

OFFICE OF PERSONNEL MANAGEMENT

Federal Funds

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

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

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Strategic HR policy	21	20	19
00.02 Human capital leadership and merit system accountability	29	29	28
00.03 HR products and services	3	2	2
00.04 Management services	98	38	32
00.05 Executive services	14	14	13
00.06 E-Government projects	13	8	8
01.00 Total direct program	178	111	102
09.00 Reimbursable program	152	100	112
10.00 Total new obligations	330	211	214
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	71	56	56
22.00 New budget authority (gross)	319	211	214
22.10 Resources available from recoveries of prior year obligations	6	.....	.....
23.90 Total budgetary resources available for obligation	396	267	270

23.95 Total new obligations	-330	-211	-214
23.98 Unobligated balance expiring or withdrawn	-10	.....	.....
24.40 Unobligated balance carried forward, end of year	56	56	56

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	123	111	102
40.35 Appropriation permanently reduced	-1	.....	.....
43.00 Appropriation (total discretionary)	122	111	102
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	175	100	112
58.10 Change in uncollected customer payments from Federal sources (unexpired)	22	.....	.....
58.90 Spending authority from offsetting collections (total discretionary)	197	100	112
70.00 Total new budget authority (gross)	319	211	214

Change in obligated balances:

72.40 Obligated balance, start of year	-10	-8	-10
73.10 Total new obligations	330	211	214
73.20 Total outlays (gross)	-317	-213	-216
73.40 Adjustments in expired accounts (net)	5	.....	.....
73.45 Recoveries of prior year obligations	-6	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-22	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	12	.....	.....
74.40 Obligated balance, end of year	-8	-10	-12

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	286	197	201
86.93 Outlays from discretionary balances	31	16	15
87.00 Total outlays (gross)	317	213	216

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-190	-100	-112
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-22	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	15	.....	.....

Net budget authority and outlays:

89.00 Budget authority	122	111	102
90.00 Outlays	127	113	104

The Office of Personnel Management's (OPM) mission is to help agencies build an effective Federal civilian workforce based on merit system principles, which America needs to guarantee freedom, promote prosperity, and ensure the security of the Nation. OPM leads Federal agencies in the strategic management of their human capital, proposes and implements human resources management policy, and provides agencies with ongoing advice and technical assistance to implement these policies and initiatives.

In 2008, OPM will support agencies' pay-for-performance demonstration projects to replace the current General Schedule pay system with a modern classification, pay, and performance management system that is both results-driven and market-based.

OPM also supports veterans' preference in Federal hiring and manages the process for personnel security and background checks for suitability and national security clearances. OPM continues to honor the Government's commitment to employees by managing the trust funds that support the retirement and insurance benefits they earn, and delivering

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

excellent benefit services and support to civil servants both during and after their Federal careers.

The 2008 Budget will permit OPM to implement long-term human capital strategies that deliver results, pursue a progressive agenda of policy initiatives to transform human resources management, and enhance the values of the civil service. New human resources management policies will streamline the Federal hiring process, decrease time to hire, and change how Federal employees are paid and how their job performance is evaluated. Many of these policies will be driven by the lessons learned from agencies with contemporary and efficient personnel systems.

The functions and objectives of the OPM Divisions are: *Strategic Human Resources Policy (SHRP)*.—Promulgates human resources (HR) policies which strengthen leadership and succession planning activities; provides quality workforce information and common standards for agency payroll and HR systems; supports improved employee/labor relations and security/suitability requirements; establishes competitive compensation and benefits systems; and provides agencies HR flexibilities to hire talent.

In 2008, OPM will continue to lead the design, development, and implementation of HR policies and strategies, and carry out campaigns that will aid Federal agencies ability to attract and retain qualified employees to close mission critical skill gaps. OPM also will further enhance the Presidential Management Fellows and Senior Executive Service (SES) Federal Candidate Development programs, as needed, and develop and provide other tools to enhance agency recruitment programs. In 2007, OPM will develop proposals to enhance Federal agencies' ability to both attract new workers and retain highly skilled retirees on a temporary basis. Finally, OPM will continue to assess and report on the effectiveness of SES performance-based pay system each year.

OPM will continue assessing the results of its strategic human resources policy activities by using Federal Human Capital Survey and Federal Benefits Survey data collected in 2006. These two surveys are administered every two years and will again be administered in 2008. OPM will also track and report on the extent to which agencies use innovations such as hiring flexibilities, telework, and student loan repayments. Our goal is to provide broad, Government-wide indicators on the status of Federal human capital to lawmakers, managers, and employees which will enable them to develop appropriate human resource policies.

During 2006, OPM further developed policies to support agencies' leadership succession planning efforts. OPM previously issued regulations to establish an SES pay-for-performance program at an agency and to specify the criteria that performance management systems covering senior executives or senior professionals must meet. As a result of these regulations, at the end of 2006, most agencies have approved or provisionally-approved programs in place.

OPM implemented High-Deductible Health Plans with Health Savings Accounts and new Dental and Vision Benefit Plans under the Federal Employees Health Benefit Program. Also, SHRP successfully implemented a number of healthcare information technology initiatives to make information about provider costs or medical claims available electronically for FEHB health plan members; redesigned the Labor Agreement Information Retrieval System (LAIRS) to provide ability to search data using key words and create reports; and added OPM's publication, Negotiability Determinations by the Federal Labor Relations Authority.

In 2007, OPM will issue additional common data standards for payroll systems. In addition, OPM will issue regulations on staffing and employee development, classification and qual-

ification standards regulations for new job families. Furthermore, OPM will announce a Government-wide Healthier Feds campaign challenge beginning in 2007, and will issue the results of the Federal Human Capital Survey. In 2007 OPM will also develop requirements and concept of operations for issuing and using a unique employee number to replace the social security number as the primary key to employee records. Finally, OPM will implement an applicant assessment decision tool/guide, and SHRP will co-host with agency partner(s) a forum to address SES performance and executive development.

Human Capital Leadership and Merit Systems Accountability (HCLMSA).—Leads the Government-wide effort to transform human capital management so that agencies are held accountable for managing their workforce effectively, efficiently, and in accordance with merit system principles to achieve mission results.

In 2008, as part of the President's Management Agenda, OPM will continue to work with Federal agencies as the owner of the Strategic Management of Human Capital initiative. OPM uses its leadership position to establish guidelines for human capital under the Standards for Success in the Human Capital Assessment and Accountability Framework. OPM provides guidance to agencies in the assessment of their human capital programs and assists agencies in preparing for personnel reforms Government-wide. As part of this guidance, OPM developed specific milestones that contain tools, models, and training to hold agencies accountable for their human capital practices. OPM also works with agencies to ensure that agency programs are being managed to accomplish the mission and are in accordance with merit system principles. In addition, OPM assists agencies in building and strengthening their internal human capital accountability programs to include data collection and analysis, program evaluation, and compliance with merit system principles.

In 2008, HCLMSA will continue to provide technical assistance to agencies in various ways. For instance, OPM has statutory mandates to pre-approve agency actions in a wide range of human capital matters. HCLMSA, through agencies' Human Capital Officers, reviews and acts on agency requests on such authorities as: Voluntary Early Retirement Authority; Voluntary Separation Incentive Authority; dual compensation waivers; temporary and term appointment extensions; classification appeals; and pay and leave claims. Through these review processes, HCLMSA staff will work closely with agency human resources staff to ensure that each agency implements human capital programs that are best suited to achieve the agency mission.

During 2006, HCLMSA successfully led the implementation of the Strategic Management of Human Capital initiative. As agencies improve their management of human capital, more Federal employees are working for organizations that are closing gaps in mission critical skills, better recognizing differences in levels of employee performance, developing a cadre of potential leaders, and linking day-to-day work to corporate goals.

HCLMSA also made progress in ensuring agencies comply with the merit system principles in 2006 by conducting audits of 145 Delegated Examining Units (DEUs) and full HR Operations audits at 15 agencies. OPM conducted follow-up audits at 13 DEUs to ensure previously identified problems were adequately addressed. In addition, OPM worked extensively with all 26 PMA agencies to develop and implement HC Accountability systems that conform to OPM standards, including processes to ensure merit system compliance. In 2007, OPM will oversee operations of HC Accountability systems and provide technical assistance and direction to support these efforts. OPM will participate on approximately 180 agency-led audits.

Through technical assistance and outreach activities, HCLMSA accomplished in 2006: hiring makeovers at five agencies that significantly reduced the time required to fill vacancies; 39 provisional and one full SES system certifications as well as senior level (SL) and senior technical (ST) system certifications; and training for 2,900 military personnel at 28 facilities in veterans' rights and benefits in Federal recruitment systems and employment. In addition, HCLMSA administered the SES Qualifications Review Boards which led to more than 900 SES career appointments. Moreover, HCLMSA cleared more than 300 SES noncareer and limited term appointment authorities, and 280 requests for pay adjustment for SES noncareer appointees. In 2007, OPM plans to have 20 major agencies meeting targets for closing mission-critical occupation gaps and also have 12 agencies meeting targets for closing leadership competency gaps.

Human Resources Products and Services (HRPS).—Provides cost-effective products and services to help maintain the Government's position as a competitive employer by assisting agencies, employees, and annuitants with staffing, selection, development, and retirement and insurance programs. In addition, HRPS is responsible for supporting the Department of Justice in ensuring voting rights for American citizens.

The 2008 Budget includes funding to maintain timely processing of retirement claims, administer retirement insurance programs, and funding to continue efforts to improve the speed and accuracy of Federal retiree benefit payments by implementing the Retirement Systems Modernization (RSM) effort. RSM is OPM's central information technology strategy to meeting its long-term customer service, business, and financial management goals for the retirement benefits programs.

RSM will deliver more cost-efficient and timely retirement services and allow for agency life-cycle retirement counseling. This project will replace OPM's legacy information technology systems with modern technology, move from paper to electronic record keeping, and enhance core retirement business processes to meet the needs of active and retired federal employees by providing access to account information and planning tools.

The Federal Employees Health Benefits Program (FEHB) offers comprehensive and competitive benefit choices for Federal employees, annuitants, and family members, and helps the Federal government recruit and retain a high-quality workforce. Through FEHB, OPM will continue to provide customers with a variety of resources to make more informed health insurance decisions, including health plan brochures and website postings, health plan customer satisfaction survey results, web-based comparison/decision tools, and performance results for managed care health plans. In 2006, OPM implemented an employee-pay-all dental and vision benefits program to meet the dental and vision insurance needs of Federal employees.

OPM will also continue to manage the Federal Employees' Group Life Insurance Program, the Federal Long Term Care Insurance Program, which is the largest employer-sponsored long term care insurance program in the world with over 210,000 enrollees, and the Flexible Spending Account Program which allows employees to pay for health and dependent care expenses on a pre-tax basis.

In 2006, OPM successfully achieved four ambitious strategic goals related to retirement claims processing and services. OPM sets ambitious targets for its annual performance measures which assess progress in achieving goals and determine whether OPM meets its objectives. Claims are currently being processed within 35 days on average, an improvement over the 98 days average claims processing times in 2005. In 2006, a backlog elimination project was undertaken and was a significant factor in achieving the improvements to claims processing times.

In 2007, OPM will add new operational goals and targets that improve customer service. OPM expects to maintain these improvements in 2008.

In 2006, RSM awarded three significant contracts to support this effort: one for automated pension calculation; another to transform business and information technology; and the third to capture and convert paper data. In 2007, the integrated solution will be built and tested.

E-Gov Projects.—OPM manages the Human Resources Line of Business (HR LOB) initiative which is transforming and modernizing HR business processes and systems Government-wide. In addition to the previously selected five Federal Shared Service Centers, the HR LOB is selecting additional private Shared Service Centers to provide technology solutions to support Federal agencies Government-wide with HR management and administrative transactional activities. The HR LOB is also responsible for agency migration to these service centers. In addition, the Enterprise Human Resources Integration project is an E-Government initiative to transform human resources processes from paper-based to electronic-based. OPM operates and maintains a comprehensive data warehouse of HR information across the Executive branch. Cost efficiencies are realized through these streamlined HR processes.

Management Services.—Include: OPM human resources; equal employment opportunity; security; facilities; telecommunications; publishing; acquisitions; information technology management; risk management; strategic planning; and financial management to support all of OPM's goals. In 2008, OPM will continue to support agency-wide performance reporting and independent evaluation of policies and programs.

Executive Services.—Includes: executive direction; legal advice and representation; public affairs; and legislative activities concerning OPM as well as assistance for the President's Commission on White House Fellows.

Object Classification (in millions of dollars)

Identification code 24-0100-0-1-805	2006 actual	2007 est.	2008 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	65	46	44
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	6	4	4
11.9 Total personnel compensation	72	51	49
12.1 Civilian personnel benefits	17	13	13
21.0 Travel and transportation of persons	3	2	2
23.1 Rental payments to GSA	11	11	11
23.3 Communications, utilities, and miscellaneous charges	8	7	7
24.0 Printing and reproduction	1		
25.2 Other services	61	25	20
26.0 Supplies and materials	1	1	
31.0 Equipment	4	1	
99.0 Direct obligations	178	111	102
99.0 Reimbursable obligations	152	100	112
99.9 Total new obligations	330	211	214

Employment Summary

Identification code 24-0100-0-1-805	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	832	836	789
Reimbursable:			
2001 Civilian full-time equivalent employment	897	961	950

OFFICE OF INSPECTOR GENERAL
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF TRUST FUNDS)

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

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0400-0-1-805	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity — Program oversight (audits, investigations, etc.)	2	2	2
09.00 Reimbursable program	16	16	16
10.00 Total new obligations	18	18	18
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	18	18	18
23.95 Total new obligations	-18	-18	-18
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2	2	2
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	15	16	16
58.10 Change in uncollected customer payments from Federal sources (unexpired)	1		
58.90 Spending authority from offsetting collections (total discretionary)	16	16	16
70.00 Total new budget authority (gross)	18	18	18
Change in obligated balances:			
72.40 Obligated balance, start of year	1	-1	-1
73.10 Total new obligations	18	18	18
73.20 Total outlays (gross)	-18	-18	-18
73.40 Adjustments in expired accounts (net)	-2		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	-1	-1	-1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	17	18	18
86.93 Outlays from discretionary balances	1		
87.00 Total outlays (gross)	18	18	18
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-16	-16	-16
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-1		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	2	2	2
90.00 Outlays	2	2	2

This appropriation provides agency-wide audit, investigative, evaluation, inspection, and administrative sanction functions to identify program management and administrative deficiencies that may create conditions for fraud, waste, abuse, and mismanagement. The audits function provides internal

agency audit, insurance audit, contract audit, and information systems audit services. Internal agency audits review all facets of agency operations, including financial statements. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Information systems audits review both general controls and application controls for the agency's systems and programs. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. The evaluations and inspections function conducts reviews of agency programs or functions. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

During 2006, these Inspector General activities resulted in positive financial impacts over \$75 million, 54 arrests, 56 indictments, 46 criminal convictions, and 1,003 administrative sanctions.

In 2008, the Office of the Inspector General (OIG) will continue to develop its prescription drug audit program, which includes audits of pharmacy benefit managers. It is estimated that \$6 billion is paid annually for prescription drug premiums by both the Federal Government and employees combined. This represents approximately 26 percent of the total premiums for health benefit coverage for Federal employees and annuitants. By performing these audits, OIG assists FEHB recover inappropriate expenses charged in previous years, negotiate more favorable contracts, and positively affect the future costs and benefits provided to program enrollees. OIG will also continue its FEHB data warehouse initiative. This project streamlines and enhances the various administrative and analytical procedures involved in overseeing FEHB. The purpose of the project is to capture data from experience-rated insurance carriers in a data warehouse of health care information. Software tools are available to support a variety of analytical procedures, including data mining, using the data in the warehouse. The data warehouse project has facilitated more efficient and effective oversight of FEHB by enhancing the ability of our auditors and investigators to identify improper payments.

Object Classification (in millions of dollars)

Identification code 24-0400-0-1-805	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	1	1	1
12.1 Civilian personnel benefits	1	1	1
99.0 Direct obligations	2	2	2
99.0 Reimbursable obligations	16	16	16
99.9 Total new obligations	18	18	18

Employment Summary

Identification code 24-0400-0-1-805	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	18	14	14
Reimbursable:			
2001 Civilian full-time equivalent employment	100	113	109

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code,

and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)			
Identification code 24-0206-0-1-551	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Government contribution for annuitants benefits (1959 Act)	8,358	8,613	9,154
00.02 Government contribution for annuitants benefits (1960 Act)	2	2	1
10.00 Total new obligations (object class 13.0)	8,360	8,615	9,155
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	8,360	8,615	9,155
23.95 Total new obligations	-8,360	-8,615	-9,155
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	8,360	8,615	9,155
Change in obligated balances:			
72.40 Obligated balance, start of year	826	847	861
73.10 Total new obligations	8,360	8,615	9,155
73.20 Total outlays (gross)	-8,339	-8,601	-9,100
74.40 Obligated balance, end of year	847	861	916
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	7,513	7,754	8,239
86.98 Outlays from mandatory balances	826	847	861
87.00 Total outlays (gross)	8,339	8,601	9,100
Net budget authority and outlays:			
89.00 Budget authority	8,360	8,615	9,155
90.00 Outlays	8,339	8,601	9,100

Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	8,360	8,615	9,155
Outlays	8,339	8,601	9,100
Legislative proposal, not subject to PAYGO:			
Budget Authority			-17
Outlays			-15
Total:			
Budget Authority	8,360	8,615	9,138
Outlays	8,339	8,601	9,085

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

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

	2006 actual	2007 est.	2008 est.
Annuitants:			
FEHB	1,854,684	1,886,000	1,912,500
(USPS non-add)	450,089	458,581	470,000
REHB	1,302	1,067	875
Total, annuitants	1,855,986	1,887,067	1,913,375

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)			
Identification code 24-0206-2-1-551	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Government contribution for annuitants benefits (1959 Act)			-17
10.00 Total new obligations (object class 13.0)			-17
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-17
23.95 Total new obligations			17
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation			-17
Change in obligated balances:			
73.10 Total new obligations			-17
73.20 Total outlays (gross)			15
74.40 Obligated balance, end of year			-2
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			-15
Net budget authority and outlays:			
89.00 Budget authority			-17
90.00 Outlays			-15

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)			
Identification code 24-0500-0-1-602	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity	41	41	41
10.00 Total new obligations (object class 25.2)	41	41	41
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	41	41	41
23.95 Total new obligations	-41	-41	-41
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	41	41	41
Change in obligated balances:			
72.40 Obligated balance, start of year	4	6	5
73.10 Total new obligations	41	41	41
73.20 Total outlays (gross)	-39	-42	-41
74.40 Obligated balance, end of year	6	5	5
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	36	37	37
86.98 Outlays from mandatory balances	3	5	4
87.00 Total outlays (gross)	39	42	41
Net budget authority and outlays:			
89.00 Budget authority	41	41	41
90.00 Outlays	39	42	41

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE—Continued

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

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

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

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0200-0-1-805	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.02 Payment of Government share of retirement costs	10,625	10,460	10,451
00.03 Transfers for interest on unfunded liability and payment of military service annuities	17,453	21,573	23,021
00.05 Spouse equity payment	73	72	72
10.00 Total new obligations	28,151	32,105	33,544
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	28,151	32,105	33,544
23.95 Total new obligations	-28,151	-32,105	-33,544
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	17,453	21,573	23,021
60.00 Appropriation	10,698	10,532	10,523
62.50 Appropriation (total mandatory)	28,151	32,105	33,544
Change in obligated balances:			
73.10 Total new obligations	28,151	32,105	33,544
73.20 Total outlays (gross)	-28,151	-32,105	-33,544
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	28,151	32,105	33,544
Net budget authority and outlays:			
89.00 Budget authority	28,151	32,105	33,544
90.00 Outlays	28,151	32,105	33,544

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

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

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

Object Classification (in millions of dollars)

Identification code 24-0200-0-1-805	2006 actual	2007 est.	2008 est.
Direct obligations:			
12.1 Civilian personnel benefits	10,698	10,532	10,523
13.0 Benefits for former personnel	17,453	21,573	23,021

99.9 Total new obligations	28,151	32,105	33,544
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POSTAL SERVICE CONTRIBUTION FOR RETIREE HEALTH BENEFITS

Special and Trust Fund Receipts (in millions of dollars)

Identification code 24-5391-0-2-551	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year			31,358
01.99 Balance, start of year			31,358
Receipts:			
02.00 Surplus contributions from Civil Service Retirement and Disability Fund, Postal Service retiree health benefits fund		23,000	
02.40 Earnings on investments, Postal Service retiree health benefits fund			1,483
02.41 Postal Service contributions for benefits paid to retirees, Postal Service retiree health benefits fund		5,400	5,400
02.42 Postal Service contributions from escrow account, Postal Service retiree health benefits fund		2,958	
02.99 Total receipts and collections		31,358	6,883
04.00 Total: Balances and collections		31,358	38,241
Appropriations:			
05.00 Postal Service retiree health benefits fund		-31,358	-38,241
05.01 Postal Service retiree health benefits fund		31,358	38,241
05.99 Total appropriations			
07.99 Balance, end of year		31,358	38,241

Program and Financing (in millions of dollars)

Identification code 24-5391-0-2-551	2006 actual	2007 est.	2008 est.
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)		31,358	38,241
60.45 Portion precluded from obligation		-31,358	-38,241
62.50 Appropriation (total mandatory)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value			31,358
92.02 Total investments, end of year: Federal securities: Par value		31,358	38,241

The Postal Accountability and Enhancement Act (P.L. 109-435) created the Postal Service Retiree Health Benefits Fund to put the Postal Service on a path that fully funds its substantial retiree (annuitant) health benefits liabilities.

This new account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108-18) that were held in escrow during 2006; 2) payments defined within P.L. 109-435 to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. The new account also receives the surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the United States Postal Service that are attributable to civilian employment with the Postal Service.

As a result of this new health benefits financing system, the Postal Service would cease to pay annual premium costs for its post-1971 current annuitants directly to the Employees and Retired Employees Health Benefits Fund in 2017. Instead, these premium payments would be paid from amounts

that the Postal Service remits to this new fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service would continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24-4571-0-4-805	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Talent services	209	194	202
09.02 Investigation services	889	916	988
09.03 Leadership capacity services	89	90	92
09.04 Enterprise human resources integration	28	27	35
10.00 Total new obligations	1,215	1,227	1,317
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	349	407	407
22.00 New budget authority (gross)	1,263	1,227	1,360
22.10 Resources available from recoveries of prior year obligations	10		
23.90 Total budgetary resources available for obligation	1,622	1,634	1,767
23.95 Total new obligations	-1,215	-1,227	-1,317
24.40 Unobligated balance carried forward, end of year	407	407	450
New budget authority (gross), detail:			
Discretionary:			
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	1,021	1,227	1,360
58.10 Change in uncollected customer payments from Federal sources (unexpired)	242		
58.90 Spending authority from offsetting collections (total discretionary)	1,263	1,227	1,360
Change in obligated balances:			
72.40 Obligated balance, start of year	-116	-112	-112
73.10 Total new obligations	1,215	1,227	1,317
73.20 Total outlays (gross)	-959	-1,227	-1,360
73.45 Recoveries of prior year obligations	-10		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-242		
74.40 Obligated balance, end of year	-112	-112	-155
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	959	1,227	1,360
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1,021	-1,227	-1,360
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-242		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-62		

OPM's Revolving Fund supports the President's Management Agenda by fully or partially funding three E-Government projects: E-Clearance; the Human Resources Line of Business; and Enterprise Human Resources Integration. On a fee-for-service basis, the Enterprise Human Resources Integration project provides Federal agencies with an electronic official personnel folder (eOPF) system, as well as workforce analysis and other analytical tools. These tools are designed to streamline and automate the electronic exchange of standardized HR data and provide comprehensive workforce analysis, forecasting, and reporting across the Executive Branch for the strategic management of human capital. The Revolving Fund also provides financing on a reimbursable basis for several other products and services to Federal agencies.

The Center for Talent Services (CTS) delivers integrated, expert solutions to support Federal agencies Human Resources needs. Talent Services provides relevant, cost-effective products and services on a fee-for-service basis that span the employment life cycle from recruitment and selection through training and development. Examples of CTS's products and services include tailored recruitment and branding, nationwide testing services (including screening for the U.S. Armed Forces), employee competency assessments, workforce and succession planning, surveys of organizational culture and climate, strategies for change, and automated Human Resources tools such as USAJOBS and USASTaffing.

The Federal Investigative Services Division (FISD) provides background investigative services to agencies on a fee basis. FISD conducts more than 90 percent of the Federal Government's background investigations concerning Federal employees, contractors, and military members for various Federal agencies. Investigations are a critical step in the Federal hiring processes, and can affect hiring or removal decisions based on the individual's fitness and suitability for employment. Based on information gathered in background investigations, Federal agencies also issue security clearances and place individuals in positions involving national security or the public trust where job duties are most sensitive to the employing agency.

Since the merger with the Department of Defense, Defense Security Service in early 2005, OPM has focused on developing policies and strategies to meet OPM strategic goals and goals set forth by the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004. FISD has primarily focused on reducing the backlog of pending investigations while also improving the timeliness on completing investigations. FISD has initiated aggressive hiring and training to bolster the field investigator workforce as well as administrative support for reviewing and closing out investigations. An International Group has been established to coordinate and conduct overseas investigations for Department of Defense personnel. OPM recently entered into a memorandum of understanding with the Department of State to assist in conducting overseas investigations on military installations. This relationship will provide additional resources and increase the timeliness for completing these background investigations.

OPM has also initiated a major review and update of the core technology components of the Investigations program. A modernization analysis has started on the Personnel Investigations Processing System (PIPS) which is the case management system used to process all background investigations. An imaging system continues to be piloted which will allow for the electronic delivery and storage of case papers. The e-QIP system continues to be deployed in federal agencies and provides agencies with the ability to remotely enter and transmit case papers when requesting a background investigation. Ultimately, these types of technical initiatives will improve the conducting of investigations and granting of clearances.

OPM continues to work together with the Office of Management and Budget and other stakeholders to meet various requirements concerning the investigative and security clearance programs that were outlined by the IRTPA. Some of the IRTPA requirements include: 1) ensuring reciprocity of security clearances and access determinations; 2) creating a database on security clearances; and 3) evaluating the use of available technology in clearance investigations and adjudication.

The Center for Leadership Capacity Services (CLCS) conducts residential and nonresidential programs for Federal executives and managers to improve the effectiveness and efficiency of Federal programs, and provides on-line training for employees at all levels. CLCS operates three leadership development centers serving government managers and executives

REVOLVING FUND—Continued

from GS-11 to SES. CLCS courses are designed to fit the long term career development path of emerging federal leaders. These open enrollment courses are accredited and can be applied to college level degree programs. In addition, CLCS offers custom-designed leadership programs for individual agencies and also for communities of professional interest. Moreover, CLCS develops and delivers leadership candidate development and succession planning programs, including the Presidential Management Fellows program, and consulting services for leading organizational change initiatives.

WORKLOAD COUNT

	2006 actual	2007 est.	2008 est.
Participant training days	88,284	98,371	102,225
Background security investigations processed	134,799	135,000	135,000
National and special agency check and inquiry cases closed ..	976,780	750,000	750,000
Special agreement checks closed	513,666	350,000	350,000

Object Classification (in millions of dollars)

Identification code 24-4571-0-4-805	2006 actual	2007 est.	2008 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	147	187	209
11.5 Other personnel compensation	26	22	24
11.9 Total personnel compensation	173	209	233
12.1 Civilian personnel benefits	42	65	75
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	20	23	24
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	13	14	14
23.3 Communications, utilities, and miscellaneous charges	25	26	26
24.0 Printing and reproduction	2	3	3
25.2 Other services	920	868	923
26.0 Supplies and materials	5	5	5
31.0 Equipment	13	12	12
99.9 Total new obligations	1,215	1,227	1,317

Employment Summary

Identification code 24-4571-0-4-805	2006 actual	2007 est.	2008 est.
Reimbursable:			
2001 Civilian full-time equivalent employment	2,493	3,016	3,010

Trust Funds

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 24-8135-0-7-602	2006 actual	2007 est.	2008 est.
01.00 Balance, start of year	655,921	684,824	696,344
01.99 Balance, start of year	655,921	684,824	696,344
Receipts:			
02.00 Agency contributions, Civil service retirement and disability fund	13,819	14,072	15,714
02.01 Agency contributions, Civil service retirement and disability fund—legislative proposal not subject to PAYGO			2
02.02 Postal Service agency contributions, Civil service retirement and disability fund	4,168	3,382	3,596
02.03 Postal Service supplemental contributions, Civil service retirement and disability fund	261		
02.04 FFB, TVA, and USPS interest, Civil service retirement and disability fund	651	651	653
02.05 Treasury interest, Civil service retirement and disability fund	35,781	41,408	43,072
02.06 General fund payment to the civil service retirement and disability fund	28,151	32,105	33,544
02.07 Re-employed annuitants salary offset, Civil service retirement and disability fund	33	39	40
02.60 Employee contributions, Civil service retirement and disability fund	3,715	4,010	3,908

02.61 Employee contributions, Civil service retirement and disability fund—legislative proposal subject to PAYGO			1
02.62 District of Columbia contributions, Civil service retirement and disability fund	50	38	33
02.63 Employee deposits, redeposits and other contributions, Civil service retirement and disability fund	535	636	665
02.99 Total receipts and collections	87,164	96,341	101,228
04.00 Total: Balances and collections	743,085	781,165	797,572
Appropriations:			
05.00 Civil service retirement and disability fund	-135	-91	-104
05.01 Civil service retirement and disability fund	1		
05.02 Civil service retirement and disability fund	-87,032	-90,349	-94,514
05.03 Civil service retirement and disability fund	28,905	5,619	30,134
05.04 Civil service retirement and disability fund—legislative proposal not subject to PAYGO			-2
05.05 Civil service retirement and disability fund—legislative proposal not subject to PAYGO			2
05.06 Civil service retirement and disability fund—legislative proposal subject to PAYGO			-1
05.07 Civil service retirement and disability fund—legislative proposal subject to PAYGO			-1
05.99 Total appropriations	-58,261	-84,821	-64,486
07.99 Balance, end of year	684,824	696,344	733,086

Program and Financing (in millions of dollars)

Identification code 24-8135-0-7-602	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Annuities	57,809	61,428	64,073
00.02 Refunds and death claims	318	302	307
00.03 Administration—operations	128	85	98
00.04 Transfer to MSPB	3	3	3
00.05 Administration—OIG	3	3	3
00.06 Transfer to PSRHF		23,000	
10.00 Total new obligations	58,261	84,821	64,484
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	58,261	84,821	64,484
23.95 Total new obligations	-58,261	-84,821	-64,484

New budget authority (gross), detail:

Discretionary:			
40.26 Appropriation (trust fund)	135	91	104
40.37 Appropriation temporarily reduced	-1		
43.00 Appropriation (total discretionary)	134	91	104
Mandatory:			
60.26 Appropriation (trust fund)	87,032	90,349	94,514
60.45 Portion precluded from balances	-28,905	-5,619	-30,134
62.50 Appropriation (total mandatory)	58,127	84,730	64,380
70.00 Total new budget authority (gross)	58,261	84,821	64,484

Change in obligated balances:

72.40 Obligated balance, start of year	4,850	5,128	5,411
73.10 Total new obligations	58,261	84,821	64,484
73.20 Total outlays (gross)	-57,983	-84,538	-64,232
74.40 Obligated balance, end of year	5,128	5,411	5,663

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	134	91	104
86.97 Outlays from new mandatory authority	52,999	79,338	58,766
86.98 Outlays from mandatory balances	4,850	5,109	5,362
87.00 Total outlays (gross)	57,983	84,538	64,232

Net budget authority and outlays:

89.00 Budget authority	58,261	84,821	64,484
90.00 Outlays	57,983	84,538	64,232

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities: Par value	660,750	689,936	699,232
92.02 Total investments, end of year: Federal securities: Par value	689,936	699,232	729,379

Summary of Budget Authority and Outlays

	(in millions of dollars)		
	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority	58,261	84,821	64,484
Outlays	57,983	84,538	64,232
Legislative proposal, subject to PAYGO:			
Budget Authority			2
Outlays			2
Total:			
Budget Authority	58,261	84,821	64,486
Outlays	57,983	84,538	64,234

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

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

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

The Budget includes funding for legislation which would correct benefit inequities, simplify program administration, and reduce improper payments. The legislation would specifically include technical changes and clarification in the calculation of retirement annuities. These improvements would be focused on civil service retirees also receiving military disability retirement, individuals with part-time service retiring under CSRS, and the authorization for employees to contribute bonus pay to their TSP. The Budget also includes funding for a legislative proposal to transition from non-foreign cost of living allowances (COLA) to locality pay for employees working in non-foreign areas. This will result in increased retirement pay for affected employees when they retire, since locality pay is creditable for retirement. OPM will also continue working with the Department of the Treasury to submit legislation to revise an existing exception to the Right to Financial Privacy Act to allow OPM to trace and recover retirement payments sent electronically to the wrong account. The Budget also includes a proposal that the United States Patent and Trademark Office (PTO) will fund the full cost for retirement benefits for PTO's employees covered under the Civil Service Retirement System.

	2006 actual	2007 est.	2008 est.
Active employees	2,668,000	2,668,000	2,668,000
Annuitants:			
Employees	1,828,516	1,872,908	1,897,867
Survivors	620,754	624,141	619,634
Total, annuitants	2,449,270	2,497,049	2,517,501

Status of Funds (in millions of dollars)

Identification code 24-8135-0-7-602	2006 actual	2007 est.	2008 est.
Unexpended balance, start of year:			
0100 Balance, start of year	660,773	689,954	701,757
0199 Total balance, start of year	660,773	689,954	701,757
Cash income during the year:			
Current law:			
Receipts:			
1200 Agency contributions, Civil service retirement and disability fund	13,819	14,072	15,714
1202 Postal Service agency contributions, Civil service retirement and disability fund	4,168	3,382	3,596

1203 Postal Service supplemental contributions, Civil service retirement and disability fund	261		
1204 FFB, TVA, and USPS interest, Civil service retirement and disability fund	651	651	653
1205 Treasury interest, Civil service retirement and disability fund	35,781	41,408	43,072
1206 General fund payment to the civil service retirement and disability fund	28,151	32,105	33,544
1207 Re-employed annuitants salary offset, Civil service retirement and disability fund	33	39	40
Offsetting governmental receipts:			
1260 Employee contributions, Civil service retirement and disability fund	3,715	4,010	3,908
1262 District of Columbia contributions, Civil service retirement and disability fund	50	38	33
1263 Employee deposits, redeposits and other contributions, Civil service retirement and disability fund	535	636	665
1299 Income under present law	87,164	96,341	101,225
Proposed legislation:			
Receipts:			
2201 Agency contributions, Civil service retirement and disability fund			2
Offsetting governmental receipts:			
2261 Employee contributions, Civil service retirement and disability fund			1
2299 Income under proposed legislation			3
3299 Total cash income	87,164	96,341	101,228
Cash outgo during year:			
Current law:			
4500 Civil service retirement and disability fund	-57,983	-84,538	-64,232
4599 Outgo under current law (-)	-57,983	-84,538	-64,232
Proposed legislation:			
5500 Civil service retirement and disability fund			-2
5599 Outgo under proposed legislation (-)			-2
6599 Total cash outgo (-)	-57,983	-84,538	-64,234
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	18	2,525	9,371
8701 Invested balance, end of year	689,936	699,232	729,379
8701 Invested balance, end of year			2
8701 Invested balance, end of year			-1
8799 Total balance, end of year	689,954	701,757	738,751

Object Classification (in millions of dollars)

Identification code 24-8135-0-7-602	2006 actual	2007 est.	2008 est.
Direct obligations:			
25.2 Other services	134	91	104
42.0 Insurance claims and indemnities	57,809	61,428	64,073
44.0 Refunds and death claims	318	302	307
94.0 Financial transfers		23,000	
99.0 Direct obligations	58,261	84,821	64,484
99.9 Total new obligations	58,261	84,821	64,484

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-8135-2-7-602	2006 actual	2007 est.	2008 est.
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)			2
60.45 Portion precluded from balances			-2
62.50 Appropriation (total mandatory)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value			
92.02 Total investments, end of year: Federal securities:			
Par value			2

CIVIL SERVICE RETIREMENT AND DISABILITY FUND
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-8135-4-7-602	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Annuities			2
10.00 Total new obligations (object class 42.0)			2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			2
23.95 Total new obligations			-2
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)			1
60.45 Portion precluded from balances			1
62.50 Appropriation (total mandatory)			2
Change in obligated balances:			
73.10 Total new obligations			2
73.20 Total outlays (gross)			-2
74.40 Obligated balance, end of year			
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			2
Net budget authority and outlays:			
89.00 Budget authority			2
90.00 Outlays			2
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value			
92.02 Total investments, end of year: Federal securities: Par value			-1

EMPLOYEES LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 24-8424-0-8-602	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Basic life insurance payments	1,232	1,356	1,427
09.02 Optional life insurance payments	921	1,008	1,068
09.03 Shenandoah life insurance payments	3	3	3
09.04 Administration—OPM & OIG	1	1	1
09.05 Administration—long term care	1	1	1
10.00 Total new obligations (object class 25.2)	2,158	2,369	2,500
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	28,717	30,449	32,027
22.00 New budget authority (gross)	3,890	3,947	4,155
23.90 Total budgetary resources available for obligation	32,607	34,396	36,182
23.95 Total new obligations	-2,158	-2,369	-2,500
24.40 Unobligated balance carried forward, end of year	30,449	32,027	33,682
New budget authority (gross), detail:			
Discretionary:			
58.00 Spending authority from offsetting collections: Off- setting collections (cash)	1	1	1
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	3,854	3,999	4,138
69.10 Change in uncollected customer payments from Federal sources (unexpired)	35	-53	16
69.90 Spending authority from offsetting collections (total mandatory)	3,889	3,946	4,154
70.00 Total new budget authority (gross)	3,890	3,947	4,155

Change in obligated balances:

72.40 Obligated balance, start of year	334	335	255
73.10 Total new obligations	2,158	2,369	2,500
73.20 Total outlays (gross)	-2,122	-2,502	-2,469
74.00 Change in uncollected customer payments from Fed- eral sources (unexpired)	-35	53	-16
74.40 Obligated balance, end of year	335	255	270

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1	1	1
86.97 Outlays from new mandatory authority	1,787	2,165	2,213
86.98 Outlays from mandatory balances	334	336	255
87.00 Total outlays (gross)	2,122	2,502	2,469

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions	-437	-472	-479
88.00 Government contributions for annuitants	-40	-41	-41
88.20 Interest on Federal securities	-1,297	-1,346	-1,438
88.40 Basic life insurance withholdings	-791	-811	-830
88.40 Optional life insurance withholdings & LTC reim- bursement	-1,290	-1,330	-1,351
88.90 Total, offsetting collections (cash)	-3,855	-4,000	-4,139
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-35	53	-16

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-1,733	-1,498	-1,670

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities: Par value	29,485	31,282	32,682
92.02 Total investments, end of year: Federal securities: Par value	31,282	32,682	34,351

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

The Administration proposes that PTO will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

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

	2006 actual	2007 est.	2008 est.
Life insurance in force (in billions of dollars):			
On active employees	643.1	658.2	673.8
On retired employees	70.2	76.3	82.9
Total	713.3	734.5	756.7

Number of participants (in thousands):

Active employees	2,395	2,395	2,395
Annuitants	1,617	1,634	1,643
Total	4,012	4,029	4,038

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

	2006 actual	2007 est.	2008 est.
<i>Status of Reserves</i>			
Held in reserve (in millions of dollars):			
Contingency reserve	100	100	100
Beneficial association program reserve	2	2	2
U.S. Treasury reserve	30,449	32,028	33,683
Total reserves	30,551	32,130	33,785

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

Program and Financing (in millions of dollars)

Identification code 24-9981-0-8-551	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01 Benefit payments	30,989	33,002	36,296
09.02 Payments from OPM contingency reserve	162	250	250
09.03 Government payment for annuitants (1960 Act)	2	1	1
09.04 Administration—operations	13	14	13
09.05 Administration—OIG	12	12	13
09.06 Administration—dental and vision program	2	1	1
10.00 Total new obligations (object class 25.6)	31,180	33,280	36,574
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10,116	12,532	14,146
22.00 New budget authority (gross)	33,596	34,894	37,248
23.90 Total budgetary resources available for obligation	43,712	47,426	51,394
23.95 Total new obligations	-31,180	-33,280	-36,574
24.40 Unobligated balance carried forward, end of year	12,532	14,146	14,820
New budget authority (gross), detail:			
Discretionary:			
58.00 Spending authority from offsetting collections: Offsetting collections (cash)	25	26	26
Mandatory:			
Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	33,524	34,813	37,123
69.10 Change in uncollected customer payments from Federal sources (unexpired)	47	55	99
69.90 Spending authority from offsetting collections (total mandatory)	33,571	34,868	37,222
70.00 Total new budget authority (gross)	33,596	34,894	37,248
Change in obligated balances:			
72.40 Obligated balance, start of year	2,393	2,242	2,225
73.10 Total new obligations	31,180	33,280	36,574
73.20 Total outlays (gross)	-31,284	-33,242	-36,436
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-47	-55	-99
74.40 Obligated balance, end of year	2,242	2,225	2,264
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	25	26	26
86.97 Outlays from new mandatory authority	29,824	31,781	34,920
86.98 Outlays from mandatory balances	1,435	1,435	1,490
87.00 Total outlays (gross)	31,284	33,242	36,436
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions	-9,143	-9,439	-10,094
88.00 Postal Service for Active Employees	-4,761	-4,887	-5,157
88.00 Postal Service for Annuitants	-1,646	-1,801	-2,004
88.00 Government contributions for annuitants	-8,339	-8,601	-9,100
88.20 Interest on Federal securities	-577	-692	-731
88.40 D.C. Government contributions & Dental/Vision reimbursement	-67	-68	-66
88.40 Employee salary withholdings	-4,755	-4,924	-5,276
88.40 Annuity withholdings	-4,261	-4,427	-4,721
88.90 Total, offsetting collections (cash)	-33,549	-34,839	-37,149
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-47	-55	-99
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-2,265	-1,597	-713
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities: Par value	12,533	14,825	16,378
92.02 Total investments, end of year: Federal securities: Par value	14,825	16,378	17,092

Summary of Budget Authority and Outlays

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Enacted/requested:			
Budget Authority			
Outlays	-2,265	-1,597	-713
Legislative proposal, not subject to PAYGO:			
Budget Authority			
Outlays			42
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays			-38
Total:			
Budget Authority			
Outlays	-2,265	-1,597	-709

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

The FEHB fund provides for the cost of health benefits for: 1) active employees; 2) employees who retired after June 1960, or their survivors; 3) those annuitants transferred from the REHB program as authorized by Public Law 93-246; and 4) the related expenses of OPM in administering the program.

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

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

	2006 actual	2007 est.	2008 est.
Active employees	2,169,470	2,159,000	2,157,000
Annuitants	1,854,684	1,886,000	1,912,500
Total	4,024,154	4,045,000	4,070,000

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

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

	2006 actual	2007 est.	2008 est.
Uniform plan	371	304	249
Private plans	931	763	626
Total	1,302	1,067	875

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

Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods. OPM maintains a contingency reserve, funded by employee and Government contributions, that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates.

The Budget reflects savings from a proposed technical change to the FEHB statute that will permit the programs Service Benefit Plan and Indemnity Benefit Plan to offer more

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS—
Continued

than two coverage options and from a proposal to reduce the amount of the Government contribution for new annuitants with fewer than 10 years of Federal service. These and other cost-neutral proposals will be transmitted separately. Finally, the Budget also proposes that the PTO will fund the accruing costs associated with post-retirement health benefits for PTO's employees.

Status of Funds (in millions of dollars)

Identification code 24-9981-0-8-551	2006 actual	2007 est.	2008 est.
Unexpended balance, start of year:			
0100 Balance, start of year	12,511	14,776	16,373
0199 Total balance, start of year	12,511	14,776	16,373
Cash income during the year:			
Current law:			
Offsetting collections:			
1280 Employees and retired employees health benefits funds	4,755	4,924	5,276
1281 Employees and retired employees health benefits funds	4,761	4,887	5,157
1282 Employees and retired employees health benefits funds	4,261	4,427	4,721
1283 Employees and retired employees health benefits funds	1,646	1,801	2,004
1284 Employees and retired employees health benefits funds	8,339	8,601	9,100
1285 Employees and retired employees health benefits funds	9,143	9,439	10,094
1286 Employees and retired employees health benefits funds	577	692	731
1287 Employees and retired employees health benefits funds	67	68	66
1299 Income under present law	33,549	34,839	37,149
Proposed legislation:			
Offsetting collections:			
2280 Employees and retired employees health benefits funds			-15
2281 Employees and retired employees health benefits funds			-7
2282 Employees and retired employees health benefits funds			-4
2283 Employees and retired employees health benefits funds			-16
2284 Employees and retired employees health benefits funds			-19
2285 Employees and retired employees health benefits funds			-18
2299 Income under proposed legislation			-79
3299 Total cash income	33,549	34,839	37,070
Cash outgo during year:			
Current law:			
4500 Employees and retired employees health benefits funds	-31,284	-33,242	-36,436
4599 Outgo under current law (-)	-31,284	-33,242	-36,436
Proposed legislation:			
5500 Employees and retired employees health benefits funds			75
5599 Outgo under proposed legislation (-)			75
6599 Total cash outgo (-)	-31,284	-33,242	-36,361
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	-49	-5	-5
8701 Employees and retired employees health benefits funds	14,825	16,378	17,092
8701 Invested balance, end of year			-5
8799 Total balance, end of year	14,776	16,373	17,082

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-9981-2-8-551	2006 actual	2007 est.	2008 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-45

24.40	Unobligated balance carried forward, end of year		-45
New budget authority (gross), detail:			
Mandatory:			
Spending authority from offsetting collections:			
69.00	Offsetting collections (cash)		-42
69.10	Change in uncollected customer payments from Federal sources (unexpired)		-3
69.90	Spending authority from offsetting collections (total mandatory)		-45
Change in obligated balances:			
74.00	Change in uncollected customer payments from Federal sources (unexpired)		3
74.40	Obligated balance, end of year		3
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Agency contributions		15
88.00	Postal Service for Active Employees		7
88.00	Postal Service for Annuitants		4
88.00	Government contributions for annuitants		16
88.90	Total, offsetting collections (cash)		42
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)		3
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays		42
Memorandum (non-add) entries:			
92.01	Total investments, start of year: Federal securities:		
	Par value		
92.02	Total investments, end of year: Federal securities:		
	Par value		

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-9981-4-8-551	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
09.01	Benefit payments		-81
10.00	Total new obligations (object class 25.6)		-81
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		-37
23.95	Total new obligations		81
24.40	Unobligated balance carried forward, end of year		44
New budget authority (gross), detail:			
Mandatory:			
69.00	Spending authority from offsetting collections: Offsetting collections (cash)		-37
Change in obligated balances:			
73.10	Total new obligations		-81
73.20	Total outlays (gross)		75
74.40	Obligated balance, end of year		-6
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority		-75
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40	D.C. Government contributions & Dental/Vision reimbursement		
88.40	Employee salary withholdings		19
88.40	Annuity withholdings		18
88.90	Total, offsetting collections (cash)		37
Net budget authority and outlays:			
89.00	Budget authority		

90.00 Outlays - 38

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:
 Par value
 92.02 Total investments, end of year: Federal securities:
 Par value - 5

GENERAL FUND RECEIPT ACCOUNT

(in millions of dollars)

	2006 actual	2007 est.	2008 est.
Offsetting receipts from the public:			
24-322000 All other general fund proprietary receipts			
including budget clearing accounts: Enacted/requested	- 3	2	2
General Fund Offsetting receipts from the public	- 3	2	2

