

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Annual Performance Report

FISCAL YEAR 2011

FEBRUARY 2012

a New Day for Federal Service



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Annual Performance Report

FISCAL YEAR 2011

FEBRUARY 2012

a New Day for Federal Service



TABLE OF CONTENTS

Message from the Director	I
Introduction	3
About this Report	3
High Priority Performance Goals	4
The President’s Veterans Employment Initiative	II
OPM’s FY 2011 Mission and Strategic Goals	13
FY 2011 Organizational Structure	14
<i>Executive Offices</i>	15
<i>Program Divisions</i>	16
<i>Common Services</i>	17
<i>Office of the Inspector General</i>	18
FY 2011 Performance Results	18
<i>Summary Performance Tables by Strategic Goal</i>	19
<i>Detailed Performance Results</i>	21
<i>Hire the Best/Reform the Federal Hiring Process</i>	21
<i>Hire the Best/Assist Veterans to find a place in the Federal workforce</i>	22
<i>Hire the Best/Ensure agencies have sufficient information to make decisions such as credentialing, suitability, and/or security clearance determinations</i>	23
<i>Hire the Best/Promote diversity and inclusion in the Federal workforce</i>	26
<i>Respect the Workforce/Ensure that available benefits align with best practices and employees’ needs</i>	27
<i>Expect the Best/Hold agencies to account for improvements in strategic human resources management</i>	30
<i>Expect the Best/Provide leadership and direction to Government-wide HR programs</i>	31
<i>Expect the Best/OPM will lead by example to implement human resources reforms and achieve results</i>	33
<i>Expect the Best/Help agencies become high-performing organizations</i>	34
<i>Honor Service/Improve Federal pay and reward systems</i>	36
<i>Honor Service/Develop a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner</i>	37
FY 2011 Program Evaluations	41
Completeness and Reliability of Performance Data	42
Data Sources of OPM Performance Measures	44
Acronyms	56



MESSAGE *from the* DIRECTOR

Introduction

It is my pleasure to submit the United States Office of Personnel Management (OPM) Fiscal Year (FY) 2011 Annual Performance Report (APR). OPM has chosen to produce the APR as an alternative to the consolidated Performance and Accountability Report pursuant to Office of Management and Budget (OMB) Circular A-136. This FY 2011 APR is one in a series of reports used to convey budget, performance, and financial information to constituents.

FY 2011 Results

OPM is reporting on 24 performance measures in this FY 2011 APR. Of the 24 performance measures OPM tracked during FY 2011, the Agency met 13, did not meet eight, and three remain undetermined.¹ The following are a few areas where OPM made great strides in achieving performance goals and, because of OPM's Government-wide role, also improved results across the Federal Government.

High Priority Performance Goals

High Priority Performance Goals (HPPGs) are measurable commitments to deliver specific results to the American people. OPM's goals were developed in FY 2010 and were intended to be completed within a two-year period. These goals represent high priorities for both the Administration and OPM and are closely aligned to OPM's major performance improvement initiatives. A detailed discussion of the HPPGs is included in this APR. However, here is a brief description of achievements for the five HPPGs.

Hiring Reform—OPM launched the web-based Hiring Reform 10 website targeted to HR professionals and Hiring managers implementing hiring reform.

Telework—OPM integrated activities with Chief Human Capital Officer Council sessions on emergency preparedness to emphasize the use of telework as a vital strategy for pandemic preparedness.

Security Clearance Reform—The Government Accountability Office (GAO) removed the security clearance program from its high risk list in February 2011. GAO attributed this event to the high-level attention and consistent Congressional oversight that was given to the security clearance program, which resulted in significant timeliness improvements.

Wellness—The Agency implemented a common needs assessment tool (WellCheck inventory) that allows agencies to analyze and evaluate their current health promotion programs, benchmark with other agencies and the private sector, and determine areas where improvement is required.

Retirement Claims Processing—OPM exceeded its goal to increase the percent of complete retirement cases submitted to OPM from Federal agencies by three percent. Increasing the number of completed cases helps OPM reduce the overall retirement processing time.

¹ Revised from the FY 2011 Agency Financial Report.

Challenges OPM Faced During FY 2011

I would also like to briefly discuss some of the challenges OPM faced during FY 2011.

Human Resources Solutions Customer Satisfaction—In FY 2011, the performance of the Human Resources Solutions organization was substantially impacted by the complete stoppage of vendor-managed work in February 2011 due to a review of financial policy and procedures, policy changes and internal reorganization. This had an adverse impact on the Vendor Management Branch customer satisfaction score. A renewed focus on customer satisfaction is planned in FY 2012, with customer satisfaction measures included in all executive and most managerial performance agreements.

Human Resources Compliance—OPM was unable to meet its target of 33 percent of employees covered by certified appraisal systems meeting OPM standards. To improve the SES performance management and the certification process, OPM collaborated with agencies, the Senior Executives Association, and the President's Management Advisory Board to introduce a new Government-wide appraisal system. The new SES appraisal system promotes greater consistency, clarity, transferability, and equity in the development of performance standards, the delivery of feedback, the derivation of ratings, and the link to compensation.

Retirement Services—In FY 2011, OPM processed retirement claims at an average unit cost of \$107.62, which did not meet the target of \$101.23 set for FY 2011. However, the cost of processing retirement claims increased only 1.6 percent over the prior fiscal year's results. Overall satisfaction with retirement services provided by OPM was 76 percent satisfied or very satisfied, falling short of the target. Only 10 percent of respondents marked that they were overall dissatisfied/very dissatisfied with retirement services. OPM has undertaken a full program performance review of retirement case processing and is instituting significant changes to dramatically improve case processing time and reduce the backlog of cases. By July 31, 2013, we aim to have eliminated the case processing backlog so that 90 percent of all claims will be adjudicated within 60 days.

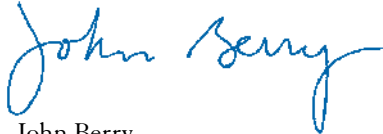
Completeness and Reliability of Performance Information

The performance information used by OPM in this APR for FY 2011 is complete and reliable, as defined by the Government Performance and Results Act. If there are instances where full and complete data for a measure are not available, these instances are noted and final data will be updated in the following year's APR.

Conclusion

OPM employees have the talent and creativity to produce positive and tangible results to the American people. We will continue to implement important initiatives throughout the organization to continue to improve the performance of our programs and the accountability of our employees. Only by focusing on measured results can we further our ability to meet the unique human resource challenges of the Federal Government and ensure an effective civilian workforce to serve the American people.

Sincerely,



John Berry

Director

February 13, 2012

Introduction

OPM is the central human resources agency for the Federal Government. Its mission is to “Recruit, Retain and Honor a World-Class Workforce to Serve the American People.” To carry out this mission, OPM provides human resource advice and leadership to Federal agencies, supports these with human resource policies, holds agencies accountable for their human resource practices, and upholds the merit system principles. Additionally, OPM delivers human resource products and services to agencies on a reimbursable basis, including personnel investigations, leadership development and training, staffing and recruiting assistance, supporting organizational assessments, and training and management assistance. OPM also delivers services directly to Federal employees, those seeking Federal employment, and Federal retirees and their beneficiaries.

OPM operates from its headquarters in the Theodore Roosevelt Federal Office Building at 1900 E Street, NW, Washington, D.C., 20415. OPM delivers a variety of products and services with the help of 5,358 employees in D.C., its field presence in 16 locations across the country, and operating centers in Pittsburgh and Boyers, Pennsylvania; Ft. Meade, Maryland; and Macon, Georgia. OPM’s website is www.opm.gov.

About This Report

The FY 2011 APR provides an overview of OPM’s program performance and results to help Congress, the President, and the public assess OPM’s stewardship over the financial resources entrusted to us. Under separate cover, OPM will submit a Summary of Performance and Financial Information (SPFI). The SPFI is designed to be an executive summary highlighting both financial and performance results. OPM believes this approach will improve reporting by making the information more meaningful and transparent to the public, and by providing a more succinct and understandable reporting of OPM’s use of its resources. Both documents are available on the OPM website at <http://www.opm.gov/gpra/opmgpra/>.

The FY 2011 APR meets a variety of reporting requirements stemming from numerous laws focusing on improved accountability among Federal agencies and guidance described in OMB Circulars A-11 and A-136. This FY 2011 APR provides an accurate and thorough accounting of OPM’s program performance accomplishments during FY 2011 in fulfilling its mission.

Suggestions for improving this document can be sent to the following address:

U.S. Office of Personnel Management
Center for Budget and Performance
Room 5416
1900 E Street NW
Washington, D.C. 20415

High Priority Performance Goals

The following five High Priority Performance Goals are measurable commitments to deliver specific results for the American people: Hiring Reform, Telework, Security Clearance Reform, Wellness and Retirement Claims Processing. These goals represent high priorities for both the Administration and the Office of Personnel Management. They are highly relevant to the public and are aligned to the agencies key mission areas in order to produce significant results.

Hiring Reform

Goal Statement: Departments and major Agencies meet agreed upon targeted improvements to: Reduce Time-to-Hire by 10 percent per year, Improve Manager Satisfaction with applicant quality by 1 percent per quarter, and Improve Applicant Satisfaction by 1 percent per quarter.

OVERVIEW

President Obama’s Memorandum of May 11, 2010, *Improving the Federal Recruitment and Hiring Process*, outlined the Administration’s comprehensive initiative to address major, long-standing impediments to recruit and hire the best and the brightest into the Federal civilian workforce. OPM is spearheading the Government-wide initiative to reform recruiting, hiring and retention policies and procedures. The reform effort will encompass multiple years and will require sweeping changes to streamline and improve the hiring process. OPM leads the effort to ensure Federal agencies acquire, assess, and retain employees with the specific competencies necessary to achieve agencies’ goals and missions.

By using effective recruitment, hiring, assessment and retention strategies, OPM helps agencies compete successfully with other employers. Moreover, OPM develops and makes use of available recruiting, hiring, assessment and retention methods, tools, authorities and flexibilities.

FY 2011 ACCOMPLISHMENTS

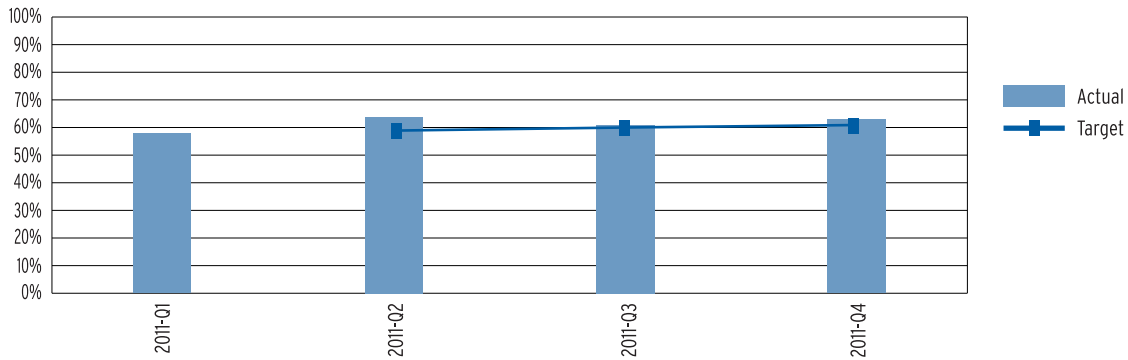
- Invested more than \$2 million to develop and deliver Hiring Reform training to more than 50 agencies, at more than 50 locations across the country. OPM conducted nearly 300 workshops equal to approximately 17,000 training seats. Training materials were developed so agencies can use the material on an ongoing basis.
- Launched the USAJOBSRecruit website which provides information, tools, and guidance on all things related to recruiting. It also offers discussion forums, chats, and blogs to foster learning and collaboration. The website is open to Federal employees with a .gov, .mil, .fed, .us, or .edu email address extension. The site can be found at www.usajobsrecruit.gov.
- Launched the OPM Hiring Reform website targeted to human resources (HR) professionals and hiring managers implementing hiring reform. The site offers “bite-sized” training modules on the key areas related to hiring reform. The site can be found at www.opm.gov/hiringreform/.

FY 2011 PROGRESS

To date, the general progress made in implementing the President’s Hiring Reform Initiative has exceeded expectations, although much work remains to be done. Key to the progress has been the genuine engagement and interest shown by executive level management. Also, agencies have adopted techniques and methods such as clarifying duties and responsibilities in job opportunity announcements, promoting collaboration between HR staffs and hiring managers, and establishing accountability. These practices have allowed agency hiring reform strategies to show results faster than expected.

- **Manager Satisfaction with the Applicant Quality**—Survey results indicated that manager satisfaction with applicant quality improved from 58 percent in the first quarter of FY 2011 (baseline) to 63 percent in the fourth quarter. See figure 1.

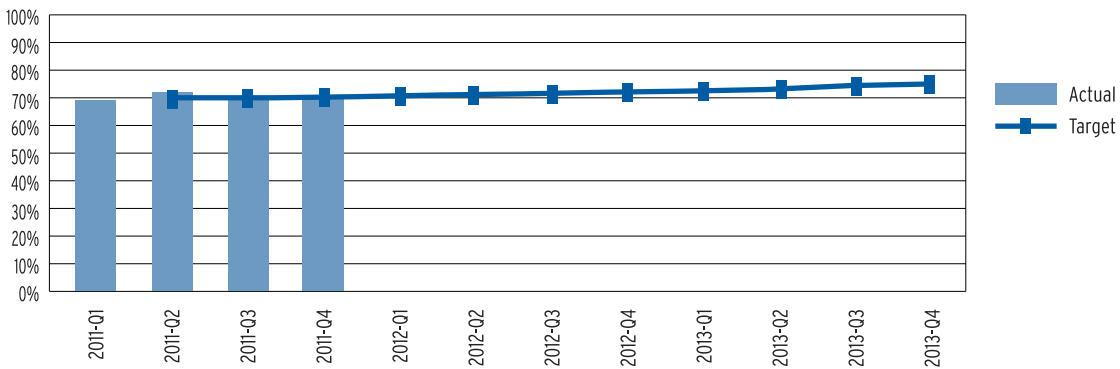
FIGURE 1. QUALITY APPLICANTS AS ASSESSED BY HIRING MANAGERS



Because OPM considers manager satisfaction with applicants a key indicator of overall hiring quality, we will track our progress going forward under OPM’s Priority Goal to “Ensure high quality Federal employees.”

- **Applicant Satisfaction with the Job Application Process**—Survey results indicated that applicant satisfaction with the hiring process improved from 69 percent in in the first quarter of FY 2011 to 70 percent in the fourth quarter. See figure 2.

FIGURE 2. IMPROVE APPLICANT SATISFACTION WITH HIRING PROCESS



Telework

Goal Statement: Increase the strategic use of telework to improve continuity of operations, reduce management costs, and increase employee job satisfaction.

OVERVIEW

The Telework Enhancement Act of 2010 requires OPM to provide policy guidance and support to agencies to improve continuity of operations (i.e., using telework as a strategy to keep Government operational during inclement weather or other emergencies), promote management effectiveness (i.e., using telework to target reductions in management costs related to employee turnover and absenteeism, and to reduce real estate costs and environmental impact and transit costs), and enhance work-life balance (i.e., using telework to allow employees to better manage their work and family obligations, retaining a more resilient Federal workforce able to better meet agency goals). Organizations that strive to become employers of choice must focus their attention on employee work-life issues. Aside from agency performance improvements, the increased adoption of telework in Federal offices across the country, particularly in major metropolitan areas with large concentrations of employees, provides both economic and social value. Telework also allows a greater number of Federal employees to work during emergency situations by maximizing operational efficiency to the extent practicable without compromising the safety of employees and the general public during heavy snow accumulation, major road closures due to various events, and other emergencies.

FY 2011 ACCOMPLISHMENTS

- Integrated telework activities with the Chief Human Capital Officer Council sessions on emergency preparedness to emphasize the use of telework as a vital strategy for pandemic preparedness.
- Developed a comprehensive “Guide to Telework in the Federal Government.” The guide can be found at: www.telework.gov/guidance_and_legislation/telework_guide/telework_guide.pdf.
- Introduced a new concept of unscheduled telework in the “Washington, D.C., Area Dismissal and Closure Procedures” to promote continuity of operations and safety of Federal employees and the general public.

FY 2011 PROGRESS

During FY 2011, agencies were required to meet several goals, which included establishing a telework policy, determining eligibility of employees, and notifying all employees of their eligibility to telework. Continuing discussions and implementation efforts will ensure teleworking employees enter into agreements with managers. Also, telework eligible employees and their managers must successfully complete interactive training prior to entering into an agreement.

Telework programs are integral to advancing important national initiatives such as building capacity in the Federal workforce to continue agency operations during both short- and long-term disruptions due to emergency situations. Items in the OPM Telework Data Call sent to agencies query the relationship between telework and emergency preparedness. Prior to 2009, OPM did not set targets for telework participation;

therefore, the target was set to the actual historical value to permit comparison between periods. Based on data collected in 2010 for the 2009 calendar year, 72 percent of the 79 responding agencies estimated the employees that were equipped, trained, and ready to telework in case of a long-term crisis. No telework participation data was collected in calendar year 2011. A new data call will be issued to meet the June 2012 reporting requirement under the Telework Enhancement Act.

Security Clearance Reform

Goal Statement: Maintain or exceed OPM-related goals of the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 and provide OPM deliverables necessary to ensure that security clearance reforms are substantially operational across the Federal Government by the end of CY 2010.

OVERVIEW

OPM provides background investigations for more than 100 Federal agencies. These background investigations are used as a basis for making security clearance, suitability or fitness determinations. To support high-volume investigative requirements, OPM manages a complex suite of automated systems. In 2004, the year IRTPA was passed, initial clearance investigations for Top Secret clearances took an average of 392 days, and today the average is 79 days. All initial clearances took 179 days in 2004, today OPM is meeting the IRTPA goal to provide the fastest 90 percent of security clearance investigations in an average of 40 days. During FY 2011, OPM expanded efforts begun during FY 2010 to reform the security clearance process and maintain the IRPTA goal of 40 days. Over the last few years, the Federal Government has made critical advances in reforming the security clearance process. While there is still work to be done, individuals seeking to work for the Federal Government now face a substantially different clearance experience than they did just a few years ago.

FY 2011 ACCOMPLISHMENTS

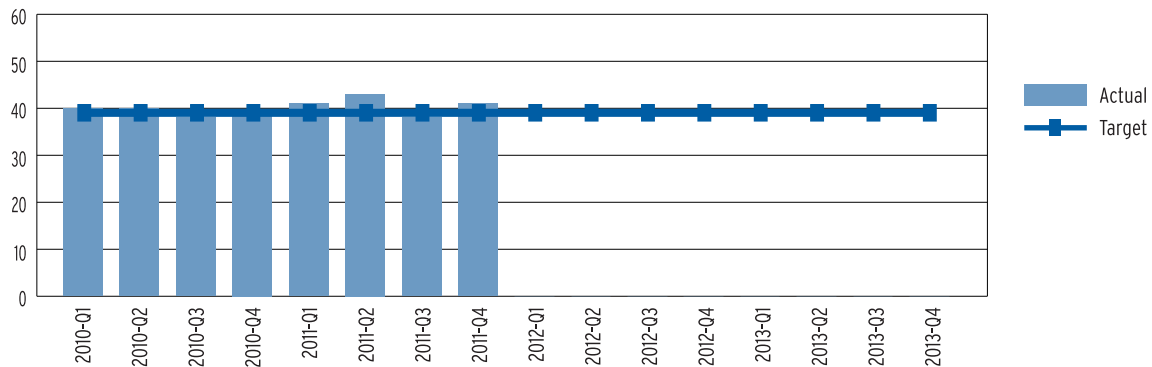
- Aligned suitability and security policies and processes, to the extent possible, to limit redundancies and enhance reciprocity in investigative and adjudicative processes.
- Deployed enhanced technology to improve timeliness and support complete and accurate initiation of requests for investigation.
- Increased oversight visits to review agency progress and offer guidance to achieve reform goals.

FY 2011 PROGRESS

OPM has continued to build on the substantially operational reforms of 2010 through phased executive branch implementation of the revised electronic standard form questionnaire (e-QIP), which is used to collect information from security clearance applicants as well as through enhancements to subject interviews. Although slower than originally projected to address security and legal considerations, progress continues in efforts to improve information exchanges with government records repositories.

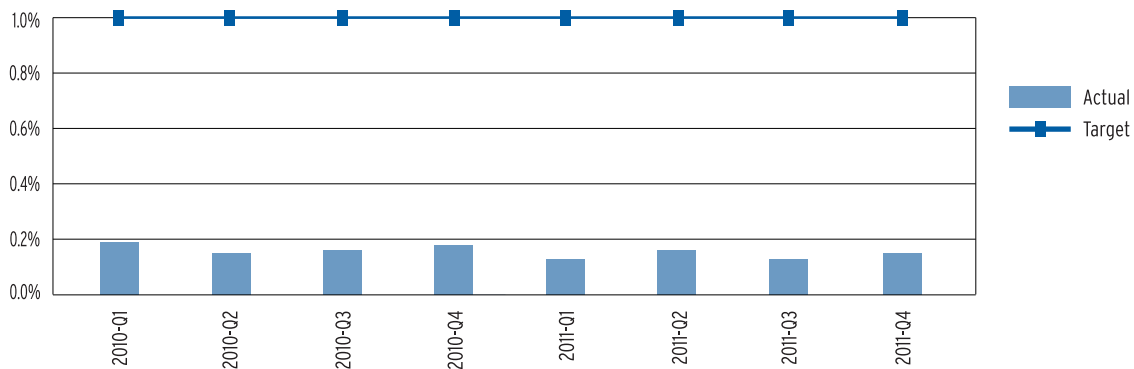
- **Initial Investigation Timeliness**—OPM investigation services focuses on providing high quality investigations within the 40 day target. OPM will also implement a number of quality and automation initiatives while maintaining IRPTA’s overarching timeliness objectives. See figure 3.

FIGURE 3. AVERAGE NUMBER OF DAYS TO COMPLETE FASTEST 90% OF INITIAL INVESTIGATIONS



- **Initial Investigation Quality**—OPM expanded standardization investigation requirements to consistently produce high quality investigations. OPM investigation error rates are consistently less than the target of no more than 1 percent of cases. See figure 4.

FIGURE 4. INVESTIGATIONS DETERMINED TO BE DEFICIENT DUE TO ERRORS IN INVESTIGATION PROCESSING



Since FY 2007, OPM has exhibited exceptional performance in this area by conducting over 99 percent of initial background investigations without errors in investigation processing. OPM will continue to track this measure internally, but given the continued high-level of performance, we will also investigate potential alternatives to our quality measure that provide additional insight and opportunity for improvement.

Wellness

Goal Statement: By the end of 2011, every agency has established and begun to implement a plan for a comprehensive health and wellness program which will achieve a 75 percent participation rate over 5 years.

OVERVIEW

OPM is encouraging Federal agencies to expand and improve their wellness programs. Comprehensive worksite wellness programs help in reducing health care costs, improving worker productivity and attracting the best talent. The elements of a comprehensive worksite wellness program include: health education, supportive social and physical environments, integration of worksite wellness program into organizational structure, screening programs, and linkages with related benefits programs. OPM has established a foundation for health and wellness programs across the Federal Government, which enables the Agency to better quantify the impact of such programs on the ability to recruit, retain and honor the best workforce to serve the American people. OPM, in partnership with the Office of Management and Budget, National Economic Council, and the Department of Health and Human Services explored and developed a health and wellness program for the Federal workforce.

FY 2011 ACCOMPLISHMENTS

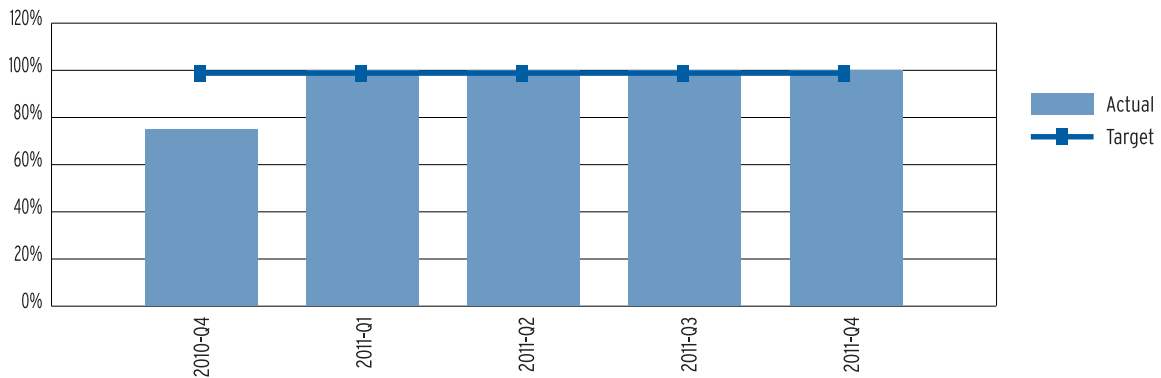
- Implemented a common needs assessment tool (WellCheck inventory) that allows agencies to analyze and evaluate their current health promotion programs, benchmark with other agencies and the private sector, and determine areas where improvement is required.
- Provided guidance for Federal agencies on comprehensive health and wellness program and criteria for assessing the adequacy of agency plans.
- Established a community of practice with agency Chief Human Capital Officers focused on communication of the benefits of a comprehensive program and how to market the benefits to agency employees.
- Issued guidance as a result of Pub. Law 111-148 and Presidential order to provide guidance to executive branch civilian employees on workplace accommodations for employees who are nursing mothers.

FY 2011 PROGRESS

All Chief Human Capital Officers Council (CHCOC) member agencies have developed and begun to implement wellness plans. The twenty-four CHCOC agencies have shown progress in increasing senior leader engagement. OPM conducted a needs assessment of work location programs and collected agency wellness plans through the CHCOC. The data collected through the needs assessment has provided OPM with a baseline to measure progress moving forward.

- **Wellness Planning**—During FY 2011, all 24 CHCOC agencies have completed final wellness plans. See figure 5.

FIGURE 5. PERCENT OF CHCOG AGENCIES DEVELOPING FINAL WELLNESS PLANS



Retirement Claims Processing

Goal Statement: Increase the number of retirement records OPM receives that are complete and require no development actions to more than 70 percent by the end of 2010, 79 percent by the end of 2011, and 81 percent by the end of 2012.

OVERVIEW

OPM is responsible for the administration of the Federal Retirement Program covering over 2.9 million active employees and 2.5 million annuitants. OPM administers the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). The retirement program serves Federal employees by providing retirement compensation and the tools and options for retirement planning. Processing of the approximately 100,000 retirement applications received by OPM annually are handled by operations staff in both Boyers, PA and Washington, D.C. These steps include: determining retirement eligibility, inputting data into benefit calculators, providing customer service and developing claims for missing and incorrect documentation. The need to develop documentation for incomplete and inaccurate applications submitted by Federal agencies increases retirement processing time and associated cost.

FY 2011 ACCOMPLISHMENTS

- Increased interim pay amounts for post office and Defense Finance and Accounting Services customers by five percent.
- Implemented changes to on-line retirement services to allow customers in interim pay to access their accounts.
- Built imaging infrastructure and created imaging policies and procedures in preparation for initiation of imaging operations in early 2012.

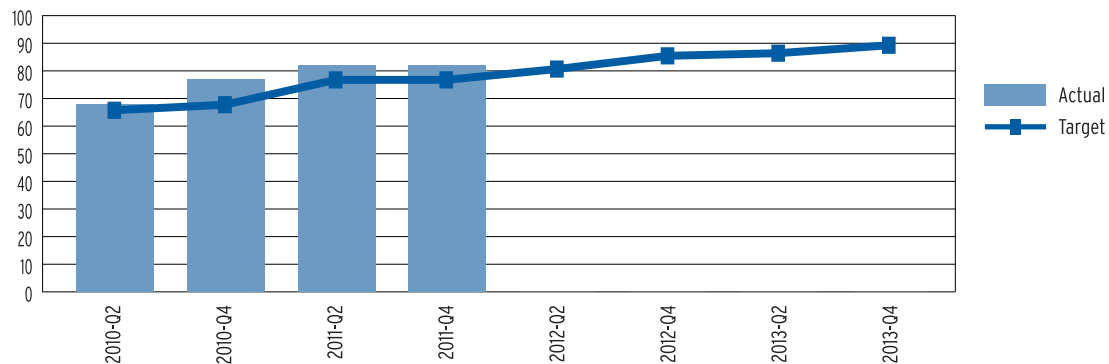
FY 2011 PROGRESS

During FY 2011, OPM audited 4,222 retirement case submissions received from various Federal agencies. Eighty-two percent of those cases were determined to be complete and required no remediation. Where problems were identified, meetings were held with agencies and action plans were developed to address specific problem areas. OPM has focused much of its attention on areas where the greatest number of

errors occur. A specific focus has been to ensure that agencies include the necessary documentation to verify an employee’s enrollment in the Government’s life and health insurance programs for five years prior to retirement. This effort has resulted in a reduction of errors from 22 percent in the 2010 audit to 15 percent in the 2011 audit.

- **Complete retirement case submissions to OPM**—The percentage of completed cases increased from 77 percent of cases in FY 2010 to 82 percent in FY 2011. See figure 6.

FIGURE 6. PERCENT OF COMPLETE RETIREMENT SUBMISSIONS



The President’s Veterans Employment Initiative

The objective of the President’s Veterans Employment Initiative is to increase employment opportunities for veterans in the Federal Executive Branch.

On November 9, 2009, President Barack Obama signed Executive Order (EO) 13518, “Employment of Veterans in the Federal Government,” which establishes the Veterans Employment Initiative. This initiative outlines the most comprehensive approach to improving employment opportunities for veterans the Federal Executive Branch has ever undertaken. It seizes on three central themes: 1) honor our sacred obligation and trust to our Nation’s veterans; 2) utilize the talents of veterans to help the Federal Government meet today’s dynamic challenges; and 3) build a program worthy of emulation by the private sector.

A cornerstone of the President’s strategy is the Council on Veterans Employment. The Council serves as a National forum for promoting veterans employment and is accountable to the President for developing goals and programs and achieving results. The Council provides an infrastructure and governance for directing veterans employment programs within the Executive Branch and is readily organized to support the President and Congress in advancing initiatives outside of the Federal Government.

The Director of the Office of Personnel Management serves as the Vice-Chair and Chief Operating Officer and manages all Council business through the appointment of an OPM-appointed Executive Director. Through leadership of the Council, the first-ever Government-wide Strategic Plan for the recruitment and employment of veterans in the Federal Government was implemented, creative feeder programs to support veterans who are most at risk for unemployment were established, and a dramatic increase in the percentage of veterans hired into the Federal Government was achieved. At the end of FY

2011, the percentage of veterans hired as part of the total hires in the Federal Government was well above the approximately 24 percent just two years ago. Also, over 140,000 veterans have been hired since the President established the Veterans Employment Initiative and the Council.

FY 2011 Veterans Employment Results

Preliminary numbers for this past year saw the Federal Government achieving unprecedented results with increasing the percentage of veterans hired into the Federal Government.

- In FY 2011, the Federal Government hired approximately 230,000 employees total compared to approximately 282,000 employees in FY 2010—a reduction of approximately 52,000 total hires. Of those 230,000 hires, approximately 65,000 were veterans, accounting for 28.5 percent of total hires.
- This is the highest percentage of veterans hired in over 20 years. This equals approximately 4.5 percentage points over the FY 2009 baseline of 24 percent and 2.9 percentage points over the FY 2010 result of 25.6 percent.
- In FY 2011, 22 EO agencies posted percentages above their FY 2009 baselines for total veteran hires.
- In FY 2011, 23 EO agencies posted percentages above their FY 2009 baselines for total disabled veteran hires.

FY 2011 Performance Versus FY 2010 Performance

- In FY 2011, 20 agencies covered by the EO posted percentages above their FY 2010 results for total veterans hired.
- The three agencies with the highest percentages of total veterans hired were the Department of Defense (DoD) (47.3 percent), OPM (40 percent), and Department of Transportation (35.1 percent).
- In FY 2011, 22 agencies posted percentages above their FY 2010 results for total disabled veterans hired.
- The three agencies with the highest percentages of disabled veterans hired were OPM (17.3 percent), DoD (14.6 percent), and SSA (12.4 percent).

This performance tells us that overall agencies are improving in employing veterans. While our goals are aggressive, they are driving results and hiring veterans is expected to continuously improve in the future.

OPM’s FY 2011 Mission and Strategic Goals

The OPM Strategic Plan 2010–2015 is the starting point for performance and accountability. The beginning of the strategic plan includes the Agency’s mission statement. The plan also describes OPM’s four strategic goals which are designed to parallel the lifecycle of a Federal employee. These strategic goals are as shown in Table 1. The strategic goals are supported by a series of implementation strategies and performance indicators to gauge progress. OPM also reviews its performance measures as part of the annual budget planning, which ensures both internal and external stakeholders understand the level of program performance expected for the resources OPM receives.

TABLE 1—OPM’S MISSION

OPM’s Mission Statement: Recruit, Retain, and Honor a World-Class Workforce to Serve the American People

FY 2011 Strategic Goals	Goal Statements
<i>Hire the Best</i>	Recruit and hire the most talented and diverse Federal workforce possible to serve the American people
<i>Respect the Workforce</i>	Provide the training, benefits, and work-life balance necessary for Federal employees to succeed, prosper, and advance in their careers
<i>Expect the Best</i>	Ensure the Federal workforce and its leaders are fully accountable and are fairly appraised while having the tools, systems, and resources to perform at the highest levels to achieve superior results
<i>Honor Service</i>	Ensure comparable recognition and reward for exemplary performance of current employees and honor the careers of Federal retirees

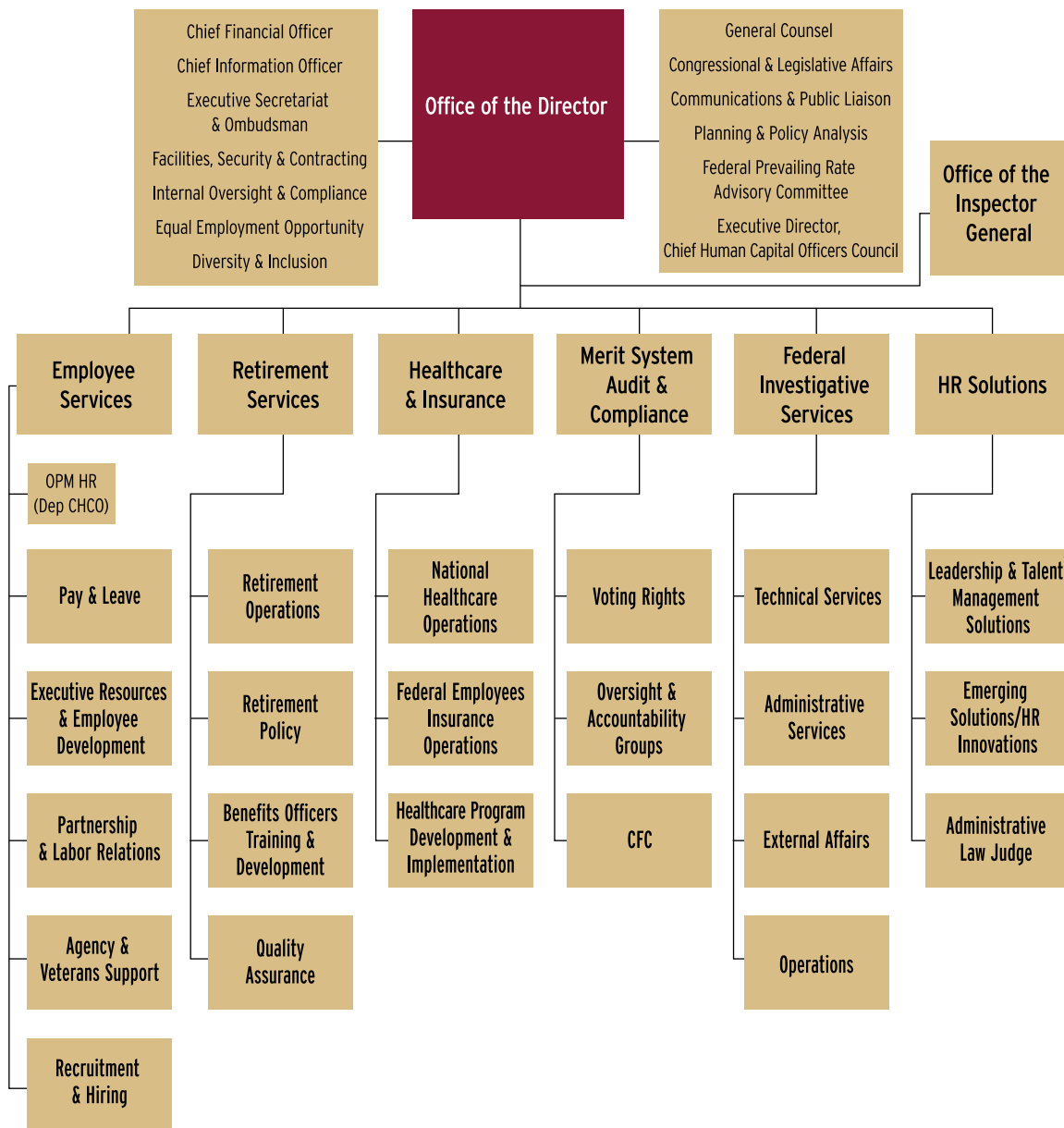
OPM senior management conducted a full review of the OPM Strategic Plan in July 2011, which resulted in a strategic plan update. As part of this strategic plan update, OPM added a fifth strategic goal in FY 2012 to reflect its new duties and responsibilities associated with the Patient Protection and Affordable Care Act (ACA). Under ACA, OPM is required to establish at least two multi-state plan options to be offered on each affordable insurance exchange beginning in FY 2014. Additionally, OPM will permit tribes and tribal organizations to purchase insurance coverage for their employees through the Federal Employees Health Benefits Program and the Federal Employees Group Life Insurance Program.

OPM senior management also realigned a number of program strategies to align with developmental efforts that have occurred within the Agency over the last two years. An updated version of the OPM Strategic Plan will be published in 2012.

Organizational Structure

OPM’s organizational structure reflects primary business lines through which OPM carries out its programs and implements its strategic goals and related implementation strategies. As shown in Figure 7, Organizational Chart, OPM is comprised of the following components:

FIGURE 7. ORGANIZATIONAL CHART



EXECUTIVE OFFICES

- The *Office of the Director (OD)* provides guidance, leadership and direction necessary to make the Federal Government the model employer in the United States, and OPM its model agency. OD looks to provide increased oversight concerning Civil Service Hiring Reform, Retirement Stabilization, Work/Life and Wellness, and reorientation of Federal Employees Health Benefits Program management.
- *Communications and Public Liaison (CPL)* is responsible for coordinating a comprehensive effort to inform the public of the President's and the Director's goals, plans and activities through various media outlets. CPL is also responsible for planning and coordinating the publication and production of all printed materials that are generated from OPM offices and develops briefing materials for Congress, the Director and other OPM officials for various briefings and events.
- *Congressional and Legislative Affairs (CLA)* advocates for the legislative and policy priorities of the Director and the Administration. CLA is the focal point for all congressional and legislative activities for the Office of Personnel Management. CLA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. CLA also counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters.
- *Equal Employment Opportunity (EEO)* provides a fair, legally-correct and expedient EEO complaints process (i.e., EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO designs and implements all required Special Observance and Special Emphasis initiatives, to promote diversity management.
- *Executive Secretariat and Ombudsman (ESO)* is responsible for the administrative management and support for the Office of the Director and the Director's staff offices, including coordination and review of agency correspondence, policy and program proposals, regulations and legislation. ESO is responsible for the Agency's Ombudsman function, which is necessary to provide a neutral, independent and confidential resource for customers and employees of OPM to raise issues of concern or complaints that their requests are not being addressed in a timely manner.
- *Federal Prevailing Rate Advisory Committee (FPRAC)* studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title 5, United States Code, and advises the Director of OPM on the Government-wide administration of the pay system for blue-collar Federal employees.
- *Internal Oversight and Compliance (IOC)* drives the resolution of audit recommendations, conducts program evaluations, and oversees the review of capital investments to strengthen OPM's risk management and operational performance.
- The *Office of the General Counsel (OGC)* provides legal advice and representation to the OPM Director, managers and leaders so they can ensure the Federal Government has an effective civilian workforce. OGC does this by rendering opinions, reviewing proposed policies and other work products and commenting on their legal efficacy, serving as agency representatives in administrative litigation, and supporting the Department of Justice in its representation of the Federal Government on matters concerning the civilian workforce. OGC also carries out several programmatic, substantive functions that benefit other OPM offices. Moreover, OGC is responsible for government-wide Hatch Act regulations.

OGC also plays a policy and legal role in the Government-wide function of determining which Merit Systems Protection Board and arbitral decisions are erroneous and have a substantial impact on civil service law and, accordingly, that merit judicial review. OGC also is responsible for OPM's ethics program, the disposition of certain claims and garnishment issues, and the disposition of appeals from initial OPM decisions concerning requests under the Freedom of Information and Privacy Acts.

- *Planning and Policy Analysis (PPA)* provides planning and analytical support to the Director and the Agency. PPA assesses issues that affect OPM across the full array of human resources programs and benefits. A particular area of responsibility is the analysis of policy options, legislative changes and trends that affect OPM's management of health and retirement benefits for Federal employees. To assure benefits provide maximum value and are secure, the office conducts actuarial analysis, as well as statistical analysis using large databases such as the Statistical Data Mart (containing Federal employee data) and the Health Claims Data Warehouse.

OPM's Performance Improvement Officer (PIO) is also the director of Planning and Policy Analysis. The Deputy PIO, who is a senior advisor to the OPM Director, supports the PIO in conducting program performance reviews and fostering innovative practice. Staff in the CFO's Budget and Performance Office helps the PIO monitor agency performance, report on agency performance and conduct performance reviews.

PROGRAM DIVISIONS

- *Employee Services (ES)* provides policy direction and leadership in designing, developing and promulgating Government-wide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, work/life/wellness programs and labor and employee relations. ES provides technical support to agencies regarding the full range of human resources management policies and practices, to include veterans' employment as well as the evaluation of their human resource programs. ES manages the operation of OPM's internal human resources program.
- *Retirement Services (RS)* is responsible for Government-wide administration of developing and providing Federal employees, retirees and their families with retirement programs and services that offer value and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments.
- *Healthcare & Insurance (HI)* consolidates all of OPM's healthcare and insurance responsibilities into a single organization. This includes new functions such as the Affordable Care Act's Multi-State Plan Option, the work performed by OPM in support of the Pre-existing Condition Insurance Plan (PCIP) program, plus existing responsibilities for the Federal Employees Health Benefits Program (FEHBP), Federal Employees Group Life Insurance (FEGLI), Federal Long Term Care Insurance Program (FLTCIP), and the Federal Employee Dental Vision Insurance Plan (FEDVIP). HI comprises Healthcare Program Development and Implementation, National Healthcare Operations, and Federal Employee Insurance Operations.
- *Merit System Audit & Compliance (MSAC)* ensures through rigorous oversight that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements.

MSAC carries out this responsibility with a staff of employees in five field offices across the nation and Washington, D.C. The three key components of the oversight and compliance programs are: (1) Delegated Examining Unit Evaluations, (2) Large Agency Human Resources (HR) Evaluations, and (3) Small Agency HR Evaluations. MSAC also manages the classification appeals program, which provides Federal employees with an independent third-party review of the classification of their decisions and provides evidence as to whether agencies are technically accurate in the use of delegated classification and job grading authority. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights (VR) Program. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program provides observers to cover political subdivisions (counties, cities, etc., as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General.

- *Federal Investigative Services (FIS)* mission is to ensure the Federal Government has a suitable workforce that protects National Security and is worthy of their Public Trust. FIS is responsible for providing investigative products and services for over 100 Federal agencies to use as the basis for security clearance or suitability decisions as required by Executive Orders and other rules and regulations. Over 90 percent of the Government's background investigations are provided by OPM.
- *Human Resource Solutions (HRS)* provides services that assist Federal agencies in achieving their missions by partnering with them to provide effective human resource solutions that develop leaders, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. HRS also offers services that enhance agencies' ability to attract and acquire specific talent.

COMMON SERVICES

- *Chief Financial Officer (CFO)* manages and oversees OPM accounting, billing, vendor payments, budgeting, strategic planning, performance, program evaluation, financial systems, internal control and financial policy functions which enable the Agency to achieve its mission. CFO also ensures the completion of timely and accurate financial reports that improve decision making, comply with Federal requirements and demonstrate effective management of taxpayer dollars.
- *Chief Information Officer (CIO)* develops the Information Resource Management Plan and defines the information technology (IT) vision and strategy to include IT policy and security for OPM. CIO shapes the application of technology in support of the Agency's strategic plan including the IT architecture that outlines the long term strategic architecture and systems plans for the Agency and includes Agency IT capital planning. CIO supports and manages pre- and post-implementation reviews of major IT programs and projects, as well as project tracking at critical review points. CIO provides oversight of major IT acquisitions to ensure they are consistent with the Agency's architecture and the IT budget, and is responsible for the development of the Agency's IT security policies. CIO directs the realization of the Agency's IT Architecture to guarantee architecture integration, design consistency, and compliance with Federal standards, works with other agencies on Government-wide projects such as e-Government, and develops long range planning for IT human resource strategies.

- *Facilities Security & Contracting (FSC)* is composed of the following five subcomponents and manages a broad array of OPM's key day-to-day programs:
 1. Facilities Management manages the agency's personal and real property, building operations, space design and layout, realty, safety and occupational health programs.
 2. Emergency Actions directs the operations and oversight of OPM's preparedness and emergency response programs.
 3. Contracting Management provides centralized contract management that supports the operations and Government-wide mission of OPM. It also manages the Small Business and Government-wide Purchase Card programs.
 4. Office of Small and Disadvantaged Business Utilization manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies.
 5. Publications Management establishes and oversees OPM's nationwide publishing and printing management system for internal/external design and reproduction, its Government Printing Office (GPO)/commercial print ordering program, publications management, and electronic/office publishing systems.

OFFICE OF THE INSPECTOR GENERAL

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

FY 2011 Performance Results

OPM's FY 2011 performance results are presented in two sections. The first section presents performance tables grouped by strategic goal. The second section consists of a detailed performance results analysis, recounting OPM's actions during FY 2011 to achieve specific performance targets.

Summary Performance Tables by Strategic Goal

STRATEGIC GOAL: HIRE *THE BEST*

Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Average number of days to hire a Federal employee	n/a	n/a	122 days (baseline)	105 days	*	80 days	*
Percent of agencies with violations of veterans preference laws, rules and regulations	25%	33%	18%	33%	30%	25%	Not Met
Average number of days to complete the fastest 90 percent of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act	n/a	n/a	n/a	39	40	40	Met
Investigations determined to be deficient due to errors in investigation processing**	0.12%	0.10%	0.08%	0.16%	0.15%	<1%	Met
Percent of customers satisfied with quality and service of FIS products, policies and guidance	n/a	n/a	n/a	98%	*	96%	*
Percent of employees in the Federal Government with targeted disabilities	n/a	n/a	n/a	.95%	*	1.2%	*

*The FY 2011 results are undetermined. Thus, they will be reported in the FY 2012 APR.

**This measure has been reworded. Last year's APR read "Percent of investigative case returns."

STRATEGIC GOAL: RESPECT *THE WORKFORCE*

Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	n/a	n/a	n/a	7.3%(r)	3.8%	FEHB <= private sector	Met
Percent of FEHBP enrollees satisfied vs. health industry standard	FEHBP 79%	FEHBP 78%	FEHBP 77%	FEHBP 77%	FEHBP 76%	FEHBP >= Industry standard	Met
	Industry 63%	Industry 60%	Industry 62%	Industry 63%	Industry 64%		
Percent of health benefits claims processed within 30 working days	97%	99%	98%	99%	98%	95%	Met
Average number of days to pay Federal Employees Group Life Insurance claims	6.7	6.3	5.5	4.3	4.4	<10 day industry standard	Met
Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service	97%	98%	99%	93%	92%	90%	Met

(r) Revised from the FY 2010 APR.

FY 2011 ANNUAL PERFORMANCE REPORT

STRATEGIC GOAL: EXPECT THE BEST

Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	83%	90%	86%	90%	100%	85%	Met
Percentage of classification and job-grading appeal decisions that exceed timeliness standard	2%	3%	0%	0%	0%	<8%	Met
Index score of customer satisfaction with HR Solutions products and services (ACSI Equivalent Index)*	84	84	84	80	75	80	Not Met
Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	94%	94%	99%	93%	87%	90%	Not Met
Percentage of payments within Prompt Pay Act guidelines**	99.9%	99.9%	92.9%	85.3%	98.9%	98.0%	Met
Number of financial material weaknesses	0	0	0	1(r)	1	0	Not Met
Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	4%	17%	27%	28%	28%	33%	Not Met
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	n/a	n/a	n/a	52%	56%	38%	Met

*This number was previously and erroneously reported as a percentage. The ACSI-equivalent Index is a score running from 0-100, rather than a percentage.

**The methodology used to calculate this measure is different from prior years. This year's result was formulated using the following information: "Verified receipt of goods/services, pay bills on time or with interest and assessing the reliability of the payment process."

(r) Revised from the FY 2010 APR.

STRATEGIC GOAL: HONOR SERVICE

Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of applicant agency Senior Executive Service (SES) systems whose SES performance plans are fully certified	33%	66%	64%	64%	54%	60%	Not Met
Retirement claims processing timeliness (days)	30	42	41	108	125	125	Met
Average unit cost for processing retirement claims	\$80.03	\$74.28	\$81.97	\$105.94	\$107.62	\$101.23	Not Met
Rate of improper payments in the retirement program	n/a	0.39%	0.32%	0.35%	0.34 %	0.34%	Met
Percent of customers satisfied with overall retirement services	87%	83%	85%	81%	76%	88%	Not Met

Detailed Performance Results

Strategic Goal: Hire *the Best*

Strategy: *Reform the Federal Hiring Process*

Background: OPM's Federal Hiring Reform promotes innovative and coordinated approaches to recruiting and hiring students, mid-career professionals, and retirees to meet agency talent needs. The goals of the Hiring Reform Initiative are to create a hiring process that ensures the right person is in the right job, provide timely hiring of applicants, is easy to use and understand, involves hiring managers in the process, respects merit principles and respects veterans.

Activity: Streamlining the end-to-end hiring process to create a positive experience for applicants, managers, and HR specialists							
Performance Indicator: Federal agencies institute an effective hiring process as demonstrated by:							
<ul style="list-style-type: none"> • A decrease in the end-to-end hiring time frame for job applicants • An increase in applicant satisfaction as reported in surveys • An increase in manager satisfaction as reported in surveys 							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Average number of days to hire a Federal employee	n/a	n/a	122 days (baseline)	105 days	*	80 days	*

*The FY 2011 result is undetermined. Thus, it will be reported in the FY 2012 APR.

FY 2011 RESULTS

While the data for FY 2011 is not yet available, the impetus of the President's May 2010 memo on hiring reform has certainly accelerated agency efforts to improve time to hire as well as quality of hires. All Federal agencies are continuing to work to reduce the time it takes to hire new employees. Agencies have mapped their hiring process for all hires and tallied the average days from the time the hiring manager validates the need for the position to the time of entry on duty (EOD). The 24 CHCOC agencies began reporting the average length of their hiring process (time to hire) against the 80-day model in December 2009. From May 2010 to November 2010, OPM assisted agencies with implementation of President Obama's hiring reform initiative. The FY 2010 data provided in December 2010 showed that the average time to hire for 2010 was 105 days. This was a reduction of almost 15 percent from the 2009 average time to hire of 122 days. Engagement of hiring managers and collaboration between and among hiring managers and HR professionals has improved significantly. Some information made available through the agency hiring reform progress reviews shows agencies streamlining their hiring process and procedures in a manner where some have realized a significant improvement in their time to hire.

Strategic Goal: Hire *the Best*

Strategy: Assist veterans to find a place in the Federal workforce

Background: Veterans’ Preference gives eligible veterans preference in appointment over many other applicants in the hiring process. In the hiring process, veterans’ preference applies to virtually all new appointments in both the competitive and excepted service. Veterans’ preference does not guarantee veterans a job and it generally does not apply to internal agency actions such as promotions, transfers, reassignments and reinstatements. Special hiring authorities for veterans are designed to assist veterans to be able to attain employment. Veterans having knowledge about special hiring authorities and being able to identify their eligibility will enhance their job search.

OPM has identified five key barriers to increasing the number of Veterans employed in the Federal Government. These barriers include lack of clear leadership regarding the value and importance of hiring Veterans; an infrastructure that does not support advocacy of Veterans’ employment within Federal agencies; insufficient understanding of Veterans’ Preference and utilization of special hiring authorities by Human Resources professionals and hiring officials; inadequate understanding of Veterans’ Preference and the Federal hiring process by our Veterans and transitioning service members; and an absence of systems to match Veterans’ skills and education to positions within the Federal Government.

Activity: Assuring veterans’ preference							
Performance Indicator: Improved employment opportunities for veterans in the Federal Government							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent of agencies with violations of veterans preference laws, rules and regulations	25%	33%	18%	33%	30%	25%	Not Met

FY 2011 RESULTS

This target was not met. At the end of FY 2011, 30 percent of the agencies assessed through Merit System Audit and Compliance’s (MSAC) Human Capital Management Evaluations were found to have systemic violations of veterans’ preference laws, rules and regulations. As a result, MSAC missed the established target by five percent. There are two key factors that contributed to MSAC missing this target. It should be noted, OPM missed this target in FY 2008 and FY 2010 for the same reasons.

First, OPM’s compliance and oversight program has changed significantly since FY 2005 when this goal was established. With the full implementation of the Strengthening Agency Accountability initiative in FY 2007, the number of agency-led human capital evaluations has increased dramatically while the number of OPM-led evaluations has decreased. As a result, the denominator used to calculate the percentage of agencies with systemic veterans’ preference violations has been reduced from approximately 25 (the number of OPM-led evaluations conducted in FY 2005) to 10 (the number of OPM-led evaluations conducted in FY 2011). With a much smaller sample size, an increase in even one agency with veterans’ preference violations means the difference between exceeding the 25 percent target with 20 percent (2 of 10 agencies) or missing the target with 30 percent (3 of 10 agencies).

Second, the focus of OPM-led Human Capital Management Evaluations has shifted from the large, Cabinet-level agencies to much smaller agencies that typically do not have the kind of internal accountability systems now required by Government-wide regulations. And unlike the large agencies, which typically have several human resources (HR) support offices, the small agencies usually have a single HR support office or delegated examining unit. As a result, if MSAC finds legal or regulatory violations in a small agency's single HR support office or delegated examining operation, they are treated as systemic violations since the infractions impact the entire agency. MSAC has replaced this single performance metric with a broader measure that will better assess an agency's overall legal and regulatory compliance with civil service requirements.

RELATED ACCOMPLISHMENTS

In FY 2011, MSAC implemented use of the Human Capital Assessment and Accountability Framework (HCAAF) Accountability System Assessment Tool (ASAT) that was developed in FY 2010. The ASAT was used to conduct in-depth analysis of 17 CHCOC agencies and evaluate the quality of their human capital programs, policies, and practices, including an assessment of how these agencies support the public policy of hiring veterans. MSAC used the results of this analysis to determine whether agencies' accountability systems are operating effectively, somewhat effectively, or ineffectively. MSAC's decision making on agency engagement in FY 2012 will be data driven and based primarily on how agencies measure up against the established criteria. The criteria contained in the ASAT are tied to the United States Code and/or Code of Federal Regulations, and cover each of the five HCAAF systems. Also, OPM issued the regulation to amend the Family and Medical Leave Act (FMLA) regulations to provide eligible Federal employees up to 12 administrative workweeks of unpaid leave under the FMLA for qualifying exigency purposes. Qualifying exigencies arise when the spouse, son, daughter, or parent of an employee is on covered active duty in the Armed Forces or has been notified of an impending call or order to covered active duty status. These regulations help employees manage family affairs when their family members are on covered active duty.

Strategic Goal: Hire the Best

Strategy: Ensure agencies have sufficient information to make decisions such as credentialing, suitability, and/or security clearance determinations

Background: OPM conducts high-quality, timely background investigations used to determine an individual's suitability for Federal employment. Completed background investigations are also used by Federal agencies to determine an individual's eligibility for access to classified national security information. Investigations can also be used to determine whether to credential a particular individual to work in a Federal facility or have access to Federal information systems. Military services use investigations to determine whether to enlist an individual into the armed services.

FY 2011 ANNUAL PERFORMANCE REPORT

Activity: Achieving a timeliness standard in investigations that meets Federal investigative standards for national security and agency satisfaction							
Performance Indicator: Increased percentage of security and suitability investigations that meet timeliness standards							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Average number of days to complete the fastest 90 percent of initial national security investigations to meet the Intelligence Reform and Terrorism Prevention Act	n/a	n/a	n/a	39	40	40	Met

FY 2011 RESULTS

At the end of FY 2011, OPM completed 90 percent of initial clearance investigations in an average of 40 days. Completing 90 percent of initial clearance investigations in an average of 40 days is a key element in the Intelligence Reform and Terrorism Prevention Act of 2004, which calls upon the Executive Branch agencies to take steps to reduce the total time to issue such clearances. OPM continues to procure the hardware and software needed to upgrade Federal Investigative Services' core information technology system infrastructure in preparation for continued improvements in timeliness.

RELATED ACCOMPLISHMENTS

OPM continues to perform approximately 90 percent of all Federal background investigations and completed over 2 million investigations in FY 2011, with over 632,000 investigations conducted to support initial security clearance determinations. There is no backlog in OPM's investigation program.

Activity: Achieving a quality standard in investigations that meets Federal investigative standards for national security and agency satisfaction							
Performance Indicator: Increased percentage of security and suitability investigations that meet quality standards							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Investigations determined to be deficient due to errors in investigation processing*	0.12%	0.10%	0.08%	0.16%	0.15%	<1%	Met

*This measure has been reworded. Last year's APR read "Percent of investigative case returns."

FY 2011 RESULTS

During FY 2011, OPM met this target by achieving a case return of only 0.15 percent. While OPM has been aggressive in its efforts to meet the timeliness goals set forth by the Intelligence Reform and Terrorism Prevention Act, OPM remains equally dedicated to providing quality products to its customer agencies. In FY 2010, OPM implemented a Quality Hotline to allow agency adjudicators to discuss their questions or concerns with experienced case analysts within Federal Investigative Services. In addition to the quality hotline, OPM also implemented the Quality Assessment Tool (QAT), a web based survey that provides

FY 2011 ANNUAL PERFORMANCE REPORT

agencies a simple and easy way to report their case specific assessment of the format, content, and overall quality of a completed investigation. OPM continues to use the information collected through the feedback and QAT submissions to identify training opportunities for investigative and adjudicative staff. In FY 2011, OPM implemented automated tools to support internal quality assessments, which provides the Agency with better information to assess the strengths of current processes and devise future product enhancements.

Activity: Achieving a quality standard in investigations that meets Federal investigative standards for national security and agency satisfaction

Performance Indicator: Increased percentage of security and suitability investigations that meet quality standards

Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of customers satisfied with quality and service of FIS products, policies and guidance	n/a	n/a	n/a	98%	*	96%	*

*The FY 2011 result is undetermined. Thus, it will be reported in the FY 2012 APR.

FY 2011 RESULTS

The FY 2011 result is not yet available. OPM will be administering its newly developed Customer Satisfaction Survey on January 17, 2012. OPM values agency outreach and customer support and have targeted a satisfaction level of 96 percent among customers using FIS services during FY 2011.

OPM's annual Suitability and Security Professional Seminar exemplifies the Agency's efforts to maintain and improve customer satisfaction. In November 2011, OPM hosted over 500 security and suitability professionals for two days providing education, tips and best practices to enhance investigative and adjudicative processes. This conference was attended by many of OPM's customer agencies. After the conference, the attendees were very positive in their comments about their experiences at the conference.

RELATED ACCOMPLISHMENTS

OPM has streamlined the investigative process and has made enhancements to IT and online systems that directly benefit its customers. This has simplified the investigative process and made it easier for customers to use. For these reasons, OPM expects that the target satisfaction goal of 96 percent will be reached.

Strategic Goal: Hire *the Best*

Strategy: Promote diversity and inclusion in the Federal workforce

Background: Executive Order (EO) 13583, “Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce” (August 2011), requires agencies to engage in a coordinated, collaborative, and integrated effort to recruit, hire, retain, and develop talented individuals from all communities and create an environment in which the best people do their best work. With shifting workplace demographics, the pipeline of talent is becoming increasingly diverse, producing more women, people with disabilities, people of color, and older workers ready to take on a myriad of challenges. By developing a strategic focus on diversity and inclusion, agencies can hire the best talent and improve their returns on investment in the form of decreased turnover, enhanced customer and employee satisfaction, and improved quality of decision-making at all organizational levels. As agencies begin to embrace the diversity and inclusion model, the Federal Government will continue to improve services to all populations and foster innovation for the future, allowing them to accomplish their varied missions.

Activity: Promoting policies and practices to ensure all segments of society, including people with disabilities, have an opportunity for employment and advancement

Performance Indicator: Increased percentage of individuals with targeted disabilities are hired into the Federal Government

Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent of employees in the Federal Government with targeted disabilities	n/a	n/a	n/a	.95%	*	1.2%	*

*The FY 2011 result is undetermined. Thus, it will be reported in the FY 2012 APR.

FY 2011 RESULTS

The FY 2011 data is not yet available. In FY 2011, OPM worked very closely with agencies to help increase the percent of employees in the Federal Government with targeted disabilities.

During FY 2011, OPM assisted agencies as they prepared their hiring plans and began implementing the OPM developed strategies on the recruitment and hiring of individuals with disabilities through the Schedule A hiring authority. Moreover, OPM created a database with approximately 600 Schedule A eligible candidates who meet qualifications to fill a variety of entry level Federal positions, provided training to over 1,500 Federal employees regarding Schedule A hiring authority for people with disabilities and reasonable accommodation, reviewed agencies’ plans for the implementation of Executive Order 13583 “Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce” and created a community of practice for personnel from various agencies to share leading practices.

RELATED ACCOMPLISHMENTS

OPM continues to collaborate with the Equal Employment Opportunity Commission to develop a mechanism to collect applicant flow data for Federal jobs to improve recruitment efforts and in compliance with laws and regulations, develop mechanisms for better reporting requirements, and improve coordination between human resources, Equal Employment Opportunity, and Diversity and Inclusion professionals.

Strategic Goal: Respect the Workforce

Strategy: Ensure that available benefits align with best practices and employees' needs

Background: Under the Federal Employees Health Benefits (FEHB) Program, OPM offers a comprehensive package of health benefits to employees, retirees and their dependents. In order to contain premium hikes and maintain benefit levels, OPM engages in tough negotiations with health carriers. Customers' health insurance decisions are enhanced with health plan brochures, web-based comparison/decision tools and health plan customer satisfaction survey results. OPM administers the Federal Employees Group Life Insurance (FEGLI) Program which provides group term life insurance and is the largest group life insurance program in the world covering over 4 million Federal employees and retirees as well as many of their family members. OPM also administers the Federal Long Term Care Insurance Program, which is a voluntary enrollee-pay-all insurance program opened to Federal and U.S. Postal Service employees, annuitants, active and retirement members of the armed services and their qualified relatives. This program is designed to help protect enrollees against the high cost of long-term care.

Activity: Evaluating benefit survey results of both public and private sector organizations							
Performance Indicator: Increased percentage of employees satisfied with their benefits package							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	n/a	n/a	n/a	7.3%(r)	7.3%	FEHB <= Private Sector	Met

(r) Revised from the FY 2010 APR.

FY 2011 RESULTS

OPM met this target by providing FEHB enrollees a premium that was less than the industry consultant prediction for 2011 of 8.5 percent. The Federal Government's negotiations with health care providers kept premium increases as low as possible without increasing the out of pocket costs for deductibles, co-pays, and coinsurance. The average overall premium increase for 2011 was 3.8 percent for the enrollees' share of the premium.

Activity: Evaluating benefit survey results of both public and private sector organizations							
Performance Indicator: Increased percentage of employees satisfied with their benefits package							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent of FEHBP enrollees satisfied vs. health industry standard	79%	78%	77%	77%	76%	FEHBP >= Industry standard	Met

FY 2011 RESULTS

For FY 2011, OPM achieved a 76 percent satisfaction rate, which exceeded the industry standard of 64 percent. Federal Employees Health Benefits Program (FEHBP) carriers’ overall average customer satisfaction scores are consistently higher than the industry average. FEHBP carriers currently report some Consumer Assessment of Healthcare Providers and Systems (CAHPS) and Healthcare Effectiveness Data and Information Sets (HEDIS) measures. CAHPS surveys ask consumers and patients to report on and evaluate their experiences with their health care. HEDIS is a tool used by more than 90 percent of America’s health plans to measure performance on important dimensions of care and service. OPM’s goal is to significantly expand on those metrics to improve health plan performance so consumers have more information available to them.

Activity: Evaluating benefit survey results of both public and private sector organizations							
Performance Indicator: Increased percentage of employees satisfied with their benefits package							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent of health benefits claims processed by carriers within 30 working days	97%	99%	98%	99%	98%	95%	Met

FY 2011 RESULTS

OPM achieved this performance measure because health plans made key investments in information technology that allowed them to have all the information necessary to pay claims in a timely manner. As a result, Federal Employees Health Benefits Program (FEHBP) carriers processed 98 percent of claims within 30 days, exceeding FEHBP’s target by three percent. This technology also allows participants to quickly determine the dollar amount of insurance benefits coverage and the portion he or she will be responsible for contributing.

OPM is committed to expanding the use of Health Information Technology (HIT) in the interests of safety, efficiency and speed. Ongoing initiatives include promoting electronic health records, e-Prescriptions, and disease management programs. These HIT initiatives improve the quality of healthcare and help contain the costs of insurance by reducing manual claims processing, improving coordination of high-quality healthcare and preventing costly medical errors.

OPM utilizes several measurement tools to monitor and evaluate health plan performance to maintain FEHBP’s high standards and to ensure that all members have access to quality health care services. One key measurement tool is the Consumer Assessment of Healthcare Providers and Systems. Data derived from the survey measures and evaluates the quality of services provided to FEHBP plan members. Participating FEHBP plans use their CAHPS results for quality improvement and some use it in pay-for-performance incentive programs that they have negotiated with participating FEHBP plan providers.

FY 2011 ANNUAL PERFORMANCE REPORT

Activity: Evaluating benefit survey results of both public and private sector organizations							
Performance Indicator: Increased percentage of employees satisfied with their benefits package							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Average number of days to pay Federal Employees Group Life Insurance claims	6.7	6.3	5.5	4.3	4.4	<10 day industry standard	Met

FY 2011 RESULTS

OPM exceeded the 10 day industry standard by processing and paying Federal Employees Group Life Insurance (FEGLI) claims in an average of 4.4 days. The time required to fully process claims for life insurance beneficiaries remains substantially below the industry average. OPM continues its contract with MetLife to pay claims using data from the FEGLI Automated Certification of Life Insurance function, which enables OPM to certify life insurance coverage for deceased annuitants electronically. Automating the process has improved life insurance claim processing times as well as eliminated errors common to manual certifications. The FEGLI paid claims accuracy rate is 99.9 percent.

Activity: Using performance measures to ensure quality customer service							
Performance Indicator: Increased efficiencies in the Federal Long-Term Care Insurance Program							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service	97%	98%	99%	93%	92%	90%	Met

FY 2011 RESULTS

During FY 2011, OPM exceeded its target by two percent for overall customer service satisfaction. This rating illustrates how the Federal Long-Term Care Insurance Program (FLTCIP) provides timely and efficient customer service to enrollees. OPM continues to provide a high-quality, efficient and competitively-valued program. Claims are processed quickly, and payments are sent, received and processed in a timely manner. OPM provides access to enrollees 24-hours-a-day, seven-days-a-week through its websites. Non-enrollees who express interest in FLTCIP are able to quickly access information and rate quotes for the FLTCIP options that interest them.

Strategic Goal: Expect the Best

Strategy: Hold agencies to account for improvements in strategic human resources management

Background: OPM’s statutory oversight program ensures activities conducted by agencies, under any delegated examining authority, are in accordance with merit system principles and established standards. OPM conducts a wide variety of oversight and related activities to assess agency effectiveness in carrying out these delegated authorities.

Activity: Partnering with agencies on strategic and operational issues							
Performance Indicator: Federal agency HR systems and practices improved, as demonstrated by performance metrics reported in agencies’ annual Human Capital Management Reports							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	83%	90%	86%	90%	100%	85%	Met

FY 2011 RESULTS

During FY 2011, OPM did extensive coordination and consultation with agencies to address delegated examining program deficiencies identified during FY 2010 to bring about significant improvement. Intervention activities included providing special delegated examining training tailored to the specific needs of the individual Delegated Examining Unit (DEU), developing and monitoring action plans for improvement, ongoing and regular engagement with DEU staff, and reviewing and clearing agency DEU work products while in process. All 10 DEUs (100 percent) met established criteria for removal from the “severe” category.

RELATED ACCOMPLISHMENTS

In FY 2011, OPM overcame many challenges including budget constraints, increased workload, and decreased staff by implementing recently developed protocols designed to reduce the resources normally dedicated to traditional onsite reviews. Small Agency Compliance Reviews provide a pulse check on small agencies through the review of three implementation systems, with delegated examining being a key component. The Human Resources (HR) Service Provider protocol allows us to minimize the number of reviews conducted at shared service center sites as well as alleviate some of the burden placed on agencies that provide HR services to agencies outside their own.

FY 2011 ANNUAL PERFORMANCE REPORT

Activity: Monitoring compliance with civil service laws and regulations and appropriate use of flexibilities/authorities							
Performance Indicator: Federal agency HR systems and practices improved, as demonstrated by performance metrics reported in agencies' annual Human Capital Management Reports							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of classification and job-grading appeal decisions that exceed timeliness standard	2%	3%	0%	0%	0%	<8%	Met

FY 2011 RESULTS

The target was met due in part to a decrease in the number of cases both received and adjudicated. This is a long standing measure for the Agency's appellate function. Timely decisions are critical ("justice delayed is justice denied"); the appellate function measure focuses on OPM's goal to quickly resolve employee appeals of certain agency personnel decisions. The appellate activity attempts to complete an employee's appeal within 60 workdays after the receipt of the appeal administrative report. Receipt of the administrative report means that all relevant documentation from both the agency and the appellant has been received and the case is adjudicable. Completion is when the classification appeals officer submits a completed decision to the appeals program manager. Future performance may be affected by the retirement of more seasoned staff, the difficulty in attracting candidates with aptitude for appellate work, a decrease in program resources due to budget constraints, and an increase in other types of appeals and claims performed by the appellate staff.

Strategic Goal: Expect the Best

Strategy: Provide leadership and direction to Government-wide HR programs

Background: OPM delivers exceptional human resources products and services to meet the dynamic needs of the Federal Government. These products and services are designed to help Federal agency customers develop leaders committed to public service values, attract and build a top quality public sector workforce, and aid in their transformation to high-performing organizations. Moreover, OPM manages thousands of individual reimbursable agreements from more than 150 Federal departments and agencies for competitively-priced products and services. Both new and repeat customers cite OPM programs for their strong value commitment, as demonstrated by improved individual and organizational performance.

Activity: Providing agencies with tools, resources, guidance, education, and evaluation to improve human resources operation							
Performance Indicator: Federal HR systems and practices improve, as demonstrated by performance metrics reporting in agencies' annual Human Capital Management Reports							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Index score of customer satisfaction with HR Solutions products and services (ACSI Equivalent Index) *	84	84	84	80	75	80	Not Met

*This number was previously and erroneously reported as a percentage. The ACSI-equivalent Index is a score running from 0-100, rather than a percentage.

FY 2011 RESULTS

This performance target was not achieved. During FY 2011, performance was substantially impacted by the complete stoppage of vendor-managed work in February 2011, policy changes, and a reorganization which impacted the Vendor Management Branch customer satisfaction score. Nonetheless, an ACSI-equivalent score of 75 percent was achieved, which is substantially above the Federal Government average of 65.4 percent for customer satisfaction.

In FY 2011, OPM began taking measures to address an anticipated decline in customer satisfaction, which included a reorganization of the Vendor Management Branch, new leadership across the Agency’s Human Resources Solutions organization, and the establishment of enterprise-wide business process reviews (and subsequent initiation of standardized protocols, standard operating procedures, and quality control). These steps will continue to be implemented in FY 2012, and are expected to result in an improvement of the ACSI-equivalent score.

Activity: Providing agencies with tools, resources, guidance, education, and evaluation to improve human resources operation							
Performance Indicator: Federal HR systems and practices improve, as demonstrated by performance metrics reporting in agencies' annual Human Capital Management Reports							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	94%	94%	99%	93%	87%	90%	Not Met

FY 2011 RESULTS

This target was not met. During FY 2011, customer satisfaction was substantially impacted by the complete stoppage of vendor-managed work in February 2011, policy changes, and reorganization. A renewed focus on customer satisfaction is planned in FY 2012, with customer satisfaction measures included in all executive and most managerial performance agreements. Customer satisfaction scores will be retaken at mid-year and evaluated against individual and organization-wide performance elements. Additionally, an enterprise-wide focus on communication, standard procedures, quality control and continuous monitoring of metrics should result in an improvement of customer satisfaction scores by FY 2012.

Strategic Goal: Expect the Best

Strategy: OPM will lead by example to implement human resources reforms and achieve results

Background: OPM will also continue to improve its financial management process, which includes its implementation of a new financial system. Implementation of the OPM financial system is critical to the Agency's ability to continue producing timely annual financial statements, receive an unqualified audit opinion from independent auditors, maintain our financial systems free of material weaknesses, ensure compliance with guidelines for the Prompt Pay and Improper Payment Information Acts, address the fundamental deficiencies inherent in the current systems and processes, and provide financial information to OPM program offices to support their efforts in achieving strategic and high priority performance goals.

Activity: Making better use of financial resources to meet program needs							
Performance Indicator: Continued stewardship over OPM's financial resources by maintaining the agency's clean audit opinion							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of payments within Prompt Pay Act guidelines*	99.9%	99.9%	92.9%	85.3%	98.9%	98.0%	Met

* The methodology used to calculate this measure is different from prior years. This year's result was formulated using the following information: "Verified receipt of goods/services, pay bills on time or with interest and assessing the reliability of the payment process."

FY 2011 RESULTS

OPM exceeded its FY 2011 target for compliance with the Prompt Pay Act. Throughout the fiscal year, the program was able to verify the receipt of goods and services, pay bills on time or with interest, and assess the reliability of the payment process. There were \$13.6 million in carryover expenses from FY 2007 through FY 2010, which were paid during FY 2011. This represents 99 percent of carryover expenses. During FY 2011, the on-time payments improved monthly rising from 20 percent in February to over 90 percent by the end of the fiscal year. This was, in part, the result of process mapping, implementing standard operating procedures, surge efforts by those involved in the invoice payment process and dedicated support to certain payment functions—particular employees were dedicated to specific vendors.

Activity: Making better use of financial resources to meet program needs							
Performance Indicator: Continued stewardship over OPM's financial resources by maintaining the agency's clean audit opinion							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Number of financial material weaknesses	0	0	0	1(r)	1	0	Not Met

(r) Based on information collected after publication of OPM's FY 2010 APR, this has been revised from what was reported previously.

FY 2011 RESULTS

During FY 2011, the OPM Office of the Inspector General (OIG) in its FY 2011 Federal Information Security Management Act (FISMA) report re-issued the operational material weakness from the FY 2010 report, concerning OPM’s overall information security governance program. This operational weakness is included in the Agency’s financial audit. The operational material weakness states that OPM did not establish adequate information security governance activities in accordance with legislative and regulatory requirements. OIG acknowledged that some progress was made in FY 2011 to improve OPM’s security program. OPM believes that significant progress has been made in FY 2011 on information security issues. Specifically, the Chief Information Officer (CIO) has developed and issued comprehensive information technology (IT) security policies, which are available to staff on OPM’s Intranet along with 18 associated work instructions; developed and implemented standardized security templates to improve the consistency and quality of security packages from various OPM programs; and implemented a decision point checklist for CIO IT security staff to conduct reviews at three stages during the Certification & Accreditation (C&A) process. A full-time IT security officer has been in place for an entire year; and OPM hired four security officers, a privacy officer and retained three contractor staff assigned to the security office. In addition, the CIO provided four hours of training to program office Designated Security Officers (DSO) on the updated C&A process, and provided additional guidance to DSOs on security plans, contingency plans, and annual security testing.

Strategic Goal: Expect the Best

Strategy: Help agencies become high-performing organizations

Background: OPM collaborates with agencies on advancing effective performance management systems that meet the standard established in OPM’s Performance Appraisal Assessment Tool (PAAT). Also, OPM designs, develops and implements new and/or improves existing tools to evaluate human resource programs such as the Chief Human Capital Officer (CHCO) Applicant and Manager Satisfaction Surveys, Federal Competency Assessment Tool, Systems/Standards/Metrics (SSM) and End-to-End hiring process protocols; designs and manages the HR Dashboard; and provides technical assistance through coordination and collaboration to meet workforce planning challenges.

Activity: Creating fair and credible standards for individual performance appraisal and accountability							
Performance Indicator: Federal agency HR systems and practices improve, as demonstrated by performance metrics reported in agencies annual Human Capital Management Reports							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	4%	17%	27%	28%	28%	33%	Not Met

FY 2011 RESULTS

OPM was unable to meet its target of 33 percent of employees covered by appraisal systems meeting OPM standards. OPM requires agencies to periodically evaluate their appraisal systems using the PAAT and requests agencies with appraisal systems that score at least 80 points to use the PAAT for evaluation every 3 years. Many agencies have stated in their HCMRs that they will be conducting PAATs in FY 2012. Also, the Department of Defense (DOD), which has about 36 percent of executive branch employees, is in the process of redesigning its employee performance management system and DOD employees are not included in the 28 percent of employees covered by a system scoring 80 points. Agencies that do not have appraisal systems that score 80 points on the PAAT are working to make improvements and are scheduling their evaluations around their appraisal periods, so they capture an entire appraisal period—from initial performance plan development to granting awards.

RELATED ACCOMPLISHMENTS

OPM has been an integral part of a workgroup of the National Council on Federal Labor-Management Relations which partnered with members of the Chief Human Capital Officers Council to develop a new model of employee performance management, referred to as Goals-Engagement-Accountability-Results (GEAR). The workgroup published the draft FY 2011 Report to the National Council and will be working with agencies and labor union representatives to implement the report’s recommendations. The workgroup recommended using the GEAR model as a way to describe the employee performance management philosophy. The GEAR model includes creating high-performing organizations that are aligned, accountable and focused on results. The GEAR model also includes the following recommendations: 1) Articulate a high-performance culture focused on employee engagement, development and accountability; 2) Align employee performance management with organizational performance management by cascading organizational objectives through manager, supervisor and employee performance goals; 3) Implement accountability at all levels of the organization, including by training managers of managers; 4) Create a culture of engagement by requiring ongoing feedback through a cycle of more frequent formal progress reviews and continuous employee learning based on feedback; and 5) Improve the assessment, selection, development and training of supervisors, including by requiring supervisory performance plans that address employee performance management and feedback.

Activity: Creating fair and credible standards for individual performance appraisal and accountability							
Performance Indicator: Federal agencies manage employee performance fairly and effectively, as demonstrated by increased employee and manager satisfaction as reported in annual surveys							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/ Not Met
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	n/a	n/a	n/a	52%	56%	38%	Met

FY 2011 RESULTS

OPM met this target. Some agencies have seen improvement in many aspects of performance management. However, issues of dealing with poor performers and providing adequate recognition for employees are still areas needing improvement. The Joint Labor-Interagency Employee Performance Management Workgroup has developed recommendations for improving employee performance management. The Workgroup published the draft FY 2011 Report to the National Council on Federal Labor-Management Relations on Employee Performance Management and OPM will be working with agencies to address poor performance, improve feedback to employees and create a results-oriented performance culture.

Strategic Goal: Honor Service

Strategy: Improve Federal pay and reward systems

Background: OPM evaluates and certifies agency Senior Employee [Senior Executive Service (SES), SES-Offices of the Inspector General (OIG), Senior Level/Scientific Professional (SL/ST)] pay and performance systems established in law and regulated jointly by OPM and the Office of Management and Budget (OMB). For agencies to be able to pay their executives above Executive Level III, up to the higher aggregate Executive Level II, agencies must first have their appraisal systems certified by OPM, with concurrence by OMB.

Activity: Evaluating, improving and certifying agency (SES) pay and performance systems							
Performance Indicator: Federal agencies meet certification requirements for their leadership performance management systems							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of applicant agency Senior Executive Service (SES) systems whose SES performance plans are fully certified	33%	66%	64%	64%	54%	60%	Not Met

FY 2011 RESULTS

OPM did not meet this target. To improve SES performance management and the certification process, OPM is collaborating with agencies, the Senior Executives Association, and the President's Management Advisory Board to develop a Government-wide SES appraisal system that should facilitate agency efforts to meet full certification criteria in the future.

In 2009 and 2010, agency OIG offices were required to request certification of their own SES appraisal systems, separate from their parent agencies. OIG systems did not meet the criteria for full certification but are expected to improve in the future with the new SES appraisal system.

Strategic Goal: Honor Service

Strategy: Develop a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner

Background: Processing retirements of Federal employees is a mission critical OPM program. The Agency continues to provide quality customer service to annuitants and survivors who receive retirement benefits and improved the retirement readiness profile for employees by expanding available information and training resources.

Activity: Using performance measures to ensure quality customer service							
Performance Indicator: Increased efficiencies of retirement processing							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Retirement claims processing timeliness (days)	30	42	41	108	125	125	Met

FY 2011 RESULTS

During FY 2011, OPM's average claims processing time was 125 days, which met the target for processing all non-disability retirement claims. OPM established this performance metric as part of a review of all targets that occurred as part of the FY 2011 Congressional Budget Justification reporting. The 125 day target is a more accurate assessment of the processing time.

OPM's ability to accurately process claims within 125 days is a reflection of the Agency's management of the retirement claims workload—given current staffing levels and the fact there was no unexpected surge of early retirements. Initiatives taken to meet this target include: a backlog elimination project, collaboration with labor unions on process improvements and staff/work realignment. Although these initiatives helped, our backlog increased as our production was outpaced by our receipts.

To help address the backlog of cases and expected increase in retirement claims received, OPM hired nearly 40 full-time Legal Administrative Specialists (LAS) during the first half of FY 2011. After attrition, the remaining 35 employees spent the majority of the year in training and OPM expects to see the full benefits of these additional hires in FY 2012. OPM plans on hiring an additional 40 LASs in 2012.

The retirement claims processing timeliness target also incorporates Retirement Services' commitment to maintaining accuracy. The accuracy rate for FY 2011 was 94.3 percent—an improvement over the prior fiscal year.

RELATED ACCOMPLISHMENTS

OPM has established a High Priority Performance Goal to increase the number of complete retirement applications submitted by agencies. When agencies submit incomplete or inaccurate retirement packages, OPM must spend additional time and resources developing the claim before it can be successfully processed.

FY 2011 ANNUAL PERFORMANCE REPORT

To meet this goal, OPM provides training and workshops to other agencies' benefits officers that will improve the quality of their retirement application submissions. OPM's target for FY 2011 was to increase the number of complete retirement submissions to more than 79 percent. OPM met this goal: 82 percent of applications were complete and did not require development. This is a substantial improvement over the rate of 77 percent complete in FY 2010 and 68 percent complete in FY 2009. With fewer incomplete applications, OPM will spend less time contacting agencies and annuitants to develop claims, which should contribute to fewer days required to process claims.

Activity: Using performance measures to ensure quality customer service							
Performance Indicator: Increased efficiencies of retirement processing							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Average unit cost for processing retirement claims	\$80.03	\$74.28	\$81.97	\$105.94	\$107.62	\$101.23	Not Met

FY 2011 RESULTS

This target was not met. OPM processed retirement claims at an average per unit cost of \$107.62, which did not meet the target of \$101.23 set for FY 2011. However, the cost of processing retirement claims increased only 1.6 percent over the prior fiscal year's results.

The increased cost can be attributed to several factors. First, the percentage of total cases that were Federal Employees Retirement System (FERS) annuity cases increased from approximately 20 percent to 24 percent. FERS annuity cases take, on average, longer to process than Civil Service Retirement System cases and the additional time spent on these cases leads to increased costs. Looking ahead, the percentage of total cases that are FERS (which is the newer retirement system) will increase, potentially leading to annual average per unit cost increases.

Second, the \$107.62 average per unit cost for processing retirement claims includes the salary and overhead expenses for the 40 new, full-time, Legal Administrative Specialists OPM hired in FY 2011. Employing these new claims adjudicators added nearly \$1 million to costs compared to FY 2010, and because these new adjudicators spent the majority of FY 2011 in training, they did not significantly add to the number of cases produced. OPM expects the additional Legal Administrative Specialists to fully focus on claims adjudication in FY 2012. This should lower the average per unit cost for processing retirement claims because fewer training hours will be incorporated in the per unit calculation.

FY 2011 ANNUAL PERFORMANCE REPORT

Activity: Using performance measures to ensure quality customer service							
Performance Indicator: Increased efficiencies of retirement processing							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Rate of improper payments in the retirement program	n/a	0.39%	0.32%	0.35%	0.34 %	0.34%	Met

FY 2011 RESULTS

Of the over \$69 billion in defined benefits OPM paid to retirees, survivors, representative payees and families during FY 2011, only 0.34 percent of that amount was improperly paid. This percentage met the target for FY 2011. Improper payments remain a very small percentage of the total money paid from the retirement fund. Overall, 99.66 percent of all monies paid were proper and in accordance with applicable laws and regulations.

The most common cause of improper payments made by OPM's Retirement Services (RS) organization is delayed or no reporting of a change in a beneficiary's status (death, marriage, restored to earning capacity, reemployment, etc.) by the beneficiary or family members that results in a change to, or elimination of, the benefit payment. OPM is reliant on beneficiaries and other sources to learn of status changes.

RS is committed to improving its ability to serve the public and Federal retirees by identifying and preventing improper payments. RS makes significant effort to reduce and prevent improper payments by surveying annuitants to verify eligibility, administering a weekly data-match with the Social Security Administration's records, and investigating potential fraud.

RELATED ACCOMPLISHMENTS

The Inspector General reported OPM made \$600 million in improper payments to deceased annuitants between fiscal years 2006 and 2010. As of September 30, 2010, \$113 million is still undergoing collection efforts by OPM. OPM resolved \$487 million of the \$600 million reported by the Inspector General. The collection process is an ongoing effort, and our experience has shown that we ultimately collect 90 percent of the amounts resolved with the remaining 10 percent either written off as uncollectible or adjusted because it was later determined that the payment was not improper. Therefore, OPM estimates it has collected over \$438 million of the \$487 million resolved over the past 5 years. OPM will continue collection efforts on the \$113 million until it is completely resolved.

FY 2011 ANNUAL PERFORMANCE REPORT

Activity: Using performance measures to ensure quality customer service							
Performance Indicator: Increased efficiencies of retirement operations							
Performance Measure	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Results	FY 2011 Target	Met/Not Met
Percent of customers satisfied with overall retirement services	87%	83%	85%	81%	76%	88%	Not Met

FY 2011 RESULTS

In FY 2011, overall satisfaction with retirement services provided by OPM was 76 percent satisfied or very satisfied with only 10 percent of respondents indicating that they were dissatisfied/very dissatisfied with retirement services. Although, OPM did not meet its goal of 88 percent of customers indicating satisfaction with overall retirement operations services, the Agency strives to provide the best possible customer service.

Every year, OPM provides direct customer service to new retirees and our current annuitants, making maintenance changes to their account, answering telephone calls or responding to letters and emails. To measure satisfaction with retirement services, OPM conducted the annual Customer Satisfaction Survey based on a random sample of 707 annuitants who had a customer service transaction during the fiscal year. The sample only includes those who are an annuitant as of the beginning of FY 2011, and it does not include those with pending claims that may be in an interim pay status.

The number of those customers who marked that they were overall dissatisfied/very dissatisfied with retirement services was only 3 points higher than the previous year—within the margin of error of + or - 5 percent. An increasing number of customers marked that they were neither satisfied nor dissatisfied with the overall service provided by OPM. However, satisfaction with the automated phone system remains the lowest rated category for OPM’s retirement program. Only 55 percent of respondents identified as satisfied or very satisfied with it.

RELATED ACCOMPLISHMENTS

OPM continues to improve service to its customers who call into the Retirement Services Program. Although OPM received approximately the same number of phone calls in FY 2011 and FY 2010, during FY 2011 the Agency reduced its abandonment rate by nearly 18 percent - defined as callers who hang up prior to speaking with an employee. Reducing the abandonment rate was partially achieved by hiring eight additional customer service specialists to handle the large volume of calls. For FY 2012, OPM plans to hire an additional 22 employees who will help provide customer service in the Retirement Services Program.

Further, OPM has implemented a series of initiatives including: a revamped coaching and evaluation process with one-on-one advising for Customer Service Specialists, mandatory customer service refresher courses for all employees in the Retirement Services Program, and the launching of a customer service awareness campaign.

FY 2011 Program Evaluations

OPM's use of rigorous program evaluation data to make budgetary decisions remains constrained by funding limitations. In FY 2009, OPM completed a study to design a rigorous, independent program evaluation methodology and approach consistent with OMB requirements. The study results led OPM to develop a systemic program evaluation strategy that would help determine whether OPM programs contribute specific benefits and directly translate to desired program impact. A comprehensive independent program evaluation approach would permit development of decision making analytics to evaluate whether program alternative investments contribute toward the desired benefits. Our systemic approach to results-oriented evaluation includes several foundational components:

- Understanding of the program and its context;
- Early and continuing involvement of stakeholders;
- Logical links between program activities and expected outcomes;
- Consistency of program implementation (or careful consideration of implementation variations);
- Creation of specific, measurable research questions; and,
- Careful balancing and prioritization of research questions and budgetary constraints.

Moving forward, OPM will execute evaluation efforts commensurate with available resources. Funding was made available in FY 2011 to begin an evaluation of worksite wellness programs. This evaluation effort is described below.

OPM FEDERAL WORKSITE WELLNESS EVALUATIONS

In FY 2011, OPM began working with the Human Resources Research Organization (HumRRO) to conduct comprehensive, rigorous evaluations of Federal Worksite Wellness Programs. The project includes developing a specific methodology for worksite wellness program evaluations: a common evaluation plan, protocol, and metric shall be devised for use in all wellness evaluations. All aspects of worksite wellness shall be reviewed, including the effectiveness and efficiency of health and wellness interventions, operations, programs, finances, costs, benefits, outreach, absenteeism, employee morale, and other outcomes including the impact of improved health on productivity. Evaluation procedures shall be developed, formally documented, and followed during the evaluations. The evaluation design will include before and after comparisons as well as control or comparison groups and locations.

The current evaluations focus on OPM's WellnessWorks worksite wellness pilot program, as well as the FedStrive program at the Department of Health and Human Services. To date, the HumRRO team has been focused on acquiring baseline data of both programs and conducting primary data collection on site. The project timeline enables the HumRRO team to conduct risk/cost and return-on-investment (ROI) projections for these wellness programs by using baseline data on employee health and costs to project ROI. The ROI model results provide projected savings (both in terms of medical costs and productivity) and projected program costs for the time period specified, including for one year and up to a three year period. The model uses changes in health risks and demographics of employee populations to estimate medical cost savings and productivity savings translated into dollar amounts. The goal is to produce an overall ROI for both programs after three years of program establishment, which will be conducted in year four of the project.

Completeness and Reliability of Performance Data

The performance information used by OPM in this APR for FY 2011 is reasonably complete and reliable, as defined by the Government Performance and Results Act of 1993. OPM has chosen an approach to data collection and analysis that provides sufficient accuracy and timeliness to be useful to program managers and policy makers within reasonable cost constraints.

COMPLETENESS OF DATA

Most data in this report is produced in an annual cycle tied to the fiscal year, often with quarterly updates, which makes it easier to track progress during the year. All performance data is representative of the entire fiscal year for which it is reported. If there are instances where full and complete data for a measure is not available until after OPM publishes its APR, these instances are noted and final data will be updated in the following year's APR.

RELIABILITY OF DATA

OPM performance data is generally reliable and is used regularly by OPM program managers to make both strategic and operational decisions. However, in any given year, some of these data elements are influenced by multiple factors over which OPM has little control. For example, the findings of Merit Systems Audit and Compliance evaluations of agency human capital practices may vary substantially from one year to the next, depending on which agencies are targeted for evaluation in each cycle. A single year's results accurately report what was uncovered in that year, but multi-year trends may be more reflective of the mix of agency practice examined each year than of overall changes in practices across the Federal Government.

Assessing and eliminating sources of errors in data collection systems continues to be an important task for program managers. As a part of this ongoing task, program managers use quality control techniques to identify where errors can be introduced into the collection system. They use automated edit checks to minimize data entry errors and follow-up with reasonableness checks before the data are entered in the APR. These include verification of data collection techniques and coding, response and non-response rates, and computation of margins of error. OPM has established a three-tiered approach to ensure the completeness and reliability of performance information. Data quality standards are established by the agency's Chief Financial Officer (CFO); data sources, collection and reporting procedures are documented by program managers; and this documentation is reviewed by the CFO and is available for testing. Collectively, these tools verify that the data presented in this document is complete and reliable, and accurately reflects actual performance during FY 2011.

This page has been intentionally left blank.

Data Sources of OPM Performance Measures

Program	Performance Measures	Definition	Data Source
Employee Services (ES)	Average number of days to hire a Federal employee	The time to hire is calculated using the End-to-End Hiring Roadmap's 80-Day Hiring Model, from the time the need to hire is validated by the hiring manager to the entry on duty (EOD). All agency calendar days for each hire are added together and divided by the number of hires to determine the average number of days per hire. The time-to-hire data is reported in calendar days.	Data associated with tracking time to hire is derived from agency submissions sent to time2hire@opm.gov.
Merit Systems Audit and Compliance (MSAC)	Percent of agencies with violations of veterans preference laws, rules and regulations	By law, veterans who are disabled or who served on active duty in the armed forces during specified time periods or in military campaigns are entitled to preference over others in hiring from competitive lists of eligible employees and during reductions in force.	OPM and agency led audits and assessments. OPM carries out part of its statutory oversight responsibility by conducting audits of agency personnel operations and Delegated Examining Units. In addition, agencies conduct internal audits, with OPM participation, which are part of their internal accountability system. Finally, OPM conducts an annual assessment of agency accountability systems using the Accountability System Assessment Tool. Through these audits and assessments, OPM determines if agencies are properly adjudicating veterans' preference, that preference eligible persons receive the consideration to which they are entitled, and that no improper appointments occur. OPM records violations and maintains this data.
Federal Investigative Services (FIS)	Average number of days to complete the fastest 90 percent of initial national security investigations to meet the intelligence Reform and Terrorism Prevention Act	The average number of days to complete the investigation portion of the security suitability and clearance process begins the day a package is received by FIS and ends: 1) on the day that FIS mails the hard copy investigation report to the customer agency; or 2) on the day that FIS receives the customer agency receipt if the investigation report is transmitted electronically.	The National Intelligence Directive (NID) Closing Timeliness report shows cases closed and average timeliness for those cases for a specified timeframe and is the report used for this measure. The Personnel Investigations Processing System (PIPS) is an automated system which houses the Security/Suitability Investigations Index (SII) and is used by OPM-FIS for the automated entry, scheduling, case control and closing of background investigations. The system is operated by a combination of OPM staff and contractor staff. The PIPS database has been programmed to generate appropriate reports measuring the "NID Closing Timeliness Performance." The nature of the information collected includes subject identification and background information to conduct security and/or suitability investigations. The information collected is extracted directly from the person to whom the information pertains, from other people, other sources such as databases, websites, etc.

FY 2011 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure validation
<p>Data is tracked and reviewed at the individual agency level and submitted quarterly to OPM.</p>	<p>Data is verified by the agency's Chief Human Capital Officer and by the OPM Talent Program Manager.</p>	<p>The President's Hiring Reform Initiative emphasizes reforming the hiring process so agencies can better compete against private sector employers for talented applicants. A decrease in the hiring time for job applicants is aligned with one of the many goals of hiring reform; to create a hiring process that provides for timely hiring of applicants.</p>
<p>Annually</p>	<p>Merit Systems Audit and Compliance's (MSAC) managers will certify the accuracy and validity of violations cited in 'feeder reports' and in reports of agency/installation audits conducted by their field group or assigned agencies. The Compliance Manager will report annually on the internal control processes and certify the accuracy of processes in order to identify and report violations found during OPM and agency audits to the MSAC Deputy Assistant Director. Further reporting may be to higher levels of MSAC, OPM, and/or to the Office of Management and Budget.</p>	<p>OPM human resource evaluation teams collaborate with agency representatives during agency audits; OPM coordinates with agencies to develop consensus with developing recommended improvement areas; and OPM disseminates best practices among system certification teams and across agencies.</p>
<p>Quarterly</p>	<p>The National Intelligence Directive Closing Timeliness Report was developed specifically to track this measure and was tested extensively for accuracy at that time. Data is transcribed directly from this report and is not manipulated in any way.</p>	<p>This measure is mandated by statute and reflects FIS's ability to deliver its initial clearance investigations in a timely manner. For agencies to meet their human capital needs, particularly in sensitive positions, OPM must provide timely background investigations so that agencies can make timely adjudication decisions and permanently fill critical positions. Initial clearance investigations were cited by agencies as being especially important in this process, and therefore deserving of its own measure.</p>

FY 2011 ANNUAL PERFORMANCE REPORT

Program	Performance Measures	Definition	Data Source
Federal Investigative Services (FIS)	Percent of investigative case returns	The percent of investigations determined to be deficient due to errors in investigations processing.	OPM measures the “percent of investigations” returned from three sources: the Central Adjudication Facility (CAF) cases identified for rework; investigations deficient for adjudication purposes as identified using OPM’s web based Quality Assessment Tool; and Adjudicator calls to OPM’s quality hotline attributed to deficiencies in reports.
Federal Investigative Services (FIS)	Percent of customers satisfied with the quality and service of FIS products, policies and guidance	The percent of customers who respond as “Satisfied,” “More than Satisfied” or “Extremely Satisfied” on the FIS annual customer satisfaction survey (CSS) question on Overall Service Assessment.	Data is derived from the annual CSS of FIS agency customers. FIS has developed the CSS to evaluate customer agencies’ perception of the quality and service of its products, policies and guidance.
Diversity and Inclusion (DI)	Percent of employees in the Federal Government hired with targeted disabilities	Target disabilities are defined as the number of employees who self identify with disabilities on Standard Form (SF) 256, Part II.	Data is from OPM’s Enterprise Human Resources Integration Statistical Data Mart (EHRI-SDM).
Healthcare and Insurance (HI)	Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	This performance measure tracks the cost of Federal health care benefits and compares the cost to private sector increases for similar benefits.	The data source for the performance measure is the Health Care Open Season Roll-Out Materials.
Healthcare and Insurance (HI)	Percent of Federal Employees Health Benefit Program (FEHBP) enrollees satisfied vs. health industry standard	OPM is a “subscriber” to the National Committee for Quality Assurance (NCQA)/Healthcare Effectiveness Data and Information Set (HEDIS)/ Consumer Assessment of Healthcare Providers and Systems (CAHPS) services. We are provided with reports from NCQA, which we maintain and use to work with insurance carriers. We are also given access to data through queries that are used to establish each health plan’s performance relative to our standards as well as for benchmarking other industry participants.	The industry standard is the Quality Compass released by the National Committee for Quality Assurance (NCQA). The Quality Compass is the nation’s leading database of comparable information on clinical performance and patient experience for 415 commercial health plan products serving 94 million enrollees. The Quality compass contains information drawn from audited data reported to NCQA through its HEDIS as well as CAHPS.
Healthcare and Insurance (HI)	Percent of health benefits claims processed within 30 working days	This measure is calculated by taking the number of claims adjudicated (denied, paid or additional information requested) within 30 working days and dividing by the total number of claims for the period.	OPM’s Federal Employees Insurance Operations (staff in Program Analysis and Systems Support group [PASS]) receives formatted reports from each FEHB Plan. These reports cover a series of questions about their annual claims volume and timeliness results. PASS compiles the results in spreadsheets, and gives abstracts to contracting officers so they can see how their particular plans are faring relative to the standard and the norm. All complied data is kept by PASS in archives with appropriate suspense dates as an agency record.

FY 2011 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure validation
Quarterly	FIS analyzes every agency's reopen request, all quality hotline calls, and Quality Assessment Tool (QAT) responses where agencies believe rework is needed. FIS also works with the Quality Management Group (QMG) to ensure the accuracy of information.	These measures are mandated by the Security and Suitability process reform effort regarding quality performance measures. They provide data to inform targeted process improvements or adjustments needed to minimize investigative deficiencies. The trend data from these measures can also be used to demonstrate if the process improvements have had a beneficial effort on the overall quality, as demonstrated by diminishing percent of identified deficiencies.
Annually	Formulas used to calculate this measure were tested for accuracy. Data is imported directly into the calculation spreadsheet from the CSS survey collection tool, leaving no opportunity for manual data entry errors.	High customer satisfaction with the Federal Investigative Program is a quality indicator for investigative products and FIS operations.
Quarterly	Data is verified by agencies.	Disability hiring reflects a diverse and inclusive workplace environment and is correlated to increasing levels of workforce diversity.
Annually	Published reports of FEHB premiums are used as verification.	The Federal Government and many private firms provide various benefits as part of their employees' compensation. This analysis compares Federal Government and private-sector cost related to health insurance.
Annually	OPM reviews apparent anomalies in results and consults with NCQA on an as required basis. This leads to increased understanding of the results for the Agency. OPM believes that NCQA is exceedingly aware of the importance of the veracity and the credibility of its data since it is used nationwide by hundreds of health plans to monitor and improve services. This sensitivity extends to NCQA's internal application of expert statistical methodology as well as to the use of professional external audits of NCQA's findings, which precede the issuance of results each year.	High customer satisfaction with the government's health benefits programs aids in recruitment and retention, and is an indication of how well the program is functioning.
Annually	Contracting officers and OPM's Office of the Inspector General routinely perform site visits for program oversight. They also review health plan's records relating claims volume and timeliness data to stated results. This is usually done through spot checking or a stratified sample. Audits become more detailed if accuracy problems warrant further attention.	The purpose of the FEHB Program is to provide Federal employees, retirees and their families with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs. Quickly processing claims helps families financially and aids in recruitment and retention.

FY 2011 ANNUAL PERFORMANCE REPORT

Program	Performance Measures	Definition	Data Source
Healthcare and Insurance (HI)	Average number of days to pay Federal Employees Group Life Insurance claims	Measures the average number of days from receipt of claim until payment is made for all claims paid during the period.	Data is derived from the Office of Federal Employees' Group Life Insurance (OFEGLI) Average Claim Processing Report. Program management is provided the data to refine and expedite the processing time for Federal Employees' Group Life Insurance (FEGLI) claims.
Healthcare and Insurance (HI)	Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service	Measures the percentage of current enrollees who have reported overall satisfaction with Federal Long Term Care Insurance Partners (FLTCIP) Customer Service.	Long Term Care Partners continuous quality improvement Quarterly Metrics Report.
Merit Systems Audit and Compliance (MSAC)	Percent of agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	Agencies that take timely actions to correct legal and regulatory violations uncovered during MSAC evaluations. Percentage is calculated by dividing the number of delegated examining units (DEUs) that improved within the one year timeframe by the total number of DEUs identified as having severe problems.	OPM carries out part of its statutory oversight responsibility by conducting audits of agency Delegated Examining Units. If the audits reveal significant problems, the lead oversight group lists that unit on the severe Delegated Examining Unit log. A follow-up audit is scheduled in 12 months later to determine if appropriate corrective action has been taken. If so, the unit is removed from the log. If not, the unit remains on the log until improvements have occurred.
Merit Systems Audit and Compliance (MSAC)	Percentage of classification and job-grading appeal decisions that exceed timeliness standard	OPM adjudicates classification appeals in accordance with established timelines. The standard is to complete an employee's appeal within 60 workdays after the receipt of the appeal administrative report. Completion is when the classification appeals officer submits a completed decision to the appeals program manager for signature and release.	OPM has established timelines for adjudicating classification appeals once they have been submitted. Timeliness is tracked in the Classification Appeals Information Management System database.

FY 2011 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure validation
Quarterly	Life Insurance Federal Acquisition Regulation (LIFAR) 2146.270 requires the contractor-MetLife/OFEGLI-to keep complete records of their quality assurance procedures and to have a system of internal controls for this purpose. OFEGLI tracks this data source and reports it to OPM. The OPM Office of the Inspector General (OIG) periodically conducts audits of OFEGLI, including the claims system from which this data is extracted, for accuracy and veracity, as well as anecdotally.	This data is important because timely payment of FEGLI claims is essential to meeting the financial needs of the beneficiaries and families of former Federal employees during an extremely stressful time. A viable benefit is also necessary in meeting the Federal Government's recruitment and retention goals. Timely payment of claims is necessary for OPM to evaluate MetLife/OFEGLI's performance in terms of meeting these aforementioned goals.
Quarterly	Independent Audits of Long Term Care Partners.	The purpose of the FLTCIP is to provide Federal employees, retirees, uniformed service members and retirees, and their qualified relatives with long term care insurance to help pay for services they may need in the future. It is part of the entire benefits package offered to Federal employees and retirees to meet their individual needs, as well as the Federal Government's recruitment and retention needs.
Quarterly	MSAC Oversight Managers certify that the corrective actions contained in the issued report have been taken and that improvements have occurred.	As required by 5 USC 1104(b)(2), MSAC may review all or portions of agency DEU work in process to assess and ensure compliance. MSAC also conducts follow-up audits within one year, and audit results are used to determine whether sufficient improvement has been made. Severe DEUs are closely monitored by MSAC, and progress is assessed at least quarterly with results annotated in the Severe DEU Log. MSAC typically develops an action plan for the agency to follow in order to correct deficiencies. As a result, DEU staff may be required to complete additional training.
Monthly	The Classification Appeals Officer for each oversight group is responsible for entering data into the Classification Appeals Management Information System database. Incidents affecting timeliness are annotated in the notes section of each electronic case file to permit complete case timeliness reconstruction. Data accuracy is verified by the respective Classification Appeals Officer and the Classification Program Manager.	The classification appeals program affords employees an independent third-party review of the classification of their decisions and provides evidence as to whether agencies are technically accurate in the use of delegated classification and job grading authority.

FY 2011 ANNUAL PERFORMANCE REPORT

Program	Performance Measures	Definition	Data Source
Human Resources Solutions (HRS)	Index score of customer satisfaction with human resources products and services (ACSI Equivalent Index)	A composite score is calculated using a 10-point scale for the three final non-text items on the Customer Service Survey (CSS) which ask the following three questions: 1) Please consider all your experiences to date with OPM/HR Solutions products and services. How satisfied are you with these products and services? 2) Considering all of your expectations, to what extent have OPM/HR Solutions' products and services fallen short of or exceeded your expectations? 3) Imagine the ideal organization that provides HR products and services. How well would OPM/HR Solutions compare with that ideal organization? The composite score is the American Customer Satisfaction Index (ACSI) Equivalent Index.	The results are based on the HR Solutions Customer Satisfaction Survey (CSS), which is administered by all HR Solutions practice areas on a bi-annual basis. OPM's Customer Satisfaction Survey, on which the HR Solutions CSS is based, was benchmarked by GAO in 1999 as a valid GPRA measure and assesses service quality on nine dimensions (General Accounting Office, July 1999, Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information. GAO/GGD-99-1309). The development of this research-based survey instrument was also described in Human Resource Management (Brigitte W. Schay et al. "Using Standard Outcome Measures in the Federal Government," Fall 2002, Volume 41, Number 3).
Human Resources Solutions (HRS)	Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	This measure is calculated by taking the percentage of positive responses that are reported for question number 13a on the Customer Satisfaction Survey divided by the total of positive and negative responses. Question number 13a is as follows: "Have our services contributed to your organization's effectiveness ("yes", "no", "don't know")?" Responses of "don't know" are not used in the calculation of this measure.	Data is from the HRS Customer Satisfaction Survey, administered online twice yearly to the full population of HRS customers using HRS' proprietary survey platform, USASurvey.
Facilities Security and Contracting (FSC)	Percentage of payments made within Prompt Pay Act guidelines	The number of payments made within prompt payment guidelines divided by the total number of payments. Payments meeting Prompt Pay Act Guidelines include both on-time payments and late payments made with interest.	Monthly prompt pay reports run from OPM's financial management system.
Office of the Chief Financial Officer (CFO)	Number of financial material weaknesses	A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.	Independent Auditors' Report.

FY 2011 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure validation
Semi-annually	Survey results are loaded from the online survey platform, USASurvey, into a central, annual spreadsheet, which is then used to create semi-annual reports. Random checks are used to ensure data on the central spreadsheet reflects data downloaded from the survey platform. Number of survey responses is compared to the number of surveys sent in order to calculate response rate and margin of error.	The ASCI Equivalent Index can be used for comparisons with Federal Government and private industry. The ASCI Equivalent Index is used to show whether HRS is meeting customer expectations and providing good value. Experience has proven increased customer satisfaction leads to increased repeat business. It also indicates HRS is providing effective human resources solutions to its customers.
Semi-annually	Once the survey results are entered into the annual database, random checks are performed to compare the electronic data to the data from the original forms received.	Higher customer satisfaction will drive increased repeat customers. If HRS customers agree that HRS products and services increase organizational effectiveness, agencies are more likely to become high-performing.
Monthly	Internal records are used to verify the prompt payment reports.	The Prompt Pay Act requires Federal agencies to meet certain guidelines with regard to paying accounts payable. OPM monitors its payment timeliness to comply with this Act and increase the satisfaction of its suppliers and contractors.
Annually	Annual Audit.	The measure demonstrates that OPM has established and maintained sound internal control systems that are a primary means of improving accountability, effectiveness and efficiency in achieving program goals and objectives, and in preventing fraud, waste, and mismanagement.

FY 2011 ANNUAL PERFORMANCE REPORT

Program	Performance Measures	Definition	Data Source
Employee Services (ES)	Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	OPM evaluates agency non-SES appraisal systems using the Performance Appraisal Assessment Tool (PAAT). This tool establishes standards for 10 criteria that are necessary for effective employee appraisal programs. Eighty out of 100 points is the minimum acceptable level OPM has established for agency appraisal programs. The formula used to measure the PAAT scores is as follows: The number of CHCO-agency employees covered by an appraisal program scoring at least 80 points on the PAAT, divided by the total number of employees in the CHCO agencies.	OPM receives PAAT submissions from agencies and scores them. ES records the scores in an internal database.
Employee Services (ES)	Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	OPM calculates the results oriented Performance Culture Index by taking a weighted average of the results from the following Employee Viewpoint Survey questions: 12, 14, 15, 20, 22, 23, 24, 30, 32, 33, 42, 44, and 65. The questions can be found at http://www.fedview.opm.gov/2011/Published/ .	OPM's Employee Viewpoint Survey is the data source for this performance measure.
Employee Services (ES)	Percent of applicant agency Senior Executive Service (SES) systems whose SES performance plans are fully certified	This metric represents the percentage of applicant agency SES appraisal systems with full certification. OPM certifies agency systems that meet certification criteria as established in OPM regulations. System certification allows agencies to pay SES members above Executive III pay levels, up to Executive level II. Full certification covers a 24 month period.	Agencies complete an SES Performance Appraisal Assessment Tool (PAAT), which requires answering questions and submitting various documents, including SES rating and pay data. OPM collects this data annually and stores it in the Agency's SES database. Agencies' appraisal system descriptions, SES performance plans, SES pay policy, strategic plans, and other documents are used to determine whether the agency's SES appraisal system meets regulatory certification criteria stored in the SES database.
Retirement Services (RS)	Retirement claims processing timeliness (days)	The measure counts the number of calendar days between the date a CSRS or FERS non-disability retirement application is received at OPM and the date the full annuity payment is made.	Management Information Hypershow –combines data from the Annuity Roll Processing System (ARPS) and the Document Case Control System (DCCS).

FY 2011 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure validation
PAATs are completed approximately every 3 years	OPM uses 4 panelists to determine the final score: a representative from the Agency Support & Technical Assistance office, the lead evaluator from OPM's Merit Systems Audit and Compliance organization, a performance management policy representative and the implementation representative from OPM's Employee Services Division (ES).	The 4 panelists review documentation submitted by the agency, Employee Viewpoint Survey results, and other documentation. Panelists review the PAAT submission and individually derive their initial PAAT score. Panelists meet to discuss their individual PAAT scores and reconcile any differences to generate a final PAAT score.
Annually	Individuals within OPM's Planning & Policy Analysis Organization validate the data.	OPM's Planning & Policy Analysis staff confirms calculation of the PCI score for each CHCO agency. Internal analysts independently verify calculations in every major deliverable generated by our contractor on behalf of OPM.
Data is collected as certification decisions are made. Rating and pay data is collected annually. The other data is collected when the current certification expires. This usually occurs every year or every two years, depending on whether the agency received full or provisional certification.	With OMB concurrence, OPM reviews agency submissions and determines whether appraisal systems meet full certification criteria; OPM maintains internal ad hoc desktop software data repository and analysis documents.	OPM collaborates with agency representatives on the system certification team's findings.
Weekly	Data collection and reporting procedures are verified, and data is tested to assess its accuracy. These tests include comparing data for a given fiscal year to similar data collected for previous years and researching any anomalies that are observed, and comparing data with similar information collected from other sources. Quality and management-control devices are built into these data collection mechanisms to ensure accuracy and reliability.	This data is important because timely processing of retirement claims is essential to meeting the financial needs of the annuitants and their families.

FY 2011 ANNUAL PERFORMANCE REPORT

Program	Performance Measures	Definition	Data Source
Retirement Services (RS)	Average unit cost for processing retirement claims	The average unit cost is calculated by taking the total labor hours and dividing by the total number of claims processed.	Labor hours are derived from the Employee Time and Attendance Management System (ETAMS). The number of claims processed are derived from Hypershow via the Annuity Roll Processing System (ARPS).
Retirement Services (RS)	Rate of improper payments in the retirement program	An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Improper payments can be both overpayments and underpayments. The rate of improper payments is calculated by taking the amount of improper retirement payments divided by the total amount of retirement payments made.	Chief Financial Officer's office for overpayment information (using Treasury Report), Retirement Services Quality Assurance office for underpayment information.
Retirement Services (RS)	Percent of customers satisfied with overall retirement services	The number of annuitants (retirees and survivor annuitants) generally or very satisfied with retirement program services divided by the total number of respondents that had a retirement related transaction during the most recent fiscal year executed and completed. Customers can rate their satisfaction experience as: "Satisfied/Very Satisfied," "Neither Satisfied/Dissatisfied" or "Dissatisfied/Very Dissatisfied."	Retirement & Benefits Customer Satisfaction Survey.

FY 2011 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure validation
Bi-weekly	Data collection and reporting procedures are verified, and data is tested to assess its accuracy. These tests include comparing data for a given fiscal year to similar data collected for previous years and researching any anomalies that are observed, and comparing data with similar information collected from other sources. Quality and management-control devices are built into these data collection mechanisms to ensure accuracy and reliability.	The claims get adjudicated and triggered from the Document Case Control System, via the A02 field. The validation looks at the A02 field in DCCS and compares that to the A02 field in ARPS. They both should be the same.
Annually	OPM performs monthly sampling across newly added retirements and survivors under each of the two distinct retirement systems Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS). A contract statistician stratifies the sample to adequately assess each type for Improper Payments and Civil Service Retirement and Disability Fund (CSRSDF) impact. OPM reviews retirement and survivor cases using statistically valid samples across each month of the fiscal year leading up to the audit itself.	Retirement payments should only be received by individuals entitled to receive payment as stated under Title V.
Annually	Inquisite Survey tabulation, analysis, and data tracking system.	Higher customer satisfaction with OPM Retirement Services is an indication of the overall quality and timeliness of the services being provided by the retirement program.

Acronyms

ACA	Affordable Care Act	GPRA	Government Performance and Results Act
ACSI	American Customer Satisfaction Index	HCAAF	Human Capital Assessment and Accountability Framework
APR	Annual Performance Report	HCMR	Human Capital Management Report
ARPS	Annuity Roll Processing System	HCO	Human Capital Officer
ASAT	Accountability System Assessment Tool	HEDIS	Health Plan Employer and Data Information Set
C&A	Certification & Accreditation	HI	Healthcare & Insurance
CAF	Central Adjudication Facility	HIT	Health Information Technology
CAHPS	Consumer Assessment of Healthcare Providers and Systems	HPPG	High Priority Performance Goals
CBIS	Consolidated Business Information System	HR	Human Resources
CFC	Combined Federal Campaign	HR-M	Human Resources – Management
CFO	Chief Financial Officer	HRS	Human Resources Solutions
CHCO	Chief Human Capital Officers	HumRRO	Human Resources Research Organization
CIO	Chief Information Officer	IOC	Internal Oversight and Compliance
CLA	Congressional and Legislative Affairs	IRTPA	Intelligence Reform and Terrorism Prevention Act
CPL	Communications and Public Liaison	IT	Information Technology
CSRS	Civil Service Retirement System	LAS	Legal Administrative Specialists
CSRSDF	Civil Service Retirement System and Disability Fund	LLP	Limited Liability Partnership
CSS	Customer Satisfaction Survey	LMR	Labor-Management Relations
CVS	Clearance Verification System	MRPO	Master Record Print-Out
CY	Calendar Year	MSAC	Merit System Audit and Compliance
DCCS	Document Case Control System	NCQA	National Committee for Quality Assurance
DEU	Delegated Examining Unit	NID	National Intelligence Directive
DOD	Department of Defense	OD	Office of the Director
DSO	Designated Security Officers	OGC	Office of General Counsel
eQIP	electronic Questionnaires for Investigations Processing	OIG	Office of Inspector General
EEO	Equal Employment Opportunity	OMB	Office of Management and Budget
EHRI	Enterprise Human Resources Integration	OPM	Office of Personnel Management
EO	Executive Order	PAAT	Performance Appraisal Assessment Tool
EOD	Entry on Duty	PASS	Program Analysis and Systems Support
ES	Employee Services	PCI	Performance Culture Index
ESO	Executive Secretariat and Ombudsman	PCIP	Preexisting Condition Insurance Plan
ETAMS	Employee Time and Attendance Management System	PIO	Performance Improvement Officer
FCAT	Federal Competency Assessment Tool	PPA	Planning and Policy Analysis
FEDVIP	Federal Employee Dental and Vision Insurance Plan	PPACA	Patient Protection and Affordable Care Act
FEGLI	Federal Employees Group Life Insurance	QAT	Quality Assessment Tool
FEHBP	Federal Employees Health Benefits Program	R&B	Retirement and Benefits
FERS	Federal Employees Retirement System	ROI	Return-on-Investment
FIS	Federal Investigative Services	RS	Retirement Services
FISMA	Federal Information Security Management Act	RSP	Retirement Services Program
FLTCIP	Federal Long Term Care Insurance Program	SES	Senior Executive Service
FMLA	Family and Medical Leave Act	SII	Suitability Investigations Index
FPRAC	Federal Prevailing Rate Advisory Committee	SF	Standard Form
FSC	Facilities Services and Contracting	SL	Senior Level
FY	Fiscal Year	SPFI	Summary of Performance and Financial Information
GAO	Government Accountability Office	SSM	Systems Standards Metrics
GEAR	Goals-Engagement-Accountability-Results	ST	Scientific or Professional
GPO	Government Printing Office	USPS	United States Postal Service
		VoIP	Voice over Internet Protocol
		VR	Voting Rights



UNITED STATES OFFICE OF
PERSONNEL MANAGEMENT

1900 E Street, NW
Washington, DC 20415
www.opm.gov