to retirees. ➤ Coordinate with agencies to determine what the acceptable levels of performance regarding the completeness of claims should be. ➤ Assist agencies in need of help because of downsizing, base closures and Early Optional Retirement authorities affecting a large number of employees in a short time period. Create win/win situations where in exchange for administrative and technical assistance, these agencies will allow OPM to ensure the quality of their retirement submissions on-site.
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Indicators	<ul style="list-style-type: none"> ➤ Measures will be developed in early FY 1999 after tracking system is fully functional and discussions with the agencies regarding desirable performance levels have taken place.
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**RIS
Goal 12: Significantly enhance the Federal Benefits home page on OPM's Web site. Provide retirement and insurance forms, pamphlets, handbooks, booklets and reference materials that can be downloaded, and where necessary, provide links to the Social Security and Thrift Savings Plan Web sites.**

Means	<ul style="list-style-type: none"> ➤ Continue developing and maintaining the existing electronic library of automated RIS forms templates, and offer them on OPM's Web site. Use secure Internet technologies to address privacy concerns, and allow the transmission of data and service requests to OPM via the Internet.
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***Transfers from the Trust Funds
Retirement and Insurance Service***

- Continue to develop expert systems to aid personnel officers in guiding employees and making determinations affecting all areas of benefits administration.
- Enhance the Benefits Center CD-ROM and develop additional expert systems that can be accessed directly by employees and the public through the OPM Web site, and that explain benefits issues.
- Continue to use technology to make current benefits information more readily available to benefits officers, personnel officers, employees, annuitants and the general public. Carrying out OPM's leadership role with regard to the full range of benefits, continue to include and integrate information available from the Social Security Administration and the Thrift Savings Plan.

- Indicators**
- OPM customer assessments indicate agency personnel find that training and informational materials are improved and have greater utility.

**RIS
Goal 13: Continue to support agency personnel in the administration of the earned benefit program services for active Federal employees.**

- Means**
- Conduct the Ninth Annual Benefits Officers Conference, continuing to expand the attendance to include more regional and field office staff. Continue the pre-conference training and workshops to improve agency Benefits Officers' and personnel officers' understanding of various aspects of benefits administration.
 - In FY 1999, utilizing the experience gained with the FY 1998 Fall Festival of Training, provide agency benefit counselors with an expanded array of workshops designed to increase their knowledge and counseling skills.
 - Use results of OPM customer assessments to establish performance measurement baselines for OPM support to the agencies in the earned benefits area.

*Transfers from the Trust Funds
Retirement and Insurance Service*

	<ul style="list-style-type: none">➤ Develop performance measures and target levels for service delivery and customer satisfaction with agency retirement counseling.
Indicators	<ul style="list-style-type: none">➤ Measures will be developed during FY 1999 based on analysis of customer input..

OPM STRATEGIC PLAN GOAL IV:

DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$82,531 Full-Time Equivalent: 904

- By the year 2002, earned benefit programs customers will (a) be paid the right amount on the day payment is due, and (b) receive responses to their inquiries and service requests that are accurate and that meet or exceed their expectations.

RIS **Maintain at FY 1998 levels, customer satisfaction, processing times, and**
Goal 14: **accuracy rates pertinent to processing new claims for annuity and survivor**
 benefits.

**Transfers from the Trust Funds
Retirement and Insurance Service**

- | | |
|-------------------|--|
| Means | <ul style="list-style-type: none"> ➤ Process as many claims as possible at OPM's entry point in Boyers, PA, to save time and minimize handling.
 ➤ Continue working with agencies to maintain and increase their participation in submitting retirement information in an electronic format that can be read into OPM's annuity payment systems.
 ➤ Continue to streamline work processes when such opportunities occur in order to reduce claims processing times and improve processing accuracy. |
| Indicators | <ul style="list-style-type: none"> ➤ Reduce claims processing error rates by providing increased training in workplace competencies. |

PROCESSING ANNUITY CLAIMS – PERFORMANCE INDICATORS

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
** Customers who received their first payment either before or when they expected.	73%	74%	78%	78%	80%
** Annuitants who indicate overall satisfaction with the handling of their retirement claims	88%	92%	90%	90%	90%
Output Indicators	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Interim Payment Processing Time	7 Days	5 Days	5 Days	4 Days	4 Days
CSRS Annuity Processing Time	70 Days	42 Days	39 Days*	35 Days	30 Days
CSRS Annuity Claims Accuracy	5.9%*	5.7%*	6.0%*	4.0%*	4.0%*

* Data taken from Quality Assurance Reviews

** Data is collected through annual Client Satisfaction Surveys of new and continuing

annuitants

PROCESSING DEATH CLAIMS – PERFORMANCE INDICATORS

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Survivor annuities authorized via "Survivor Express Pay"	36%	48%	62%*	62%	65%
Survivor Express Processing Time	13 Days	7 Days	5 Days*	4 Days	4 Days
Overall Survivor Pay Processing Time	38 Days	21 Days	11 Days*	10 Days	10 Days

*Transfers from the Trust Funds
Retirement and Insurance Service*

CSRS Death Claims Accuracy	0.0%*	5.7%*	8.2%*	8.0%*	8.0%*
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* Data taken from Quality Assurance Reviews

RIS Goal 15: Maintain at FY 1998 levels, customer satisfaction with RIS teleservices and the timeliness of written responses to inquiries.

Means	<ul style="list-style-type: none"> ➤ Continue offering customers access to retirement information and services via toll-free telephone lines and continue expanding services provided by the Teleservice Center in Pittsburgh, PA. ➤ Give callers the option of using an Interactive Voice Response (IVR) system to change Federal or state tax withholdings, purchase Savings Bonds, request forms and pamphlets, verify income, life insurance or survivor information, request replacement ID cards, or elect to speak with a Customer Service Specialist in person. ➤ Evaluate weekly performance reports from new IVR technology installed during FY 1998 and those from the new Pittsburgh call center to revise performance baselines, set new performance goals, and develop new performance measures for the teleservice activities. ➤ Improve communications with customers by deploying the new "Explanation of Benefits" booklet with clearer, more detailed and personalized information about their retirement, health and life insurance benefits at the time of their first annuity payment. ➤ Improve the accuracy and professional appearance of complex correspondence while reducing staff effort by developing additional PC-based "smart" letters that can be tailored to meet different fact patterns, and personalized by retrieving information from selected databases. ➤ Give all customer service staff access to, and enhance, the Graphical User Interface (GUI) to RIS' mainframe master records systems to provide faster, more accurate responses to telephone inquiries.
Indicators	<ul style="list-style-type: none"> ➤ Continue to implement the Customer Service Specialist standards that include positive requirements for courtesy and responsiveness. Recruit applicants using screening devices measuring their interest, motivation and ability with regard to providing superior customer service.

***Transfers from the Trust Funds
Retirement and Insurance Service***

ANSWERING RETIREMENT INQUIRIES - PERFORMANCE INDICATORS

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998 Initiative	FY 1999 Projected
Callers who got through on first attempt	31%	29%	39%	40%	45%
Overall Satisfaction with Call Handling	78%	81%	89%	89%	90%

ANSWERING RETIREMENT INQUIRIES - PERFORMANCE INDICATORS (cont.)

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998 Initiative	FY 1999 Projected
Overall Satisfaction with: — Content	80%	73%	78%	80%	85%
— Timeliness of Written Responses	71%	70%	76%	80%	85%
Output Indicators	FY 1995	FY 1996	FY 1997	FY 1998 Initiative	FY 1999 Projected
% of Priority Correspondence Answered w/in 8 Days	93%	89%	92%	95%	95%
% of Regular Correspondence Answered w/in 15 Days	96%	93%	87%	95%	95%

**RIS
Goal 16:** **Continue to increase the volumes of customer service requests and account maintenance services handled through the telecommunications media, reduce the balances of account maintenance workloads, and maintain at FY 1998 levels, customer satisfaction with these services and the accuracy and timeliness with which they are processed.**

Means	<ul style="list-style-type: none"> ➤ Continue to modernize sub-systems used to process service requests. Integrate these improvements with existing automated systems.
Indicators	<ul style="list-style-type: none"> ➤ Give all customer service staff access to, and enhance, the Graphical User Interface (GUI) to RIS' mainframe master records systems to provide faster, more accurate access to sub-systems used to process service requests. ➤ Give callers the option of using an Interactive Voice Response (IVR) technology to change Federal or state tax withholdings, purchase Savings Bonds, request forms and pamphlets, verify income, life insurance or survivor information, and request replacement ID cards.

*Transfers from the Trust Funds
Retirement and Insurance Service*

MAINTAINING THE ANNUITY ROLL - PERFORMANCE INDICATORS

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998 Initiative	FY 1999 Projected
Customers either very or generally satisfied with overall account maintenance services	77%	79%	89%	90%	90%
Output Indicators	FY 1995	FY 1996	FY 1997	FY 1998 Initiative	FY 1999 Projected
Number of Account Maintenance Transactions Handled by IVR Technology	N/A	107,445	173,043	Increase by 20%	Maintain at FY 98 Level
Processing Time and Error Rates for Address Change Requests	1.2 Days 0.9%	3.3 Days 4.1%	4.7 Days 0.1%	4.5 Days 0.0%	4.0 Days 0.0%
Processing Time and Error Rates for LI Enrollment Change Requests	95 Days 0.0%	No Data Available	49.5 Days 0.6%	30 Days 2.0% Errors	30 Days 2.0% Errors

MAINTAINING THE ANNUITY ROLL - PERFORMANCE INDICATORS (cont.)

Outcome Indicators	FY 1995	FY 1996	FY 1997	FY 1998 Initiative	FY 1999 Projected
Reduce Workload Balances	66,539	52,203	34,919	Reduce by 5% Below FY97 Level	Reduce by 3% Below FY98 Level

- By the year 2002, begin deploying a modern retirement system that fully automates a redesigned retirement process including retirement counseling, trust fund and financial management, and claims processing.
 - By the year 1998, validate business requirements of the retirement programs based on input from Federal agencies and other stakeholders.
 - By the year 1999, based on analysis of business requirements, develop alternative "Concepts of Operations" for modernized system and define system modules (i.e., retirement counseling, trust fund and financial management, claims processing, etc.).
 - From 1999 through the year 2002, based on Concepts of Operation, develop and deploy technology solutions to defined modules consistent with OPM's Information Technology technical architecture.

RIS Ensure that all business systems and hardware are Year 2000 compliant.
Goal 17:

***Transfers from the Trust Funds
Retirement and Insurance Service***

Means	<ul style="list-style-type: none"> ➤ Complete remediation of the Agency's mission-critical systems and test on Year 2000 compliant platform. ➤ Develop User Acceptance Test Plans and System Change Management Plans that will have utility beyond the needs of the Year 2000 Compliance project.
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Indicators	<ul style="list-style-type: none"> ➤ Remediated systems meet quality assurance tests. ➤ Project is completed on time and within budget.
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**RIS
Goal 18:** **By January 1999, complete a Business Processing Reengineering study to determine work process improvements to support the new Concept of Operations selected by agency management officials during FY 1998.**

Means	<ul style="list-style-type: none"> ➤ Use contractor to conduct Business Processing Reengineering study. ➤ Implement new concept of operations through a joint effort by the agencies and OPM. ➤ Implement new concept of operations in phases, thus allowing for measurable milestones and improvements along the path toward the endpoint concept of operation.
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Retirement and Insurance Service*

- Review and validate each phase with all key stakeholders.
- Maintain the active participation of the project's Executive Steering Committee, OPM users representatives, and the Agency Advisory Committee throughout the project.

Indicators

- Project performance reports show that project proceeds on schedule and within budget.
- Key stakeholders will be called upon to review contract deliverables at the appropriate points before OPM accepts the deliverables
- Collect feedback from stakeholder groups, user representatives, and the Agency Advisory Committee.

**RIS
Goal 19:** **Begin the design, development and implementation of appropriate technology solutions to support changed work processes resulting from the Business Processing Reengineering activity. This activity will run through the year 2001.**

Means

- As the Business Processing Reengineering activity is completed, the appropriate technical structure will be developed to implement that function.
- Staff will be trained at the appropriate points, to ensure that they possess the skills to work successfully in the redesigned environment and with any new systems developed to support the concept of operations.
- Phased implementation will allow OPM management to ensure that the effort keeps pace with proven technology developments.

*Transfers from the Trust Funds
Retirement and Insurance Service*

Indicators	<ul style="list-style-type: none">➤ Stakeholder groups support redesigned retirement process and modernization plans ➤ Project performance reports show that planned automation modules for redesigned retirement process are delivered on time and within budget, and that they pass required tests.
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VERIFICATION AND VALIDATION

For RIS, meeting the goals identified in the OPM Strategic Plan means developing and maintaining a high quality work environment, making prudent investments in staff, suppliers, and technology, and continually measuring the results achieved against objectives linked to the Strategic Plan. These objectives are incorporated in RIS' Customer Service Standards, and in the annual work plans of each office. RIS maintains a comprehensive Management Information System to monitor and report output and outcome measures, and uses recurring customer satisfaction surveys as one means of measuring progress towards achieving established objectives.

Workload and Performance Tracking

RIS has a long history of tracking and evaluating the performance of the employee benefit programs. The RIS internal management information system monitors virtually all program inputs and outputs. For the Retirement Program, this involves outputs such as workload volumes for the full range of claims, customer service requests, and general inquires received and processed each day, and the remaining balances of unprocessed work. It also involves outputs such as timing and aging data, and program inputs such as the human and other resources expended on these operations. Data supporting this tracking is collected in weekly increments and accumulated during the fiscal year. These data are either downloaded from OPM mainframe databases and transaction systems, LAN-based databases, or are based on manual tracking performed by operations staff and reported each week in hard copy format. RIS currently has approximately 20 years of such data.

RIS also tracks the accuracy of its service delivery through periodic reviews of various program outputs. These reviews are based on statistically valid samples of those outputs. Similar statistically valid samples of new and ongoing annuitant customers are used to evaluate program

Transfers from the Trust Funds Retirement and Insurance Service

outcomes through RIS' customer satisfaction survey program and are focused on customers for whom RIS offices have recently processed a transaction. The surveys performed under this program are conducted on an annual basis and executed by OPM staff.

For the Health Benefits (HB) and Life Insurance (LI) Programs, the quality, timeliness, and effectiveness of contract administration activities and the performance of the carriers under these contracts are evaluated through required carrier reports against established quality control/assurance standards. These reports are submitted by the carriers at the end of each contract year and are based on statistically valid samples of program customers whom the carriers have served and/or claims paid as a part of service delivery to those customers.

HB and LI Program outcomes are measured through annual surveys of customers comprised of statistically valid samples of both active employees and annuitants. These surveys are conducted by private contractors.

Virtually all of the data collected for the three earned benefit programs are used to support established families of performance indicators that measure program performance against annual and long term goals.

Internal Performance Reporting

The current status on many RIS workloads and program performance indicators is available to RIS executives, program managers, supervisors, and analytical staff on an on-going basis through a LAN-based, on-line Management Information System. Data in the system is updated as frequently as weekly. The status on other program performance indicators, primarily related to quality assurance and customer satisfaction, is made available to key staff in written reports on an ad-hoc basis.

Externally Reported Program Evaluations

The earned benefit programs performance is reported externally in OPM's annual Congressional and Presidential Budget Requests, the Program Overviews in the OPM Annual Financial Statements, and in annual Customer Service Reports to the National Performance Review. Also, the OPM Inspector General performs audits and reviews of the earned benefit programs' financial systems, program outputs, work processes, and performance measures and makes recommendations to OPM management to improve these areas as warranted.

FY 1999 BUDGET CHANGES:

No increases in budget authority are requested for FY 1999. Although we estimate a net increase of \$3,978,000 in obligations in FY 1999 to support our business process reengineering activities, these will be funded through the unobligated balances of prior no-year appropriations.

ADVANCES AND REIMBURSEMENTS

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Merit Systems Oversight & Effectiveness	\$16	—	—	—
Employment Service	263	—	—	—
Retirement and Insurance Service	391	750	750	—
Workforce Compensation & Performance Service	512	500	500	—
Workforce Relations	679	675	675	—
Executive Resources	—	—	—	—
Administrative Services	3,901	3,256	3,256	—
Executive and Other Services	2,710	3,908	3,908	—
Internal A&R	(6,611)	(7,164)	(7,164)	—
Total	\$1,861	\$1,925	\$1,925	—
 Offsetting Collections	 \$8,472	 \$9,089	 \$9,089	—
 Budget Authority	 —	 —	 —	—
 Outlays	 —	 —	 —	—
 Full-Time Equivalents:				
Merit Systems Oversight & Effectiveness	—	—	—	—
Employment Service	1	—	—	—
Retirement and Insurance Service	3	10	10	—
Workforce Compensation & Performance Service	4	7	7	—
Workforce Relations	6	10	10	—
Executive Resources	—	1	1	—
Administrative Services	48	48	48	—
Executive and Other Services	30	39	39	—
Total	92	115	115	—

ADVANCES AND REIMBURSEMENTS

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1998 Estimate</u>	<u>FY 1999 Request</u>	<u>Change</u>
Personnel Compensation	\$5,205	\$5,346	\$141
Personnel Benefits	979	1,023	44
Benefits for Former Personnel	9	9	0
Travel and Transportation of Persons	206	206	0
Transportation of Things	5	5	0
Rental Payments to GSA	0	0	0
Communications and Utilities	361	361	0
Printing and Reproduction	94	94	0
Advisory and Assistance Services	5	5	0
Other Services	1,348	1,218	(130)
Supplies and Materials	145	145	0
Equipment	673	618	(55)
Land and Structures	59	59	0
Total Obligations	\$9,089	\$9,089	\$0
Internal A&R	(7,164)	(7,164)	0
Total	\$1,925	\$1,925	\$0

ADVANCES AND REIMBURSEMENTS

RETIREMENT AND INSURANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$391	\$750	\$750	---
Full-Time Equivalents	3	10	10	---

DESCRIPTION OF ACTIVITY

The Retirement and Insurance Service provides reimbursable services to other agencies under the authority of the Economy Act as a service to agencies that can no longer store certain retirement records, and when OPM possesses special skills and technical expertise that either are more readily available or are more economical than other public or private sources.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

During FY 1997, reimbursable activities included providing: training programs, the Annual Benefits Officers' Conference, and interactive educational software. Feedback was collected from agencies regarding educational needs and subject areas that Agency Benefits Officers identified as issues that should be addressed in future conferences. In FY 1998, in addition to conducting the Annual Benefits Officers' Conference and making improvements to the educational software all headquarters Benefits Officers will be surveyed. The purpose of the survey is to anticipate future agencies needs. Also, interest and demand for the OPM Federal Benefits home page will be tracked to insure that needed benefits information and resources are available electronically.

ANNUAL PERFORMANCE GOALS FOR FY 1999 BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$750 Full-Time Equivalents: 10

Advances and Reimbursements
Retirement and Insurance Service

- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

RIS **Assist agencies in improving the program knowledge of their personnel**
Goal 20: **involved in benefit counseling and administration.**

Means

- Provide support, communication, and information regarding Federal benefits programs to benefits officers and employees through initiatives such as training programs, the Annual Benefits Officers' Conference, satellite broadcasts, posting policy and process guidance on the OPM Web site, and interactive educational software.
- Conduct employee benefit training courses for retirement counselors and other benefit program specialists.
- Incorporating customer feedback and comments in the development and customization of expert systems and interactive educational software development.
- Use feedback collected from regular surveys and training and seminar evaluations forms to identify educational areas that were satisfied by a particular class, and to catalog other educational needs; to identify other subject areas that they would like addressed in future conferences.

Indicators

- Periodic surveys of the entire headquarters level Benefit Officers population, and other random samples of human resource officials, to identify emerging customer needs so that OPM products and services can be refined to meet their specific needs.
- Completed course evaluation forms from training class participants.

- Conference attendees complete conference evaluation forms to indicate their level of satisfaction with the programs presented.
- Statistical reports from the OPM Web site relating indicate a growth in interest in the types of information posted on the OPM Federal Benefits home page.

**RIS
Goal 21: File and store retirement records at the request of agencies that are in the process of changing their payroll systems.**

Means

- Work with agencies who approach OPM about storing individual retirement records for which they no longer have filing space and make the necessary arrangements regarding the timing of the transfer of documents.
- Allocate staffing necessary to keep current with incoming workload.

Indicators

- Agencies continue to request these services from OPM.

VERIFICATION AND VALIDATION

Data will be collected, analyzed, and studied each year according to accepted collection, analysis, and evaluation practices from customers and conference participants to determine satisfaction levels and acceptance of RIS products and services, and the level of progress toward achieving RIS goals.

ADVANCES AND REIMBURSEMENTS

WORKFORCE COMPENSATION AND PERFORMANCE SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$512	\$500	\$500	---
Full-Time Equivalents	4	7	7	---

DESCRIPTION OF ACTIVITY

The Workforce Compensation and Performance Service (WCPS) conducts seminars, symposia, and conferences on classification, compensation, and workforce performance issues. In addition, staff occasionally provide reimbursable technical assistance to other agencies.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

During FY 1997, when WCPS components were organized within the Human Resources Systems Service, reimbursable activities included: providing staff to other agencies through details, conducting a national conference on performance management issues, and sponsoring seminars and workshops on topics such as family-friendly leave flexibilities, using job family classification standards, designing appraisal programs, and linking employee performance plans to organizational goals. In FY 1998, WCPS will again conduct national conferences on performance management issues and on current classification issues, and will conduct seminars on leave and compensation issues and reimbursable projects as resources and agency interests permit.

ANNUAL PERFORMANCE GOALS FOR FY 1999 BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$500 Full-Time Equivalents: 7

Advances and Reimbursements
Workforce Compensation and Performance Service

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

WCPS **Compensation, Classification, and Performance Management Program**
Goal 17: **Assistance. Provide classification and position management consultation, technical assistance, and advice to agency human resources management officials, practitioners and line managers to ensure that agencies are better informed about appropriate uses of available system flexibilities and ways in which they can be used to support accomplishment of agency strategic goals.**

Means

- Offer workshops and seminars to disseminate latest information, share best practice experience and discuss emerging issues and trends, with particular emphasis on using compensation, classification, appraisal, and rewards and recognition flexibilities to support achieving strategic goals and objectives.
- Conduct reimbursable projects in the areas of position classification and position management.
- Sponsor conferences on compensation, classification, and performance management issues to share state-of-the-art practice and information about alternative approaches.

*Advances and Reimbursements
Workforce Compensation and Performance Service*

Indicators

- Increased level of satisfaction expressed by seminar, workshop, and conference participants on evaluation sheets and/or verbally.

- Increased seminar, workshop, and conference attendance both in terms of repeat participation and coverage of agency subcomponents. (Baseline data to be established in FY 1998.)

- Continued demand for consultation and reimbursable projects.

- Periodic surveys of stakeholders reflect an increasing rate of approval in terms of subject matter and quality of presentations and technical assistance. (Baseline data to be established in FY 1998.)

VERIFICATION AND VALIDATION

Data will be collected, analyzed, and studied each year according to accepted collection, analysis, and evaluation practices from customers and participants in seminars and workshops to determine satisfaction levels and acceptance of WCPS products and services, and the level of progress toward achieving WCPS goals.

ADVANCES AND REIMBURSEMENTS
OFFICE OF WORKFORCE RELATIONS
(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$679	\$675	\$675	---
Full-Time Equivalents	6	10	10	---

DESCRIPTION OF ACTIVITY

The Office of Workforce Relations (OWR) provides models, guidance, and technical assistance to agencies in developing effective employee and labor relations programs. These programs incorporate alternative dispute resolution methods, interest-based problem solving, facilitation, and mediation.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

Reimbursable technical assistance provided to agencies during FY 1997 and FY 1998 include a national conference devoted to current topics in employee relations, labor relations and performance management; and seminars and workshops for agency employee relations practitioners on topics such as framing adverse action charges and selecting appropriate penalties; taking action in medical inability cases; critical incident stress debriefing; and the role of the manager in responding to critical incidents. In FY 1998, workshop activity will be expanded to regional locations. In the fourth quarter of FY 1998, OWR will hold its biennial employee health services conference. As a leader in supporting and promoting the Federal Government's employee assistance programs (EAP's), OPM administers, on a reimbursable basis, the Boston EAP Program. This program provides direct assistance and counseling to employees at a variety of Federal agencies in the Boston area, as well as educational programs and workshops such as "The Role of the EAP in Preventing Burnout." OWR expects to continue to provide this level of hands-on skills-building and direct EAP assistance for its customers.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$675 Full-Time Equivalents: 10

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

OWR Goal 14: Workforce Relations Guidance and Technical Assistance. Human resource management practitioners and line managers are provided useful guidance and technical assistance on workforce relations matters through a variety of formats so that they are better informed and prepared to support accomplishment of their agencies' strategic goals.

Means

- Sponsor an annual conference devoted to current topics in employee relations, employee health services, work and family and labor-management relations.
- Sponsor three to four seminars/workshops per year on employee relations and employee health services issues to share state-of-the-art practices and discuss emerging issues and trends.

Indicators

- Increased level of satisfaction expressed by conference, workshop and seminar participants on evaluation sheets and/or verbally.

- Maintain a consistent level of repeat conference, workshop and seminar attendance.

- Increase in demand for conferences/workshops as measured by the number of potential registrants on an established waiting list.

- Periodic surveys of stakeholders reflect an increasing rate of approval in terms of subject matter and quality of presentations and technical assistance. (Baseline data to be established in FY 1998.)

**OWR
Goal 15:**

In order to serve as a model for providing efficient services to Federal agencies through cooperative interagency agreements, the Boston Employee Assistance Program (EAP) is administered.

Means

- Provide direct assistance and counseling services to employees in a variety of Federal agencies in the Boston area.

- Promote improved quality of work life for Federal employees by providing workshops and seminars on emerging issues in employee health and fitness.

Advances and Reimbursements
Office of Workforce Relations

Indicators	<ul style="list-style-type: none">➤ Maintain consistent rate of repeat contracts by agencies. ➤ Increase in new contracts. ➤ Increase in the utilization rate of EAP services by employees. ➤ Increased level of satisfaction expressed by workshop and seminar participants on evaluation sheets and/or verbally. ➤ Maintain a consistent rate of repeat workshop and seminar attendance. ➤ Increased number of requests for workshops.
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VERIFICATION AND VALIDATION

- Data on new and renewed Employee Assistance Program contracts and utilization rates will be reviewed by an objective evaluation team in accordance with accepted evaluation techniques.

- During FY 1998, OWR will assess various mechanisms for collecting baseline data and measuring customer/stakeholder satisfaction. Such valid and reliable assessment tools as OPM's *Merit System Principles Questionnaire* and other OPM/OWR surveys and participant evaluation forms will be considered in this process.

- Results from OPM customer assessments will focus on the timeliness, clarity, accessibility, and helpfulness of policy issuances and technical guidance.

OFFICE OF PERSONNEL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

DESCRIPTION

This account has three fund sources:

- **Salaries and Expenses/General Fund Appropriation (S&E)**

This annual appropriation pays for the operating expenses to carry out mandated responsibilities of the Office of the Inspector General (OIG). This appropriation also funds the OIG's S&E share of agencywide support services.

- **Transfers from the Trust Funds**

The OIG receives an annual appropriation to pay the operating expenses of audits, investigations and reviews of OPM's administration of the civil service retirement and insurance programs. This appropriation also funds the OIG's Trust Fund's share of agencywide support services. These funds are transferred from the Civil Service Retirement and Disability Fund, the Employees and Retired Employees Health Benefits Fund and the Employees Life Insurance Fund.

- **Advances and Reimbursements**

The OIG provides services, on a reimbursable basis, to other agencies when the OIG possesses special skills and technical expertise that are more economical than alternative public or private sources.

OFFICE OF THE INSPECTOR GENERAL
COMPARATIVE SUMMARY STATEMENT
(dollar amounts in thousands)

	<u>FY 1997</u> <u>Actual</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Request</u>	<u>FY 1999</u> <u>Change</u>
Obligations:				
Salaries and Expenses	\$882	\$960	\$960	—
Transfers from the Trust Funds	<u>8,566</u>	<u>8,645</u>	<u>9,145</u>	<u>500</u>
Total Appropriation	\$9,448	\$9,605	\$10,105	\$500
Carryover	<u>\$105</u>	<u>\$70</u>	<u>—</u>	<u>(\$70)</u>
Sub-Total	\$9,553	\$9,675	\$10,105	\$430
Advances and Reimbursements	<u>\$65</u>	<u>\$150</u>	<u>\$150</u>	<u>—</u>
Grand Total	\$9,618	\$9,825	\$10,255	\$430
Offsetting Collections:				
Transfers from the Trust Funds	\$8,566	\$8,645	\$9,145	\$500
Carryover	75	35	—	(35)
Advances and Reimbursements	<u>65</u>	<u>150</u>	<u>150</u>	<u>—</u>
Total	\$8,706	\$8,830	\$9,295	\$465
Budget Authority:				
Budget Authority	\$960	\$960	\$960	—
Carryover	<u>30</u>	<u>35</u>	<u>—</u>	<u>(35)</u>
Total	\$990	\$995	\$960	(\$35)
Trust Funds Budget Authority:				
Annual	\$8,645	\$8,645	\$9,145	\$500
Carryover	<u>75</u>	<u>35</u>	<u>—</u>	<u>(35)</u>
Total	\$8,720	\$8,680	\$9,145	\$465
Outlays:				
General Fund	\$(530)	\$1,445	\$1,360	(\$85)
Trust Funds	\$8,641	\$8,680	\$9,145	\$465
Full-Time Equivalents:				
Salaries and Expenses	9	10	10	—
Transfers from the Trust Funds	85	90	95	5
Advances and Reimbursements	<u>—</u>	<u>3</u>	<u>3</u>	<u>—</u>
Total	94	103	108	5

OFFICE OF THE INSPECTOR GENERAL

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1998 Estimate</u>	<u>FY 1999 Request</u>	<u>Change</u>
Personnel Compensation	\$6,361	\$6,951	\$590
Personnel Benefits	1,402	1,556	154
Benefits for Former Personnel	0	0	0
Travel and Transportation of Persons	475	475	0
Transportation of Things	0	0	0
Rental Payments to GSA	785	785	0
Communications and Utilities	100	100	0
Printing and Reproduction	15	15	0
Advisory and Assistance Services	0	0	0
Other Services	587	273	(314)
Supplies and Materials	80	80	0
Equipment	20	20	0
Total Obligations	\$9,825	\$10,255	\$430

OFFICE OF THE INSPECTOR GENERAL

**SALARIES AND EXPENSES, TRANSFERS FROM THE TRUST FUNDS,
AND ADVANCES AND REIMBURSEMENTS**

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations				
Salaries and Expenses	\$882	\$960	\$960	---
Transfers from the Trust Funds	\$8,566	\$8,645	\$9,145	---
Advances and Reimbursements	<u>\$65</u>	<u>\$150</u>	<u>\$150</u>	<u>---</u>
Total	\$9,513	\$9,755	\$10,255	---
Carryover	<u>\$105</u>	<u>\$70</u>	<u>---</u>	<u>(\$70)</u>
Total	\$9,618	\$9,825	\$10,255	\$430
Full-Time Equivalents				
Salaries and Expenses	9	10	10	---
Transfers from the Trust Funds	85	90	95	5
Advances and Reimbursements	<u>---</u>	<u>3</u>	<u>3</u>	<u>---</u>
Total	94	103	108	5

DESCRIPTION OF ACTIVITY

The Office of Inspector General (OIG) 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 mission of the OIG is to:

- 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.

Salaries and Expenses, Trust Fund, and Advances and Reimbursements
Office of the Inspector General

- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

Specific functions include:

Audits

- Perform health and life insurance carrier audits. The OIG conducts audits of health insurance carriers, sponsors, underwriting organizations, as well as two life insurance carriers, all of which share in annual premium payments in excess of \$16.5 billion. Audits of FEHBP carriers resulted in significant positive financial impact (this includes both actual recoveries to the FEHBP fund and commitments by OPM management to recover additional funds). In FY 1997, the positive financial impact to the FEHBP fund resulting from these audits totaled approximately \$76.4 million. This amount includes \$13.1 million which was the result of a joint effort with the OIG investigative component.
- Perform OPM internal audits. This activity includes such diverse areas as financial statement audits required by the Chief Financial Officers Act; President's Council on Integrity and Efficiency government-wide audits; audits of agency compliance with laws and regulations such as the Prompt Payment Act and the Federal Managers Financial Integrity Act; and performance audits of OPM programs that involve the range of the agency's responsibilities for retirement, employee development, and personnel management activities.
- Perform OPM external audits. The OIG, as requested by OPM procurement officials, conducts pre- and post-award contract audits relating to the acquisition of goods and services by agency program offices. The OIG also conducts audits of the local organizations of the Combined Federal Campaign, the sole authorized charitable fund-raising drive conducted in federal installations throughout the world.
- Provide senior audit staff to the Department of the Treasury's Auditor Training Institute on a reimbursable basis, to deliver on-going training support to the Inspector General community. The OIG also participates in multi-agency audit projects where actual costs are reimbursed by the lead agency.

Investigations

- Provide investigative oversight of OPM's administered trust funds. Combined disbursements for these programs are in excess of \$55 billion annually. The investigation of fraud involving OPM's trust funds occupies the majority of our OIG investigative efforts. Investigations of health insurance and retirement fraud resulted in positive financial impact of approximately \$23.8 million in FY 1997. This amount includes \$13.1 million which was the result of a joint effort with the OIG audit component.

*Salaries and Expenses, Trust Fund and Advances and Reimbursements
Office of the Inspector General*

- Implement the Program Fraud Civil Remedies Act (31 U.S.C. 3801-3812) by investigating program fraud allegations involving false claims of up to \$150,000 and report findings and conclusions to the General Counsel, the agency reviewing officer.
- Inquire into allegations by OPM employees, contractors, and other interested parties of program-related fraud, misconduct or conflict of interest.

Evaluation and Inspections

- Conduct evaluations and inspections of OPM program issues and functions. Through these evaluations and inspections, the OIG is providing assistance to agency program managers to improve delivery of services throughout the agency. Much of this work is performed through a constructive and interactive relationship with program officials. However, the OIG may impose an evaluation or inspection whenever a need is identified.

Administrative Sanctions

- Title I of Public Law 100-654, the Federal Employees Health Benefits Amendments Act of 1988, empowered OPM to impose administrative sanctions against health care providers or suppliers of health services and equipment whose actions indicate that they present a threat to the integrity of the FEHBP. The OIG has accepted responsibility for operating this program for the agency.
- Issue debarment actions under the authority of the Nonprocurement Debarment and Suspension Common Rule for cases which are predicated on suspension and debarment actions initiated by another federal agency.
- Legislation is pending in Congress to amend the FEHBP statutory sanctions authority so that it can be implemented in a cost-effective manner. The most significant improvement, initially identified by OIG, would allow debarments of providers to remain in effect during the pendency of administrative and judicial appeals. Also, the bases for mandatory and permissive debarments would be modified to correspond with the current Medicare statute.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- Prepare semiannual reports on OIG activities for the Director of OPM and Congress as required by the Inspector General Act.
- Outlays from the retirement and insurance trust funds are highly susceptible to fraud. Working with limited resources, the OIG has achieved an impressive record of cost effectiveness in combating this fraud. For FY 1997, OIG-audit and investigative findings resulted in recoveries and disallowed costs of \$87.1 million in favor of the trust funds. This trust fund oversight by the OIG will continue to result in significant positive financial impact.

Salaries and Expenses, Trust Fund, and Advances and Reimbursements
Office of the Inspector General

- In addition to the financial impact resulting from OIG activities during this period, OIG audits and investigations also provided a significant deterrent against future instances of fraud, waste and abuse. Any reduction in resources will directly result in a net increase in government costs because recoveries associated with audits and investigations of FEHBP carriers far exceed direct program costs.
- Investigative efforts in FY 1997 resulted in 25 arrests. These arrests primarily involved civil service retirement fraud.
- The OIG will increase the number of common rule debarments that it issues to health care providers or suppliers of health services and equipment whose actions indicate that they present a threat to the integrity of the FEHBP by approximately 30 percent in FY 1998. In FY 1997, the OIG issued 1,886 common rule debarments and current projections indicate that this number will increase to approximately 2,500 in FY 1998.

ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL II:

PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$10,255 Full-Time Equivalents: 108

- By the year 1999, resolve material weaknesses and improve financial systems and internal controls to maintain the integrity of the benefit trust funds totaling more than \$60 billion in annual benefit payments and OPM's appropriated and reimbursable funds.
- Ensure Federal Employees' Health Benefits and Federal Employees' Group Life Insurance contract compliance through financial and performance audits, and quality assurance standards. (Continuing)

OIG Goal 1: Provide independent oversight of agency programs, operations, functions, and activities.

*Salaries and Expenses, Trust Fund and Advances and Reimbursements
Office of the Inspector General*

Means	<ul style="list-style-type: none">➤ Identify and monitor sensitive, significant, or costly agency initiatives. ➤ Pursue a comprehensive plan of audit in which priorities are focused on performing independent audits of OPM's financial statements, health insurance carriers, life insurance carriers, and combined federal campaigns. ➤ Perform audits, investigations, evaluations, and inspections in accordance with appropriate professional standards and applicable laws and regulations to ensure both the quality and objectivity of work.
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Indicators	<ul style="list-style-type: none">➤ Number of audits, investigations, evaluations, or reviews completed. ➤ Dollars saved, recovery rate, and return on investment. ➤ Number of reports issued. ➤ Audit cycle, average number of unaudited years, and lost audit years for FEHBP carriers.
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OIG Goal 2: Assist and work with our customers and stakeholders in a spirit of cooperation.

Means	<ul style="list-style-type: none">➤ Identify opportunities for OPM to improve operations and put resources to better use. ➤ Conduct audits, evaluations, and inspections with the principal purpose of addressing the specific needs of OPM program managers.
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Salaries and Expenses, Trust Fund, and Advances and Reimbursements
Office of the Inspector General

	<ul style="list-style-type: none">➤ Provide a quick and comprehensive response to program office requests.➤ Enhance teamwork and/or coordination among auditors, investigators, evaluators, the Department of Justice (DOJ), OIG’s customers, stakeholders, and other parties with common goals or interests.
Indicators	<ul style="list-style-type: none">➤ Percent of recommendations agreed to and implemented by OPM management. ➤ Number of audit issues or concerns regarding OPM's financial statements, programs, and administrative activity identified. ➤ Number of issues addressed and/or resolved by the Quality Improvement Teams (QITs).➤ Number of times OIG participated in joint investigations or multi-agency task forces.➤ Amount of time required to perform a review and complete a report.➤ Amount of agency resources recommended for better use.➤ Number of debarment inquiries.
OIG Goal 3:	Detect and prevent fraud against OPM programs.
Means	<ul style="list-style-type: none">➤ Promote and protect the integrity of the Federal Employees Health Benefits Program through debarment of untrustworthy health care providers. ➤ Target program weaknesses and develop new techniques for detecting fraud.

*Salaries and Expenses, Trust Fund and Advances and Reimbursements
Office of the Inspector General*

- Conduct objective, aggressive, thorough, and timely audits, investigations, and evaluations.
- Pursue restitution, whenever possible.
- Publicize offender convictions for deterrent effect.
- Work with program managers and legislators to improve the legal tools needed to protect OPM programs from fraud, other illegal acts or abuse.

Indicators

- Number of contract, regulatory, or statutory changes made.

- Number of investigations resulting in a positive disposition for the agency (e.g. restitution, out of court settlement, plea agreement, conviction, etc).

- Number of debarments and amount of fines.
- Number of referrals to the DOJ.
- Percentage of carriers in compliance with debarment guidelines, and the percent that have a debarment implementation plan in place.
- Percentage of debarments and contested proposed debarments processed within established time requirements.

**OIG
Goal 4:**

Improve overall quality assurance and oversight of OPM's Programs.

Means

- Require experience-rated FEHBP carriers to expand their audits using independent public accountants (IPA's) engaged by the insurance carrier.

- Prepare an audit guide that will set forth the scope of audit requirements to be used by IPA's.

Salaries and Expenses, Trust Fund, and Advances and Reimbursements
Office of the Inspector General

	<ul style="list-style-type: none">➤ Focus OIG resources on contract performance on FEHBP carriers where we have program expertise such as the allowability and allocability of administrative expenses, allowability of benefit payments, and the detection of benefit payment fraud and abuse.➤ Audit all OPM financial statements to ensure compliance with government auditing standards.
Indicators	<ul style="list-style-type: none">➤ Monitor the use of IPA's.➤ Number of internal OPM audits conducted.➤ Reduction in number of material weaknesses.

VERIFICATION AND VALIDATION

The verification and validation mechanisms that are in place for the OIG's performance measures include:

- **Audit Reports Tracking System (ARTS):** ARTS is a automated tracking system that provides information regarding audits of FEHBP carriers. This information is cross-referenced twice a year with information maintained by RIS in their automated tracking system and any discrepancies are resolved and agreed to by OIG and RIS. The information captured in this system is reported in the OIG's Semiannual Report to Congress.
- **Investigations Tracking System (ITS):** ITS is an automated tracking system that provides the status and resolution of investigative activities. The information captured in this system is also reported in the OIG's Semiannual Report to Congress.
- **U.S. Attorney review of criminal cases:** A number of the OIG's investigations are criminal in nature and forwarded to the Department of Justice for prosecution. These cases are scrutinized by the U.S. Attorney.
- **Administrative Sanctions:** FEHBP administrative sanctions are based on information provided by the Department of Health and Human Services (HHS). The OIG informs HHS of any discrepancies that we discover with the information that they provide. The General Services

*Salaries and Expenses, Trust Fund and Advances and Reimbursements
Office of the Inspector General*

Administration publishes the name and relevant information of the individuals that are sanctioned by the OIG.

- Evaluations and Inspections: Program offices that request, or where the OIG imposes, an evaluation or inspection of their operations are provided with a draft report for comment. The comments provided by the program office are used to ensure the accuracy of the final report.

ESTABLISHED WORKLOAD MEASURES

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate	FY 1999 Change
Combined Federal Campaign Audits	1	3	3	--
Insurance Audit Reports	39	40	40	--
Questioned Costs	\$71.7 M	\$72 M	\$72 M	--
CFO Audit Oversight, TF	3	3	3	--
CFO Audits, S&E and RF	2	2	2	--
Investigations Cases Worked	163	190	210	+20
Investigative Complaints Handled	2,581	2,900	3,000	+100
Administrative Sanctions	1,886	2,500	3,000	+500

FY 1999 BUDGET CHANGES

An increase of \$500,000 and 5 FTE for FY 1999 is requested to increase the frequency of FEHBP carrier audits helping OPM progress toward an overall five year or better audit cycle. These additional funds will be used to finance the salaries and benefits for the increased FTE, audit travel expenses, training for the new staff, and necessary ADP equipment and supplies.

Description of Issue:

The preferred audit cycle for carriers that participate in the FEHBP ranges between three and five years. The OIG believes that high risk carriers (based on relative size and past audit experience) should be audited at least every three years while the remaining carriers should be audited no less often than every five years. Any cycle longer than five years exposes the FEHBP to the risk of substantial loss because contractual provisions and federal regulations limit retention of FEHBP administrative records to five years. Due to insufficient resources, 49 percent of the plans participating in the FEHBP during 1990 were not audited before the retention period expired. Thus, over \$4.5 billion in FEHBP outlays for that one year were not subjected to audits. Since

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Office of the Inspector General

total FEHBP costs have grown each year, the amount escaping audit in successive years will also increase.

The OIG currently dedicates 43 FTE to performing FEHBP audits. With this level of effort, the average weighted unaudited years for experience-rated carriers is seven; however, 55 percent of the experience-rated carriers have not been audited for five years or more. For community-rated health maintenance organization carriers, the average weighted unaudited years is approximately four; however, 33 percent of the HMO carriers have not been audited in five years or more. This latter figure is a little misleading because the calculation includes numerous new carriers who joined the program during the last five years and excludes older plans with more than five unaudited years that have left the program pulling the weighted average down.

OPM has identified the infrequency of these audits as an agency material weakness pursuant to the Federal Managers' Financial Integrity Act and it has received a disclaimer of opinion on the FEHBP financial statement because it had to combine unaudited carrier data with agency data.

Program Impact:

The trust funds which support the Office of Personnel Management's employee earned retirement and insurance programs are among the very largest held by the United States Government. Their assets totaled approximately \$417 billion in FY 1996. The amounts of their balances alone are material to the integrity of the government's financial position. Outlays from these funds were approximately \$57 billion in FY 1996. Further, these outlays are made to millions of annuity recipients and hundreds of health insurance carriers nationwide. Such payments are susceptible to fraud and indeed, studies by law enforcement agencies, GAO, and industry groups have consistently projected that substantial amounts will reflect improper, inaccurate, or fraudulent payments. We owe it to federal employees and annuitants to protect the integrity of their earned benefit programs, and to federal agencies and the American taxpayers, who provide the majority of the programs' funding, to reduce losses due to fraud and impropriety and to recover misspent funds whenever possible.

The OIG recognizes the oversight of these funds to be its most significant challenge, and has concentrated its operating resources in functions that return funds to the government. Working with very limited resources, the OIG has achieved an impressive record of cost effectiveness in combating fraudulent activities. Audits and investigations of the trust fund programs have resulted in significant financial recoveries to the trust funds and commitments by program management to recover additional amounts. In FY 1997, the OIG achieved recoveries and disallowed costs of approximately \$87.1 million, which is one of the largest such figures in the federal inspector general community. Essentially all of this amount relates to the FEHBP, and is used to achieve reductions in future insurance premiums.

The additional 5 FTE and \$500,000 in FY 1999 would enable the OIG to make progress toward achieving an average audit cycle of five years for carriers participating in the FEHBP. In addition

*Salaries and Expenses, Trust Fund and Advances and Reimbursements
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to providing increased FEHBP trust fund oversight, reducing the audit cycle to five years will result in considerable financial recoveries. A highly conservative estimate, based on FY 1997 experience, indicates that the OIG will be able to recover at least an additional \$4.5 million annually as a direct result of the increased audit activities. Assuming that each new auditor is trained and fully functional, the level of additional recoveries could approach \$9 million per year.

PAYMENT ACCOUNTS

- **GOVERNMENT PAYMENT
FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS**
- **GOVERNMENT PAYMENT
FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE**
- **PAYMENT
TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND**

**GOVERNMENT PAYMENT FOR ANNUITANTS,
EMPLOYEES HEALTH BENEFITS**

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
PROGRAM BY ACTIVITY				
Obligations				
Government contribution for annuitants benefits (1959 act)	\$3,929,254	\$4,142,897	\$4,628,448	\$485,551
Government contribution for annuitants benefits	<u>4,798</u>	<u>4,078</u>	<u>3,548</u>	<u>(530)</u>
Total	\$3,934,052	\$4,146,975	\$4,631,996	\$485,021
FINANCING				
Unobligated balance available, start of year	(\$941,025)	(\$94,071)	—	\$94,071
Unobligated balance available, end of year	<u>94,071</u>	<u>—</u>	<u>—</u>	<u>—</u>
Budget Authority	\$3,087,098	\$4,052,904	\$4,631,996	\$579,092
RELATION OF OBLIGATIONS TO OUTLAYS				
Obligations incurred	\$3,934,051	\$4,146,975	\$4,631,996	\$485,021
Obligated balance start of year	220,068	182,138	198,479	16,341
Obligated balance end of year	<u>(182,138)</u>	<u>(198,479)</u>	<u>(350,315)</u>	<u>(151,836)</u>
Outlays	\$3,971,981	\$4,130,634	\$4,480,160	\$349,526

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FY 1999

(dollar amounts in thousands)

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Budget Authority	\$3,087,098	\$4,052,904	\$4,631,996	\$579,092
Obligations	\$3,934,052	\$4,146,975	\$4,631,996	\$485,021
Outlays	\$3,971,982	\$4,130,634	\$4,480,160	\$349,526

This appropriation funds 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 (REHB) program and (3) the payment of expenses incurred by the Office of Personnel Management in the administration of the REHB program.

Public Law 93-246, the Federal Employees Health Benefits - Government Contribution Increase Act, as modified by Public Law 101-76, provides for maximum government contributions for enrollees in the Employees Health Benefits Program equal to 60 percent of the unweighted average of the high option premiums of six large plans. In 1989, one of the members of the "Big Six" group, the indemnity benefit plan sponsored by Aetna, dropped from the program. In order to avoid the burden of additional costs shifting to enrollees as a result of the Aetna withdrawal, Congress introduced a "Phantom" formula which was intended to preserve the amounts contributed by the government toward employee health benefit costs. Through successive legislative action, the use of the "Phantom" formula was extended through 1993. Public Law 103-66, the Omnibus Budget Reconciliation Act of 1993, enacted on August 10, 1993, extended the use of this formula through 1996, with guidance concerning a slightly amended formula to be used in 1997 and 1998.

Beginning in the 1999 contract year, in accordance with Public Law 105-33, the maximum government contribution will be 72 percent of the weighted average monthly premium of plans participating in the FEHB Program.

A number of laws have been passed over the last several years to require the Postal Service to finance a share of the Government's costs toward certain postal service annuitants' health costs.

Payment Accounts
Annuitants, Employees Health Benefits

The most recent action, Public Law 103-66, the Omnibus Reconciliation Act of 1993, enacted on August 10, 1993 requires the Postal Service to make three fixed annual payments of \$116 million to the Employees Health Benefits Fund during FY 1996-1998 as reimbursement for costs incurred by the Government on behalf of postal retirees during the years elapsed since the Postal Service reorganization in 1971. Conferees believe that after these payments have been made, the Postal Service will have **completely** paid its debt for past retiree health benefits. These payments are in addition to those required by Public Law 101-508, enacted on November 5, 1990 requiring the Postal Service to make monthly contributions for a prorated portion of the Government costs, based on post-1971 service. The amount requested in this appropriation recognizes these payments to be remitted by the Postal Service for their portion of annuitants health benefits costs.

Budget Authority:

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 the "such sums as may be necessary" to carry out these provisions. Because this account had previously been funded by permanent appropriations, in FY 1997 remaining unobligated balances from prior years were expended. This resulted in a lower FY 1998 budget authority than normal. In FY 1999, the increase in budget authority of **\$579,092** reflects a return to a more typical level, and also the impact of both the growing number of enrollees and the premium increases in January of 1999.

Obligations:

The overall increase in obligations for this program is made up of two parts:

An **increase of \$485,551,000** in FY 1999 is necessary to provide for the growing number of enrollees and the estimated impact of premium increases effective January 1999.

This appropriation also provides financing for the Government's share of health benefit costs for annuitants and survivors covered under the Retired Employees Health Benefits Program. Public Law 96-156, the Retired Federal Employees Health Benefits Act - Government Contribution, provides for increases in Government contributions toward the subscription charge for health coverage, ties to increases in the cost of Medicare Part B, for those annuitants who retired prior to July 1, 1960. The net impact of the increased rate of contributions for those enrolled with private insurance carriers and the decreases in the number of enrollees is a **decrease in Government costs of \$530,000**.

**GOVERNMENT PAYMENT FOR ANNUITANTS,
EMPLOYEES LIFE INSURANCE**

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
PROGRAM BY ACTIVITY				
Obligations	\$27,801	\$32,236	\$35,220	\$ 2,984
FINANCING				
Unobligated Balance Available, s t a r t o f y e a r	(\$225)	(\$1,270)	—	1,270
Unobligated Balance Available, end of year	<u>\$1,270</u>	<u>—</u>	<u>—</u>	<u>—</u>
Budget Authority	\$28,846	\$30,966	\$35,220	\$4,254
RELATION OF OBLIGATIONS TO OUTLAYS				
Obligations incurred, net	\$27,801	\$32,236	\$35,220	\$ 2,984
Obligated balance, start of year	3,147	3,035	3,051	16
Obligated balance, end of year	<u>(3,035)</u>	<u>(3,051)</u>	<u>(3,298)</u>	<u>(247)</u>
Outlays	\$27,913	\$32,220	\$34,973	\$2,753

**GOVERNMENT PAYMENT FOR ANNUITANTS,
EMPLOYEES LIFE INSURANCE**

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FY 1999

(dollar amounts in thousands)

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Budget Authority	\$28,846	\$30,996	\$35,220	\$4,254
Obligations	\$27,801	\$32,236	\$35,220	\$2,984
Outlays	\$27,913	\$32,220	\$34,973	\$2,753

Public Law 96-427, Federal Employees' Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for the purposes of retirement on or after January 1, 1990, continue to make contributions toward their Basic life insurance coverage (currently \$.36 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 \$.18 per month for each \$1,000 coverage) for Basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution associated with annuitants' post retirement basic life coverage.

Budget Authority:

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 the "such sums as may be necessary" to carry out these provisions each fiscal year.

**PAYMENT TO THE CIVIL SERVICE RETIREMENT
AND DISABILITY FUND**

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
PROGRAM BY ACTIVITY				
Payment of annuities under special acts	\$427	\$393	\$361	(\$32)
Payment of Government share of retirement	8,084,699	8,366,860	8,681,936	315,076
Transfer for interest on unfunded liability and payment of military service annuities	13,112,200	12,764,728	12,745,599	(19,129)
Spouse equity payment	56,348	56,348	56,348	—
Transfer for payment of FERS supplemental liability	—	—	—	—
Total Obligations	\$21,253,674	\$21,188,329	\$21,484,244	\$295,915
FINANCING				
Appropriation (current)	\$8,085,126	\$8,367,252	\$8,682,296	\$315,044
Appropriation (permanent, Indefinite)	<u>13,168,548</u>	<u>12,821,077</u>	<u>12,801,948</u>	<u>(19,129)</u>
Budget Authority	\$21,253,674	\$21,188,329	\$21,484,244	\$295,915
Outlays	\$21,253,674	\$22,188,329	\$21,484,244	\$295,915

**PAYMENT TO THE CIVIL SERVICE RETIREMENT
AND DISABILITY FUND**

CURRENT AND PERMANENT BUDGET AUTHORITY

(dollar amounts in thousands)

SUMMARY EXPLANATION OF CHANGES REQUESTED FOR FY 1999

	Current	Permanent	Total
FY 1998 Total Budget Authority/ Obligations	\$8,367,252	\$12,821,077	\$21,188,329
FY 1999 Program Changes			
Decrease in payment for annuities under special acts.	(32)	---	(32)
Increase in 30-year amortization payments resulting from an assumed 3.1% January pay raise (including locality pay adjustments).	315,076	---	315,076
Decrease in the annual payment of interest on the Civil Service Retirement System unfunded liability resulting from increased Postal Service contributions.	---	(170,828)	(170,828)
Increase in the annual payment for military service credit due to annuity roll growth and payment of the 2.2% January 1999 COLA.	<u>---</u>	<u>151,699</u>	<u>151,699</u>
Total Changes	\$315,044	(\$19,129)	\$295,915
FY 1999 Total Budget Authority/ Obligations	\$8,682,296	\$12,801,948	\$21,484,244

Payment Accounts
Civil Service Retirement and Disability Fund

The Civil Service Retirement and Disability Fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. In FY 1998 the Fund will serve approximately 2.7 million active employees, 1.7 million annuitants and 0.6 million survivors and will make benefit payments in excess of \$43 billion. The Fund covers the operation of both the Civil Service Retirement System and the Federal Employees Retirement System.

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 (Public Law 91-93), the Federal Employees Retirement Act of 1986 (Public Law 99-335) and the Civil Service Retirement Spouse Equity Act of 1985 (Public Law 98-615). The payment is made directly from the General Fund of the U.S. Treasury and is in addition to appropriated funds that will be contributed from agency budgets in FY 1999.

Current Appropriation

Public Law 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System (CSRS) 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. Since FY 1994, the Office of Personnel Management has notified the Secretary of the Treasury each year of the "such sums as may be necessary" to carry out these provisions.

The total current appropriation request for FY 1999 (\$8,682,296,000) is the sum of the annual payments authorized since the law was enacted in 1969 (\$8,366,860,000), plus the estimated payment resulting from assumed pay raises totaling 3.1% in January 1999 (\$315,076,000). It also includes funding for the annuities of persons employed on the construction of the Panama Canal and widows of former Lighthouse Service employees (Annuitants under Special Acts, \$361,000). The total FY 1999 current appropriation estimate represents an **increase of \$315,044,000** from the amount estimated for FY 1998 of which \$315,076,000 is attributed to increases in employees' pay, and \$32,000 for decreases in payments to annuitants under special acts.

Permanent Indefinite Authorization

Public Law 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, of \$9,174,172,000, and annuity disbursements attributable to credit for military service of \$3,571,427,000.

It also includes a payment of \$56,348,000 in accordance with Public Law 98-615 which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible

Payment Accounts
Civil Service Retirement and Disability Fund

former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

The permanent indefinite authorization in FY 1999 will total \$12,801,948,000, **a decrease of \$19,129,000 from** FY 1998. The decrease reflects a lower CSRS unfunded liability interest payment of \$170,828,000, and a higher payment for military service credit of \$151,699,000.

OFFICE OF PERSONNEL MANAGEMENT

REVOLVING FUND ACCOUNT

DESCRIPTION

Under authority of 5 U.S.C. 1304, various Public Laws and Executive Orders, the Revolving Fund of the Office of Personnel Management provides financing on a reimbursable basis for a continuing cycle of services.

The services include: training for Federal managers and executives; testing of potential military inductees for the Department of Defense in those locations where it is cost-effective for OPM to do so; providing employment information; providing assessment services; automating other agencies' staffing systems; examining for vacancies when requested by an agency; providing technical assistance and general consultation services on all facets of human resources management; and the selection, coordination and development of Presidential Management Interns. The Investigations Service includes: National Agency Checks/National Agency Checks and Inquiries and background security investigations of individuals who are candidates for positions identified as critical-sensitive by the requesting agencies, or reinvestigations of individuals occupying positions identified as critical-sensitive.

Each program is operated at rates, established by OPM, which should be adequate to recover expenses over a reasonable period of time. Receipts derived from operations are, by law, available in their entirety for use of the fund without further action by Congress.

Budget Accomplishments

OPM reversed a 10-year trend of higher deficits in its Revolving Fund by imposing tough management decisions, tighter financial controls across all programs, increased accountability and downsizing. In addition, OPM successfully privatized two major revolving fund programs, training and investigations. These actions have resulted in the Revolving Fund being above the breakeven point at the end of FY 1997 after experiencing a \$48.8 million deficit at the end of FY 1994.

REVOLVING FUND

COMPARATIVE SUMMARY STATEMENT

(dollar amounts in thousands)

Obligations:	<u>FY 1997</u> <u>Actual</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Request</u>	<u>FY 1999</u> <u>Change</u>
DOD Testing	\$8,011	\$8,045	\$8,307	\$262
Employment Service	17,435	30,357	31,416	1,059
Investigations Service	97,301	80,322	81,638	1,316
Workforce Relations	34,829	35,038	36,105	1,067
Executive Resources	<u>19,210</u>	<u>21,254</u>	<u>21,583</u>	<u>329</u>
Total	\$176,786	\$175,016	\$179,049	\$4,033
Full-Time Equivalent:				
DOD Testing	166	175	175	0
Employment Service	145	365	365	0
Investigations Service	31	35	35	0
Workforce Relations	21	26	26	0
Executive Resources	<u>62</u>	<u>69</u>	<u>69</u>	<u>0</u>
Total	425	670	670	0
Agency Reserve	<u>0</u>	<u>18</u>	<u>13</u>	<u>(5)</u>
Grand Total	425	688	683	(5)

REVOLVING FUND

OBLIGATIONS BY OBJECT CLASS

(dollar amounts in thousands)

OBJECT CLASS	<u>FY 1998 Estimate</u>	<u>FY 1999 Request</u>	<u>Change</u>
Personnel Compensation	\$26,022	\$27,782	\$1,760
Personnel Benefits	4,627	4,863	236
Benefits for Former Personnel	30	0	(30)
Travel and Transportation of Persons	3,936	4,070	134
Transportation of Things	460	318	(142)
Rental Payments to GSA	6,627	6,525	(102)
Communications and Utilities	11,989	12,337	348
Printing and Reproduction	1,101	1,241	140
Advisory and Assistance Services	59,652	58,899	(753)
Other Services	53,468	56,998	3,530
Supplies and Materials	1,843	1,808	(35)
Equipment	4,988	3,929	(1,059)
Land and Structures	273	279	6
Total Obligations	\$175,016	\$179,049	\$4,033

REVOLVING FUND

DOD TESTING

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$8,011	\$8,045	\$8,307	\$262
Full-Time Equivalents	166	175	175	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) administers the Armed Services Vocational Aptitude Battery for the Department of Defense (DOD). The following services are provided:

- Conduct student tests at local high schools, vocational institutions, and community and junior colleges. Students are tested and their scores are provided to their counselors to use in career exploration and planning. The program also allows military recruiters to channel their activity toward qualified students who are interested in a military career.
- Conduct enlistment tests for individuals who wish to enter the military service.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- In FY 1997 approximately 14,900 student test sessions were conducted for DOD, and in FY 1998 ES is planning for a 1 percent increase to 15,050 sessions, consistent with DOD's plans for increased testing requests.
- In FY 1997 approximately 30,700 enlistment sessions were conducted, and in FY 1998 ES expects to conduct the same number of sessions.

ANNUAL PERFORMANCE GOALS FOR FY 1999 BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL IV:

*DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.*

FY 1999 RESOURCE SUMMARY: Obligations (000): \$8,307 Full-Time Equivalents: 175

Revolving Fund
DOD Testing

- By the year 2000, become the provider of choice for direct human resources management services including examining, test administration, downsizing, career transition, organizational assessment, and occupational analysis, on a reimbursable basis.

ES **DOD Testing Program. Operate the DOD Testing Program to increase**
Goal 16: **customer satisfaction and maintain reimbursable fiscal balance.**

Means

- Support DOD in its initiative to increase student testing, by maintaining the capability to fully respond to requests by DOD to conduct additional test sessions over previous years.
- Work closely with stakeholders to assess and improve operations.

Indicators

- Continuation of the contract by DOD.
- Requests for increased numbers of student test sessions by DOD are met.
- Increased customer satisfaction as tracked through quarterly feedback sessions with DOD program managers.
- Financial balance of costs and income.

VERIFICATION AND VALIDATION

- See the Employment Service Verification and Validation Section on page 246.

FY 1999 BUDGET CHANGES:

An increase of \$262,000 is estimated to cover the cost of pay raise and inflation.

REVOLVING FUND

EMPLOYMENT SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$17,435	\$30,357	\$31,416	\$1,059
Full-Time Equivalents	145	365	365	---

DESCRIPTION OF ACTIVITY

The Employment Service (ES) provides a variety of operational and consultative human resources services to agencies on a reimbursable basis. Services are delivered in all areas of Employment Service responsibility, including automated examining, testing, organizational assessment, personnel records processing, and employment information.

OPM also provides on a partially reimbursable basis two functions formerly funded through its general fund appropriation: employment information and examining for Administrative Law Judge positions.

In the employment information area, the costs of supporting the Governmentwide employment information system (USAJOBS) are split between OPM and agencies; agencies pay a prorated share based on each agency's number of employees in the competitive service. OPM continues to fund approximately half of employment information through S&E appropriations to ensure that the needs of job seekers, veterans, and displaced employees are balanced with the needs of agencies.

In the case of Administrative Law Judges, OPM is prohibited by law from delegating the authority for examining to agencies, but the costs of examining for these positions are fully recovered through agency fees based on the number of ALJ's in each agency. It is anticipated that these costs will remain stable in FY 1999, unless agencies request additional services and agree to pay the associated costs. OPM will continue to fund policy direction and other legal responsibilities of the ALJ program through appropriated funding.

OPM also continues to conduct the Presidential Management Intern Program through both appropriated and reimbursable funds, providing policy leadership, direction, and administrative support under Salaries and Expenses funding, and recovering the costs of assessment and training through agency fees. It is anticipated that these costs will remain stable in FY 1999.

Reimbursable Authority. ES provides reimbursable services under OPM's existing Revolving Fund Authority, which was defined in the FY 1994 OPM budget justification to include the conduct of projects at the request of agencies to assess and improve the quality of the Federal workforce, and to support agencies' efforts to automate their staffing operations. This authority includes studies designed to assist agencies in the selection, development, and retention of a high

Revolving Fund Employment Service

quality workforce and to help agencies develop and install complementary computer systems for staffing operations. ES Revolving Fund authority was further expanded in FY 1996 when OPM was given authority to delegate competitive examining (except for Administrative Law Judges), and to accept reimbursement from agencies for competitive examining services, when requested.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- In FY 1997, the Employment Service (ES) provided a wide array of reimbursable services to all 14 Executive Branch Cabinet Departments, 37 independent agencies, 4 legislative branch, 1 judicial branch, and 2 non-appropriated fund (NAFI) agencies. ES also provided services to 7 State governments and 5 municipalities. ES expects to provide services to a similar array of customers in FY 1998, with increases in the numbers of State and local governments served.
- Many agencies contracted with ES to conduct examinations of job applicants in FY 1997 and have continued these contracts into FY 1998. By outsourcing their examining work to OPM, these agencies save money and time, and ensure that their selections are made in compliance with the merit system.
- ES introduced USAJOBS, the Federal employment information Web site, in FY 1997, giving the public greater access to Federal job listings. In June 1997, a second telecommunications circuit was added to increase the capacity of the site, which now averages more than 25,000 visits daily. Total FY 1997 visitors to the site exceeded 3.8 million. Overall, the Federal jobs data base was accessed over 8 million times to respond to employment inquiries in FY 1997, and expectations are that usage of the system will increase at least by 20 percent in FY 1998.
- In FY 1998, ES will introduce an online resume builder on the USAJOBS Web site, and will implement electronic delivery of resumes to Federal agencies from the USAJOBS Web site.
- ES measures public customer satisfaction with the employment information system through on-line surveys available on the telephone, touchscreen, Web site, and electronic bulletin board systems, and saw an increase in overall satisfaction from 78.7 percent in FY 1996 to 82.4 percent in FY 1997 (based on data through the first three quarters). ES has established a goal to increase overall satisfaction by 2 percent in FY 1998, or 84.4 percent.
- In late FY 1997, ES began describing the complete Federal employment information system as the USAJOBS system, in order to simplify public understanding of where to get job information.
- ES introduced several new products and services in FY 1997, and enhanced others, in response to its continuing assessment of customer needs. For example, a subscription-based Web site or PC-based service, USACareers, was introduced in FY 1997 as a tool for agencies to determine training needs, develop career paths, and outplace employees affected by

*Revolving Fund
Employment Service*

downsizing. In FY 1998, ES will undertake a major marketing effort to make all Federal agencies aware of this new service.

- Participation in the Employee Express system for automated self-selection of benefits increased to include 16 large agencies and a consortium of 13 small agencies, and coverage of more than 630,000 employees. Plans for FY 1998 include two additional agencies and expansion in three other agencies. New options for TSP contributions and Health Benefits changes were added, and plans were made to add Savings Bonds and CFC contributions options in FY 1998. Employee Express can potentially save these agencies the costs associated with one-third of their personnel and payroll transactions.
- In FY 1997, ES supported Performance America, an interagency consortium established by the National Performance Review, to use the Organizational Assessment Survey (OAS) to gather Governmentwide data on organizational performance, in order to do internal benchmarking and external benchmarking with high performing private sector organizations. This project will be completed in FY 1998.
- Also in FY 1997, ES revitalized the Presidential Management Intern (PMI) Program and simultaneously reduced costs for the program to participating agencies. The recruitment, application and assessment, career development group component, and training provided to the PMI participants were all redesigned to make them more effective and efficient. In FY 1998, additional revisions will be made to the orientation and graduation training events, and ES will work closely with agencies to encourage at least 300 hires from the FY 1998 class of finalists.
- In FY 1997, ES fully automated the Administrative Law Judges (ALJ) examination applicant data base; established a quarterly examination cycle that has eliminated long waiting periods for ALJ applicants and has greatly increased the timeliness of the examination process; refined the examination process so that ES is more efficient and timely in responding to applicant inquiries and concerns; and began an update of the ALJ occupational analysis. In FY 1998 the occupational analysis will be completed, and proposed ALJ regulations will be published for formal comment.
- ES has planned and partially implemented an internal, modular, management information system to track all of financial, workload, and other performance data, across all programs in the Employment Service. The first modules, the financial tracking system and the examining certificate processing system, were put into place in FY 1997, and the remaining modules will be implemented in FY 1998 and FY 1999.
- In FY 1997, ES aggressively reduced costs for space, postage, and other overhead expenses, in order to maintain a viable reimbursable pricing structure, and to maintain solid financial health in reimbursable operations. These reductions will continue in FY 1998, primarily through major reductions in space occupied.

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**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL III:

PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$150 Full-Time Equivalents: 1

- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.

ES Goal 17: Employment Conference. Enhance OPM's leadership role in the human resources management community by conducting a conference in the area of employment programs and policies, such as merit-based staffing, delegated examining, restructuring, and career transition.

Means

- Work directly with agencies to design the content and logistics of the conference, to ensure that agency needs are met.
- Plan the conference as a forum to introduce the newest concepts in human resources management, in the employment area.
- Manage the conference costs so that the fee charged for attendance supports attendance by the maximum number of agency participants.

Indicators

- Satisfaction of agencies with the conference development and program planning process, as measured by qualitative analysis of feedback for the agency planners.

- Customer satisfaction of the conference attendees, as measured by a satisfaction questionnaire given to all attendees.

- Balance of reimbursable costs and income.

OPM STRATEGIC PLAN GOAL IV:

DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$31,266 Full-Time Equivalents: 364

- Provide information about Federal employment opportunities to the public and to Federal employees 24 hours a day, 7 days a week, through the use of a Governmentwide, comprehensive information system to ensure fair and open competition and to assist agencies in reaching diverse, well-qualified job applicants. (Continuing)
 - By the year 1999, expand coverage to include all excepted service job openings.
 - By the year 2000, improve access for disabled information-seekers of employment information by using new technology.
 - By the year 2000, integrate the automated Federal employment information system with other employment information systems, at the State, local and collegiate levels, to ensure comprehensive service to the public.

ES **USAJOBS. Enhance the Federal Employment Information System**
Goal 18: **(USAJOBS), in order to maintain high levels of public and agency**
 customer satisfaction with the system.

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Means	<ul style="list-style-type: none"> ➤ Work closely with the Interagency Work Group on Employment Information and other relevant parties (e.g., Department of Labor, Veterans' Service Organizations, etc.) to enhance the Governmentwide employment information systems. ➤ Review and respond to customer satisfaction feedback and making changes and improvements as needed. ➤ Use automation (e.g., Web sites, touch screens, telephone technology) to provide employment information to the fullest extent possible and to keep agency costs low. ➤ Continuously improve customer service.
Indicators	<ul style="list-style-type: none"> ➤ Improved public customer satisfaction with employment information as indicated by a 2 percent increase in the percentage of overall "satisfied" ratings obtained from on-line user surveys, from FY 1998 levels (or as indicated by a continued satisfaction rating of 90 percent or higher, if that level is attained in FY 1998). The FY 1999 target rating for overall satisfaction will be 86.4 percent if the FY 1998 target rating of 84.4 percent is achieved. ➤ Assess the satisfaction of agencies with the employment information system through qualitative analysis of direct feedback and through the results of the annual agency customer satisfaction assessment to be introduced in FY 1998.

**ES
Goal 19: Excepted Service Job Openings in USAJOBS. Expand coverage in the employment information system to include all excepted service job openings by the end of FY 1999, in order to improve service to the public.**

Means	<ul style="list-style-type: none">➤ Support proposed legislation modifying 5 USC 3327 and 3330 to require the posting and listing of excepted service job opportunities. ➤ Modify employment information input and delivery systems as necessary for the inclusion of excepted service job opportunities. ➤ Implement education and publicity campaign to encourage entry of excepted service opening even if legislation does not pass.
Indicators	<ul style="list-style-type: none">➤ Report on the increases in percentage of excepted service job opportunities entered into the Federal jobs database in relation to the numbers and percentage of excepted service positions filled.

ES Goal 20: Disabled Access to USAJOBS. Based on research conducted in FY 1998, make plans for acquisition of equipment and improved design of employment information systems to ensure that the goal to improve access for disabled information-seekers of employment information by using new technology in FY 2000 will be met.

Means	<ul style="list-style-type: none">➤ Use the results of research and benchmarking conducted in FY 1998, begin the process of bidding and acquiring the best new technology to ensure access to employment information by job seekers with disabilities.
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	<ul style="list-style-type: none">➤ Work closely with stakeholders to ensure they are satisfied with the new equipment and designs being acquired or implemented.
Indicators	<ul style="list-style-type: none">➤ Evaluate the satisfaction of stakeholders with the decisions on new equipment and processes, through a qualitative analysis of direct feedback, including feedback posted on OPM's Web site.

**ES
Goal 21: Integration of Employment Information Sources. Increase the numbers of linkages between USAJOBS and other employment information systems at the State, local and collegiate levels, to ensure comprehensive service to the public by the FY 2000.**

Means	<ul style="list-style-type: none">➤ Provide ongoing access to Federal jobs database files to the Department of Labor's Automated Labor Exchange (ALEX) for distribution to State and local governments. ➤ Conduct ongoing awareness campaign to academic community to promote the use of the USAJOBS Governmentwide automated employment information system.
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Indicators

- 5 percent increases in rates of access and numbers of requests for information as measured by the online employment information systems.

- By the year 2000, become the provider of choice for direct human resources management services including examining, test administration, downsizing, career transition, organizational assessment, and occupational analysis, on a reimbursable basis.

**ES
Goal 22: Reimbursable Products and Services. Solidify position as provider of choice for examining, test administration, downsizing, career transition, organizational assessment, HR automation systems, and occupational analyses services on a reimbursable basis, in order to ensure that reimbursable services are financially stable.**

Means

- Develop new and improved products and services to meet agency customer needs, leveraging investments in infrastructure and automated processes to reduce overall costs for human resources management to Government.
- Establish customer service standards for all products and services, monitoring service against standards; continuously improve customer service.
- Ensure continued expertise in human resources management and automation to maintain OPM's position as a service provider of choice.
- Provide reimbursable services which have governmentwide impact and which are designed to move the HR community forward.

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	<ul style="list-style-type: none"> ➤ Assess strategic investments in human and physical capital that will improve ability to deliver high quality products and services. ➤ Maintain broad base of customers at multiple levels of government.
Indicators	<ul style="list-style-type: none"> ➤ Ongoing positive feedback from agency executives and managers that programs and services are high quality, timely, and customer-oriented and that they are relevant to individual and organizational performance improvement. ➤ Improved public customer satisfaction with reimbursable services as indicated by a 2 percent increase in the percentage of overall “satisfied” ratings obtained in customer assessments from FY 1998 levels (or as indicated by a continued satisfaction rating of 90 percent or higher, if that level is attained in FY 1998). ➤ Timeliness and quality of services provided meet standards established in FY 1998. ➤ Financial balance of costs and income realized from reimbursable services.

- Continue to enhance and support the Presidential Management Intern program as a source of future Government leaders through effective assessment and development.

ES **PMI Program. Operate the Presidential Management Intern (PMI)**
Goal 23: **Program so that agencies will be satisfied with the program and will hire at**
 least 300 PMI's.

Means	<ul style="list-style-type: none"> ➤ Work closely with agency advisory groups, such as the Federal Agency PMI Steering Group, to ensure that the PMI program is meeting their needs, and to encourage hiring up to the ceiling of 400 hires per year, and at least 300 hires per year. ➤ Conduct a study of the effectiveness (validity) of the PMI assessment process in providing high quality hires, and share results.
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Indicators

- Evaluate agency satisfaction with the PMI Program through qualitative analysis of direct feedback and through the results of the annual agency customer satisfaction assessment to be introduced in FY 1998.

- Assess the numbers of PMI's hired in FY 1999 against the target established for the year (300 hires), against numbers hired in previous years, and against the ceiling of 400 hires.

- Financial balance of costs and income.

- Operate the Governmentwide personnel program for Administrative Law Judges, including examining candidates, classifying positions, and protecting employee rights, in a timely and quality manner. (Continuing)

ES Goal 24: ALJ Program. Operate and improve the Administrative Law Judge (ALJ) personnel program so that agencies will be satisfied with the program.

Means

- Work closely with stakeholders to assess and improve operational and other program issues.

- Continuously improve response time to agency requests for specific action.

- Continuously improve the timeliness of the appeal process.
- Continuously improve the timeliness for responding to applicant inquiries.
- Maintain staff expertise in order to provide high-quality advice and assistance to agencies.

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Indicators	<ul style="list-style-type: none">➤ Evaluate external stakeholder satisfaction with the ALJ personnel program through qualitative analysis of direct feedback.➤ Timeliness of services provided meets standards established in FY 1998.➤ Timeliness in responding to appeals meets standards established in FY 1998.➤ Financial balance of costs and income.➤ Evaluate agency satisfaction with the ALJ personnel program through qualitative analysis of direct feedback and through the results of the annual agency customer assessment to be introduced in FY 1998.
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VERIFICATION AND VALIDATION

The measures included in this FY 1999 Annual Performance Plan for the Employment Service are a mix of measures that are already in place, or will be introduced in FY 1998. During FY 1998, ES will assess these and other mechanisms for supplementing or replacing these measures. The support for the measures included in this Plan is described below.

- ES will use accepted professional survey design, sampling techniques, and analysis procedures for any customer assessment surveys, to ensure reliability and validity.
- ES will use accepted qualitative analyses techniques to assess direct feedback, to ensure objectivity.
- ES will use data from Governmentwide surveys such as OPM's *Merit System Principles Questionnaire*, and from surveys conducted by external organizations such as the Merit System Protection Board, the General Accounting Office, and the National Performance Review, but only if the particular survey meets professional standards for validity and reliability.
- ES will evaluate qualitative analyses of feedback against survey data to determine if the findings from the two assessment methods are consistent, and will follow up discrepancies with additional research.
- ES will use results from OPM oversight reviews which have been conducted following accepted professional evaluation practices.

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- ES will use accepted professional accounting and tracking software to measure cost savings and improvements in quality and efficiency, and assess accuracy of data through quality control reviews.
- ES will use appropriate, valid and reliable external data sources to collect and track comparisons (such as the Central Personnel Data File).

In future years, after these measures have been validated, ES will use measures of Government-wide improvements in the quality and efficiency of human resources management operations, for example: the employment cost per new employee hired (by different employee classifications, such as by grade level, type of appointment, etc.), time in calendar days to recruit, process and select applicants.

FY 1999 BUDGET CHANGES:

An increase of \$1,059,000 is estimated based on the projected increased demand for the services we provide and to cover the cost of pay raise and inflation.

REVOLVING FUND

INVESTIGATIONS SERVICE

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$97,301	\$80,322	\$81,638	\$1,316
Full-Time Equivalents	31	35	35	---

DESCRIPTION OF ACTIVITY

The Investigations Service has investigations conducted as a service to Federal agencies to provide them with the information necessary to determine whether to grant security clearances to individuals occupying or being appointed to sensitive national security positions or for public trust positions. OPM will also continue to investigate employees of contractors for the Department of Energy. The extent of the investigation is determined by the level of risk or sensitivity in the position held (or to be held) by an individual.

Investigations Service made a successful transition to privatization of the program and has been able to meet agencies' workload demands with no decrease in the timeliness of investigations. Investigations are now carried out by OPM through a contract with an Employee Stock Ownership Plan (ESOP) corporation formed mainly with former staff from the Investigations Service of OPM.

OPM also furnishes National Agency Checks and National Agency Checks and Inquiries, as well as Special Agreement Checks for the Postal Service. Both the employee-owned investigative company and OPM have met the challenge of the first full year of operations with no decrease in the quality of investigations.

Executive Order 12968 promulgates new investigative standards which reduce the coverage requirements of some investigations. This reduction in coverage requirements, coupled with a contractor price reduction, allowed OPM to drop the price of its most expensive product, the Single Scope Background Investigation (SBI), by close to 15 percent. This will save agencies approximately \$1 million each fiscal year. Agencies can also request much less extensive investigations under the new Executive Order for certain positions and still satisfy coverage requirements. Projected additional savings to agencies from new investigative products amount to over \$4.5 million per year.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

Investigations Service provided a wide range of products to customer agencies during FY 1997, including:

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Investigations Service***

- Completed 53,080 background investigations
- Completed 245,813 National Agency Checks (NAC), National Agency Checks with Inquiries (NACI) and Special Agency Checks (SAC).
- Carried out an intensive contractor oversight function to ensure that investigative products continued to be timely and of high quality.
- Reduced the price of OPM's most expensive product, the Single Scope Background Investigation (SBI) by close to 15 percent.
- Developed new investigative products which allow OPM's customers to meet the requirements of Executive Order 12968.

In addition, Investigations Service held Security Director's briefings to provide information to customers on the effects of Executive Order 12968 on personnel security.

Planned activities for FY 1998 include:

- Continue to meet customer workload demands for investigative cases.
- Prepare to renew/renegotiate the first option year of the investigative contract with the ESOP.
- Develop and issue a new customer survey tool to determine customer satisfaction with products since privatization.
- Install a new mainframe computer system to support the Personnel Investigations Processing System (PIPS).
- Provide additional Security Directors' briefing/training sessions to ensure that agencies are adhering to new personnel security guidelines and requirements.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL IV:
*DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.*

FY 1999 RESOURCE SUMMARY: Obligations (000): \$81,638 Full-Time Equivalents: 35

- Provide a broad range of high quality, cost-effective investigative products to Federal agencies.

IS Goal 4: **In addition to offering investigative products mandated for use by Executive order, statute or other authority, work with customer agencies to develop additional or modify existing products to meet specific needs or requirements.**

Means

- Ensure the quality of investigative and adjudicative case products through continuous contract oversight.
- Reduce the cost to agencies for personnel security investigations.
- Monitor the ESOP contract and related costs and only make expenditures that are necessary to ensure timely case production and the integrity of investigative products.
- Prepare to renew/renegotiate the second option year of the investigative contract with the ESOP.

Indicators

- Quality of the contractor's case products meets existing OPM standards.
- All aspects of the contractor's performance are determined and evaluated against standards in considering action with respect to the option years for the contract.
- Results of mail surveys indicate increased customer satisfaction with OPM case products.
- Percentage reduction in prices charged to OPM's customer agencies.

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Investigations Service

└───> OPM recovers program operating costs through effective case pricing.

VERIFICATION AND VALIDATION

- Standard accounting methods and tracking software will be used to verify workload measures and validate the health of the business.

FY 1999 BUDGET CHANGES:

An increase of \$1,316,000 is estimated to cover the cost of pay raise and inflation.

REVOLVING FUND

OFFICE OF WORKFORCE RELATIONS

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$34,829	\$35,038	\$36,105	\$1,067
Full-Time Equivalents	21	26	26	---

DESCRIPTION OF ACTIVITY

Integral to OWR's efforts to strengthen the Government's investment in human resources is its work to provide, on a reimbursable basis, training and management assistance to improve human resources management. Factors such as deregulation, downsizing, and an increased emphasis on accountability and results have made it more important than ever to focus on front-end analysis to identify competencies and skills for appropriate training design to carry out agency missions. The Training and Management Assistance (T&MA) program provides human resources management interventions that enhance workforce productivity and effectiveness through research, innovation, education, and training. The program is a three-way partnership between OPM, private-sector firms and Federal agencies.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- Awarded a multi-year contract to expand the T&MA program's capacity to support the human resources needs of Federal agencies.
- Developed and implemented a competition process to meet new multiple contract award policies.
- Designed and developed the "Virtual University" which provides on-line courses that meet assignment specific, certification, and continuing education requirements for Defense Department personnel in acquisition occupations.
- Produced a customer service CD-ROM for the Social Security Administration that provides just-in-time training for teleservice representatives through an intuitive design of full-motion video scenarios and exercises.

T&MA provides the capacity to support major OPM program initiatives. Program staff prepare technical information, while T&MA contractors apply adult learning techniques and package the information into a useable product. FY 1997 examples include:

- Designed a Basic Tool Kit for agencies to carry out the Government Performance and Results Act mandate.

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Office of Workforce Relations***

- Designed a CD-ROM on Benefits for use by employees and benefits offices throughout Federal Government agencies.

T&MA managed more than 150 projects in FY 1997, and will continue the same workload levels in FY 1998. T&MA will also enhance project management systems in FY 1998 to improve the program infrastructure.

**ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC GOAL AND OBJECTIVE**

OPM STRATEGIC PLAN GOAL IV:

***DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO
FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.***

FY 1999 RESOURCE SUMMARY: Obligations (000): \$36,105 Full-Time Equivalents: 26

- By the year 1999, increase the capacity of OPM's reimbursable Training and Management Assistance program to provide cost-effective services that enhance human resources effectiveness through a partnership between OPM, Federal agencies, and private sector firms to develop training materials, as well as other performance management, workforce productivity improvement, and business process reengineering applications.

OWR Goal 16: Training and Management Assistance. Human resources management assistance is provided through a results-oriented Instructional Systems Design (ISD) approach in order to improve the human resources of Federal, State and local Government customers.

Means

- Effectively manage existing projects.
- Assist agency customers with new project design and implementation.
- Oversee contractor workload and performance.

	<ul style="list-style-type: none">➤ Improve marketing activities.➤ Maintain positive income-cost ratio by managing costs.
Indicators	<ul style="list-style-type: none">➤ Workload Measures, such as dollar amount of new and added funding for T&MA projects; dollar amount of work orders issued for T&MA work to be performed; and dollar amount of contractor invoices approved for payment. ➤ Business Well-Being Indicators, such as percent of income above contractor invoices; income minus direct and indirect costs of program operations; contribution made to OPM's revolving fund retained earnings balance; and number of competitions held to select contractors for performance under T&MA task orders. ➤ Customer Satisfaction Measures, such as sampling T&MA projects to better define the value-added benefits of T&MA's services; and through new and repeat business.

VERIFICATION AND VALIDATION

- Standard accounting methods and tracking software will be used to verify workload measures and validate business well-being indicators (such as percent of income above contractor invoices, number of competitions held, etc.).

- During FY 1998, OWR will assess various mechanisms for collecting baseline data and measuring customer/stakeholder satisfaction. Such valid and reliable assessment tools as OPM's *Merit System Principles Questionnaire* and other OPM/OWR surveys and participant evaluation forms will be considered in this process.

- Results of the OPM customer service assessment survey will focus on the timeliness, clarity, accessibility, and helpfulness of policy issuances and technical guidance; OWR is participating on work group to develop the survey.

- FY 1998 and FY 1999 data will be collected, analyzed, and studied according to accepted collection, analysis, and evaluation practices to determine customer satisfaction and acceptance of OWR products and services, and the level of progress toward achieving OWR goals.

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Office of Workforce Relations

FY 1999 BUDGET CHANGES:

An increase of \$1,067,000 is estimated due to a greater demand in human resources systems service activities and to cover the cost of pay raise and inflation.

REVOLVING FUND

EXECUTIVE RESOURCES

(dollar amounts in thousands)

RESOURCES	FY 1997 Actual	FY 1998 Estimate	FY 1999 Request	FY 1999 Change
Obligations	\$19,210	\$21,254	\$21,583	\$329
Full-Time Equivalents	62	69	69	---

DESCRIPTION OF ACTIVITY

Executive Resources programs are committed to the development of Federal executives who are exceptional leaders, who understand their constitutional role, and who possess a broad, corporate view. The Federal Executive Institute (FEI), Management Development Centers (MDC's), and Schedule C and SES Orientation programs are residential and non-residential programs designed to instill common corporate values, develop management and executive skills, improve understanding of important public issues and stimulate Federal management awareness.

FY 1997 ACCOMPLISHMENTS AND FY 1998 INITIATIVES

- In FY 1997, OER's residential and non-residential executive development programs contributed to creating a corporate body of managers and executives by giving over 7,800 participants an extended exposure to colleagues from across government and by explicitly addressing national and governmental roles of Federal leaders. Each center maintained or improved a historically high end-of-course, cumulative rating of program content, relevance and facilities (6.5 out of 7 at FEI; 4.68 out of 5 at Eastern MDC; and 4.5 out of 5 at Western MDC). In FY 1998, it is estimated that over 7,400 managers and executives will participate in OPM programs, and participant ratings will be at least 4.4 on a 5 point scale.

Total Production:

FY 1997		FY 1998	
Sessions	204	Sessions	241
Participants	7,868	Participants	7,410
Participant Training Days	73,851	Participant Training Days	71,597

- In FY 1997, OER produced a Results Act CD-ROM, which is both attractive and substantive, to orient Federal managers and to give them a toolkit for implementing the Government Performance and Results Act.
- To ensure the OER curriculum is responsive to current executive needs and integrated across various delivery units, OER will complete a comprehensive Curriculum Review in FY 1998.

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Office of Executive Resources

- OER made important progress in FY 1997 in defining financial goals and implementing a strategy for reaching them. That strategy included defining the legal requirements to “break-even,” establishing the contingency reserve needed to ensure that that is accomplished, and setting a 3-year investment horizon to ensure that OER is careful and thorough about providing full value to its customers.
- OER took advantage of its positive financial situation in FY 1997 to enrich what customers are offered. For example, the Federal Executive Institute included the Aspen Institute Seminar as a choice within the 4-week course, the Western Management Development Center created a new series for team leaders, and the Eastern Management Development Center created a new forum for EPA to create a Watershed Partnership with its stakeholders. In FY 1998, OER’s investment strategy includes the outfitting and start-up of the Federal Executive Institute’s annex, and the relocation and start-up of the new Eastern Management Development Center in Shepherdstown, WV.

ANNUAL PERFORMANCE GOALS FOR FY 1999
BY STRATEGIC PLAN GOAL AND OBJECTIVE

OPM STRATEGIC PLAN GOAL IV:

DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.

FY 1999 RESOURCE SUMMARY: Obligations (000): \$21,583 Full-Time Equivalents: 69

- Strengthen the corporate identity and leadership effectiveness of Federal managers and executives through the training and development programs offered by the Federal Executive Institute and the Management Development Centers and through the Senior Executive Service Orientation programs.

OER **Ensure programs and services are high quality, timely, and customer-oriented and that they are relevant to individual and organizational performance improvement.**
Goal 6:

Means	<ul style="list-style-type: none">➤ Broaden impact of executive and managerial development through participation from all agencies and their components.
Indicators	<ul style="list-style-type: none">➤ End-of-course evaluations for training and development programs that assess overall program quality and effectiveness. Additional measures address how well courses improve participant's individual and organizational effectiveness back in the agency.<ul style="list-style-type: none">• In FY 1999, participant, end-of-course, cumulative ratings of program content, relevance, and facilities will be at least 4.4 on a 5.0 scale.• In FY 1999, expand pilot program efforts to measure the amount of learning that takes place in courses and seminars. Data is based on participants' self rating of their knowledge of the subject matter covered in the target seminar before and after completion of the program. The pilot before/after knowledge comparison shows an almost 50 percent increase in seminar participant subject matter knowledge after completion of the target seminar.

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- Use ongoing assessment of results to continually review and update the executive and managerial training and development programs and curriculum to ensure they reflect current trends in Government, leadership competencies, and changes in policy direction.
 - The Federal Executive Institute’s on-going multi-year evaluation project is designed specifically to measure program quality and effectiveness in 10-12 different areas. Some of these areas regularly include: preprogram sponsor forms and participant objectives’ surveys which indicate expectations in advance of the program, on-site evaluations of every element of the program, and post-program feedback from alumni and agencies. Two major initiatives in FY 1999 will be: 1) a new survey of sponsors and key agency officials to determine the effectiveness of the Institute’s programs; and 2) post-program case studies of groups that have been part of multi-phase training at the Institute.
 - Based on data from an FY 1997–1998 survey of recent graduates of Management Development Center (MDC) seminars, develop information on how to increase the ability of MDC alumni to apply the knowledge they gained in OER programs back at their work place. This data will be used to improve the design of our programs for FY 1999.
 - In FY 1999, begin piloting a Federal analogue of The Corporate University Exchange to share bench marking data on leading edge management development programs with agency counterparts.

OER
Goal 7: Increase participation in OPM’s executive and managerial training programs and balance income and costs realized from services offered.

Means

- Provide interagency leadership training for members of the Senior Executive Service corps and high potential GS-15 managers who are candidates for the SES in their agency through the Federal Executive Institute, thus increasing the efficiency and productivity of Federal agencies and developing the leadership skills of senior level executives.
- Improve government performance of Federal career leaders by providing high quality, competency based, intellectually challenging, interagency residential seminars for senior-level managers in the areas of leadership, management and policy implementation at the Management Development Centers (Denver, CO, and Shepherdstown, WV).
- Develop and deliver orientation programs for new senior executives and Schedule C employees that promote leadership skills and provide an overview of current Government policies and issues.

Indicators

- Manage the President’s Quality Award Program which recognizes annually Federal organizations that have demonstrated exemplary quality improvements.

- Financial performance for each organization is measured as a function of annual retained earnings (income – cost) in the context of a three-year financial plan with a goal of break-even in the third year of the plan.
 - In FY 1999, financial performance standards for each organization will include actual performance within tolerances of initial estimate (+\$250k, -\$125k), sufficient cumulative retained earnings reserves to accommodate appropriate contingencies, and an investment strategy consistent with program requirements and break-even over a three-year period.

- Current output is measured as the net increases and decreases in sessions, participants, and participant training days. Output will be measured as a function of dynamic gross demand. Dynamic gross demand considers changes in the number of sessions, participants, and participant training days, as well changes in market demographics and program offerings.
 - In FY 1999, overall production will be as follows:

Sessions	298
Participants	9,128
Participant Training Days	78,309
 - In FY 1999, OER will pilot new approaches to measure output, i.e., dynamic gross demand.

VERIFICATION AND VALIDATION

- Data on production (i.e., sessions, participants and participant training days) will be collected at the operating level, reported to the program’s Director on a monthly basis, and analyzed relative to initial estimates. Financial data (i.e., income, obligations, cost and retained earnings) will be collected from OPM’s financial system on a monthly basis, validated and explained at the operating level and analyzed at the nationwide program level relative to initial estimates and performance tolerances. Analysis at the highest level will result in feedback to the operating programs on performance to date, future expectations, and/or remedial actions needed.

- Participant surveys will be collected for each session at the operating level, summarized, reported, explained and forwarded to the program’s Director. Analysis at the nationwide program level will result in feedback to the operating programs on performance to date, future expectations and/or remedial actions needed.

Revolving Fund
Office of Executive Resources

- Results of the senior executive survey developed and delivered in FY 1998 will be used to determine baseline information on executive attitudes, experiences, and issues and ultimately gauge progress in developing executives with solid leadership skills, a broad perspective of government, and public service values as well as in improving governmentwide executives resources management.
- Results of OPM customer service assessments will measure the timeliness, clarity, accessibility, and helpfulness of policy issuances and technical guidance.

FY 1999 BUDGET CHANGES:

An **increase of \$329,000**, already financed by OER's customers, is necessary to complete the outfitting and start-up of the Federal Executive Institute's annex and the relocation and start-up of the new Eastern Management Development Center to Shepherdstown, WV, in FY 1998. The FY 1998 increase of \$2,044,000 also provides for outfitting, relocation, and start-up of the new residential facilities.

