

**FY 2006
Office of Personnel Management
Congressional Budget Justification
Performance Budget**

February 2005

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Acronyms & Abbreviations

ACWA	Administrative Careers with America
BI	background investigation
CFC	Combined Federal Campaign
CFIS	Center for Federal Investigative Services
CFO	Chief Financial Officer
CHCMS	Center for Human Capital Management Services
COOP	Continuity of Operations Plan
COTS	commercial off-the-shelf [software]
CS	Common Services
CSEA	Center for Security and Emergency Actions
CSRS	Civil Service Retirement System
CTS	Center for Talent Services
DHS	Department of Homeland Security
DOD	Department of Defense
DSS	Defense Security Service
D/V	Dental/Vision
EEO	equal employment opportunity
EHRI	Enterprise Human Resources Integration
e-HRIS	e-Human Resource Information System
eTSPC	e-Training Service Provider Consortium
FACES	Federal Annuity Claims Expert System
FBI	Federal Bureau of Investigation
FEGLI	Federal Employees Group Life Insurance Program
FEHBP	Federal Employees Health Benefits Program
FERCCA	Federal Erroneous Retirement Coverage Corrections Act
FERS	Federal Employees Retirement System
FLTCIP	Federal Long-Term Care Insurance Program
FSAFEDS	Flexible Spending Accounts Program
FTE	full-time equivalent
FWFA	Federal Workforce Flexibility Act
FY	fiscal year
GAO	Government Accountability Office
HC	human capital
HCLMSA	Division for Human Capital Leadership and Merit System Accountability
HMO	health maintenance organization
HR	human resources
HR-LOB	Human Resources Line of Business
HRPS	Division for Human Resources Products and Services
ISP	Insurance Service Program
IV&V	independent verification and validation
LTC	Long Term Care Fund
MCFO	Division for Management and Chief Financial Officer
MSPB	Merit Systems Protection Board

OIG	Office of the Inspector General
O&M	Operations and Maintenance
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PART	Program Assessment Rating Tool
PIPS	Personnel Investigations Processing System
P.L.	Public Law
PMA	President's Management Agenda
PMC	President's Management Council
PMFP	Presidential Management Fellows Program
PSI	Personnel Security Investigations
R&R	recruitment and retention
RF	Revolving Fund
RRI	Retirement Readiness Index
RSM	Retirement Systems Modernization
RSP	Retirement Services Program
S&E	Salaries & Expenses
SES	Senior Executive Service
SHRP	Division for Strategic Human Resources Policy
SPMFP	Senior Presidential Management Fellows Program
TF	Trust Fund

Part 1

Introduction to the Office of Personnel Management

Background

The Office of Personnel Management (OPM) is the central human resources agency for the Federal Government and the primary policy agency supporting the President as he carries out his responsibilities for managing the Federal workforce. The Director of OPM serves as the President's principal advisor on issues related to the Federal workforce. OPM maintains the unique American tradition of a merit-based civil service in service to the executive branch and is the proud keeper of the Theodore Roosevelt legacy. OPM leads Federal agencies in the strategic management of their human capital, proposes and implements human resources management policy, and provides agencies with ongoing advice and technical assistance for implementing these policies and initiatives. OPM plays a vital role in assisting agencies in shaping the workforce that serves and protects the Nation.

OPM oversees and safeguards the Merit System Principles and veterans' preference, and administers Federal employee benefits programs. OPM manages the process for personnel security and background checks for suitability and national security clearances. By carrying out these responsibilities, OPM has an immediate impact on the security of the Nation while providing for the long-term health of the civil service.

OPM's leadership in the management of human capital is transforming the way agencies manage the Federal workforce and is enhancing the values of the civil service. New human resources management policies are streamlining the Federal hiring process, decreasing time to hire, and changing how Federal employees are paid and how their job performance is evaluated. New employee benefit offerings are ensuring that the Federal Government continues to be a competitive and model employer which balances work/life and family needs and offers choices to employees as consumers.

OPM's core values, as set forth in the Merit System Principles, require that Federal employees be hired, promoted, paid, and discharged on the basis of merit and in compliance with law. OPM's commitment to these principles is undiminished and sustains the role of a strong civil service in our Nation's system of governance.

OPM continues to honor the Government's commitment to employees by managing the trust funds that support the retirement and insurance benefits they earn, and delivering excellent benefit services and support to these civil servants both during and after their Federal careers.

Location

OPM operates from its headquarters in the Theodore Roosevelt Federal Office Building at 1900 E Street, NW, Washington, D.C., 20415, and delivers a variety of products and services with the help of its 5,300 employees in D.C. (who include approximately 1,500 employees transferred from the Defense Security Service), its field presence in 14 locations across the country, and operating centers in Pittsburgh and Boyers, Pennsylvania; and Macon, Georgia. OPM's Web site is www.opm.gov.

OPM's Mission and Strategic Goals

OPM's Mission

It is OPM's job to build a high-quality and diverse Federal workforce, based on Merit System Principles, which America needs to guarantee freedom, promote prosperity, and ensure the security of this great Nation.

OPM's Strategic Plan 2002–07 describes OPM's mission and establishes the strategic goals and management strategy the agency is following to fulfill this mission. For each strategic goal, OPM has established specific objectives to provide clarity to its strategic vision. Also, OPM describes strategies for how it will achieve the goals and objectives. Finally, OPM describes the performance measures by which it and others may assess its success. The Strategic Plan is available on the OPM Web site at www.opm.gov/gpra/opmgpra/sp2002.

OPM's strategic goals are derived from its mission and aligned with its major business lines of developing and deploying human resources policy (Strategic Goal I); leading the human capital initiative across the Federal Government and ensuring Merit System protections and accountability for all Federal employees (Strategic Goal II); and developing and delivering human resources products and services to Federal agencies, employees, annuitants, and their families (Strategic Goal III). In addition, OPM's management strategy establishes a standard of excellence for the agency's internal operations and programs. Under the aegis of its management strategy, OPM leads five e-Government initiatives that are transforming human resources processes and providing world-class, secure, cross-agency human resources solutions. These five interrelated initiatives support a Federal worker's life cycle; they are Recruitment One-Stop, e-Clearance, e-Payroll, e-Training, and Enterprise Human Resources Integration.

Taken together, OPM's strategic goals and supporting objectives (see table next page) acknowledge the agency's responsibilities as described by statute and in the expectations of the President, Congress, other Federal agencies, and Federal employees and annuitants as developed in consultation with these key stakeholders. The Strategic Plan holds OPM accountable for the development of and ongoing support for Federal human resources management policies. These policies include pay, performance management, employee benefits, workforce planning and information, and executive development. The Strategic Plan also holds OPM accountable for the transformation of human capital in all Federal agencies, based on the Merit System Principles, veterans' preference, and other standards. This human capital transformation has an immediate impact on the security of the Nation while ensuring that the civil service remains a strong and vital component of a Federal Government that will continue to protect America and win the war on terrorism.

Finally, OPM's Strategic Plan describes the agency's duties regarding the administration of the trust funds supporting the Federal employee benefit programs (retirement, health benefits, life and long-term care insurance, and flexible spending accounts) and its responsibilities for the delivery of fast, friendly, accurate, and cost-effective benefits to the beneficiaries of these programs.

OPM Strategic Goals and Objectives

Strategic Goal I	Federal agencies adopt human resources management systems that improve their ability to build successful, high-performance organizations.
Objective 1	Agencies use OPM policy and guidance to develop and maintain the capacity of their workforce to continue to meet and improve their strategic performance targets.
Objective 2	Provide expert advice and assistance in establishing and/or coordinating the implementation of human resources systems for the Department of Homeland Security, the Department of Defense, and other Federal agencies to ensure that their human capital needs are met.
Objective 3	Provide the Federal Government with a modern compensation system that is performance-oriented and market-sensitive, and assists Federal agencies in meeting their strategic goals.
Objective 4	Increase the effectiveness and efficiency of the Federal hiring process and make Federal employment attractive to high-quality applicants of diverse backgrounds.
Strategic Goal II	Federal agencies use effective merit-based human capital strategies to create a rewarding work environment that accomplishes the mission.
Objective 1	Provide advice to agencies and promote best practices on solutions, actions, and strategies to meet their human capital management needs.
Objective 2	Monitor and assess agencies' effectiveness in implementing merit-based strategies that support their missions.
Strategic Goal III	Meet the needs of Federal agencies, employees, and annuitants through the delivery of efficient and effective products and services.
Objective 1	Provide direct human capital products and services that are cost-effective, relevant, and useful to agencies.
Objective 2	Facilitate retirement income security for Federal employees by making the transition from active employment to retirement seamless and expeditious.
Objective 3	Federal employees, annuitants, and their families can choose from among quality and fiscally responsible carriers to address their specific insurance needs.
Management Strategy	OPM creates an environment that fosters the delivery of services to its customers and employees through effective communication and management of human capital, technology, financial resources, and business processes.

Part 2

OPM's FY 2006 Budget Request

Overview of FY 2006 Request

OPM's total FY 2006 request of \$35,251,481,000—a net increase of \$942,606,000 above the FY 2005 requested level—is composed of appropriations that are 1 percent discretionary and 99 percent mandatory. The discretionary portion of OPM's budget request consists of three appropriation accounts containing general funds and trust funds totaling \$242,481,000 and three mandatory payment appropriations totaling an estimated \$35,009,000,000. The discretionary accounts reflect a net decrease of \$27,394,000. No new funding is included for Retirement Systems Modernization.

In FY 2006, OPM's administrative accounts will support 5,023 full-time-equivalent (FTE) employees. Of these, 2,289 will be supported by discretionary appropriations, and the remaining allocation of 2,734 in Revolving Funds.

Discretionary Appropriations

Salaries and Expenses

General Fund: OPM's general fund request for basic operating expenses totals \$124,521,000 and 998 FTE. This includes \$114,176,000 in annual funds, and \$10,345,000 in multi-year funds for e-Gov projects. Annual funds represent a nominal change from the enacted FY 2005 level. These resources will enable OPM to support Federal agencies as they transform how they manage their human capital; modernize human resources management systems to streamline hiring, link pay more closely to agency missions, and increase accountability; and improve employee security and emergency response. Multi-year e-Gov funding includes \$6,983,000 for the Enterprise Human Resources Integration (EHRI) project, \$1,412,000 for the e-Payroll project, \$500,000 for e-Training, and \$1,450,000 for the Human Resources Line of Business (HR-LOB).

Transfers from Trust Funds: For the administration of the civil service retirement and insurance programs, OPM is requesting a total of \$100,017,000 in transfers from the trust funds for 1,151 FTE. This level reflects no change from the FY 2005 Annual Trust Funds level and reflects a decrease of \$27,419,000 to the no-year base for the Retirement Systems Modernization project. For the retirement program, these resources will be dedicated to processing claims for retirement benefits, responding to retirement program customer inquiries, and maintaining and adjusting benefit payment accounts for retirees and survivor annuitants. For the insurance programs, these funds will be dedicated to administering the contracts for the Federal Employees Health Benefits Program and the Federal Employees Group Life Insurance Program.

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

Office of Inspector General Salaries and Expenses

The request for the Office of the Inspector General (OIG) totals \$17,943,000 and 140 FTE, and includes \$1,614,000 in general funds and \$16,329,000 in transfers from the trust funds to enable the OIG to carry out its audit, investigative, and review responsibilities. This request also reflects the same level of resources appropriated for FY 2005 and will enable the OIG to continue its investigative oversight of the Federal Employees Health Benefits Program and the Civil Service Retirement System/Federal Employees

Retirement System programs, to audit FEHBP plans and carrier information systems, and to develop computer-assisted audit techniques.

Revolving Fund

OPM provides a variety of services that are financed by payments from other agencies through the Revolving Fund. For ongoing Revolving Fund programs, the FY 2006 budget includes an estimated \$1,125,000,000 in obligations and 2,734 FTE to be financed by other agencies' payments for OPM's services. These services include providing professional development and continuous learning for Federal managers and executives; providing one-stop access to high-quality e-training products and services; testing potential military personnel for the Department of Defense (DOD) in those locations where it is cost effective for OPM to do so; providing employment information and assessment services; automating other agencies' staffing systems; providing examining services when requested by an agency; providing technical assistance and general consultation services on all facets of human resources management; and managing the selection, coordination, and development of Presidential Management Fellows.

Through contracts with private companies, OPM conducts national agency check and inquiry cases and background security/suitability investigations for Federal agencies on a reimbursable basis through the Revolving Fund. When OPM is required to pay fees for national, state, or other records provided, client agencies must reimburse OPM for such fees through the Revolving Fund.

In early 2005, OPM accepted a transfer of personnel security investigation functions and personnel from DOD's Defense Security Service (DSS). The transfer to OPM's Center for Federal Investigative Services results in a single entity that will conduct the vast majority of background investigations for the entire Federal Government. The transfer is intended to help reduce the current Governmentwide backlog in background investigations and decrease the time required for these investigations.

Mandatory Appropriations

Government Payment for Annuitants, Employee Health Benefits: An appropriation for "such sums as may be necessary" is requested for an estimated \$8,401,000,000—an increase of \$570,000,000 over FY 2005—to finance the Government's share of health benefit costs for 1.9 million annuitants participating in the program.

Government Payment for Annuitants, Employee Life Insurance: An appropriation for "such sums as may be necessary" is requested for an estimated \$36,000,000—no increase from FY 2005—to finance the Government's share of life insurance premiums for 500,000 annuitants under 65 years of age electing post-retirement coverage.

Payment to the Civil Service Retirement and Disability Fund: An appropriation for "such sums as may be necessary" is requested for an estimated \$26,572,000,000—an increase of \$400,000,000 over FY 2005—to cover the service cost of the Civil Service Retirement System which is not funded by and for active employees.

How OPM Will Use Its Resources in FY 2006

OPM requests that its appropriated resources for FY 2006 be spread across its program activities as described below. This distribution best leverages OPM's resources to carry out its mission and move the agency closer to fully achieving its strategic goals and objectives.

President George W. Bush has determined that securing the homeland and winning the war on terror are the top priorities of our Government. In FY 2006, OPM will continue to focus its mission accordingly. Many of OPM's specific initiatives during the year will be designed to have an immediate impact on the Government's ability to protect and defend our Nation and respond to potential emergencies, while continuing to protect the vitality and integrity of the U.S. civil service.

There is commonality between these roles since the strategic management of the Federal Government's human capital plays a vital role in shaping the workforce we rely upon to protect our Nation.

Strategic Human Resources Policy

OPM's request includes \$28,705,000 to fund activities supporting strategic human resources policy under Strategic Goal I. This amount comprises \$24,194,000 from the General Fund, and \$4,511,000 from the Trust Fund Annual. OPM will use these funds to pursue an aggressive agenda of policy initiatives that ultimately will transform the way human resources management is carried out in Federal agencies. Given the progress of the landmark personnel reforms at the Departments of Homeland Security and Defense, one of OPM's top priorities will be to lead the Administration's efforts to modernize the remainder of the Federal civil service. Other initiatives will support national security efforts through the modernization of human resources management (HR modernization) in the security-related agencies, such as the Departments of Homeland Security (DHS) and Defense, as well as the intelligence agencies. OPM will continue through FY 2006 and beyond to work with DHS officials to fully implement that Department's new human resources management system, while also partnering with DOD to begin implementing its new system, the National Security Personnel System. OPM will leverage these experiences to expand HR modernization into the intelligence community; specifically, OPM will develop new human resources systems for law enforcement officers, the Federal Bureau of Investigation, and other intelligence agencies.

In addition, OPM's human resources policy activities will support the vitality of the civil service. For instance, OPM will continue to be an active partner in maximizing human resources flexibilities and pay-for-performance within a Governmentwide framework. In an effort to promote the Government's ability to attract and retain qualified employees, OPM will develop and implement regulations and guidance for new dental and vision programs for Federal employees. Also, OPM will continue to develop and implement the Senior Presidential Management Fellows and Federal Candidate Development programs.

OPM will assess the results of its strategic human resources policy activities by again administering the Federal Human Capital Survey and Federal Benefits Survey in 2006, and continuing to track and report the extent to which agencies use innovations such as hiring flexibilities, teleworking, and student loan repayments. The result of these surveys will provide broad, Governmentwide indicators on the status of Federal human capital which will benefit lawmakers, managers, and employees—and enable OPM to assess its performance in terms of delivering new human resources policies and issuing ongoing policy guidance as needed.

Human Capital Leadership and Merit System Accountability

OPM's request includes \$35,219,000 for Human Capital Leadership and Merit System Accountability activities under Strategic Goal II. Of this amount, \$34,194,000 will come from the General Fund so that OPM can continue to engage Federal agencies in implementing Human Capital Standards for Success with the overarching purpose of ensuring that agencies transform their human capital management practices in keeping with the Merit System Principles, veterans' preference, and other standards. Both of OPM's mission themes—national security and the vitality and integrity of the civil service—will be reflected in human capital transformation, as security and emergency planning are key human capital practices that OPM will pursue with agencies, engaging them through the Governmentwide President's Management Agenda initiative for Human Capital Management, and assessing them through the Compliance Program.

OPM's success will be measured by the number of agencies that meet the Human Capital Standards for Success which were jointly developed with the Office of Management and Budget and the Government Accountability Office. In 2004, 8 of the 26 agencies reporting under the President's Management Agenda Scorecard met these standards, up from zero in 2003. An additional 15 agencies have made significant progress toward achieving these standards. This means that agencies employing more than 1.3 million employees are making significant progress toward meeting the standards. OPM expects continued improvement in 2005 and 2006.

Through the Compliance Program, OPM will continue audit, review, and oversight activities to ensure that agencies comply with Merit System Principles and veterans' preference, and to ensure that whistleblower protection and other rights and privileges are honored and protected.

Finally, OPM will use \$1,025,000 from Trust Fund Annual to ensure that Federal employees are at the appropriate stage of retirement planning at various milestones of their careers, as documented in the PART of the retirement programs. OPM's specific actions will be based on the results of the retirement readiness study that will be completed in 2005.

Human Resources Products and Services

To support activities for the delivery of Human Resources Products and Services under Strategic Goal III, OPM's request includes \$69,095,000. Of this amount, \$5,049,000 comes from the General Fund and \$64,046,000 from Trust Fund Annual. OPM will use the General Fund appropriation to provide critical assistance toward ensuring the fitness and suitability of applicants for and appointees to positions in the Federal civil service through the Investigations Program, and to support the Voting Rights Program, as required by the Voting Rights Act of 1969 (42 USC 1973d).

OPM will use the \$64,046,000 from the Trust Fund to improve the services it delivers to Federal employees, annuitants, and their families through the retirement and insurance programs. In FY 2006, this will include limiting the increase in the time needed to process claims for benefits submitted by retiring Federal employees. A key strategy for bringing about this improvement is expanding the capabilities of the Federal Annuity Claims Expert System. OPM will also continue the Retirement Systems Modernization Project by continuing to convert the millions of paper retirement records to electronic data.

OPM will introduce new dental and vision benefits for employees and annuitants on an enrollee-pay-all basis. For the Federal Employees Health Benefits Program, OPM will continue to negotiate and contract

with private insurance companies that offer a broad range of health insurance benefits, including high-deductible health plans with Health Savings Accounts and consumer-driven health plan options. Customers can make informed health insurance decisions by several means: OPM-sponsored health plan brochures and Web site postings, health plan customer satisfaction survey results, Web-based comparison/decision tools, and the Health Plan Employer and Data Information Set. OPM will continue to carry out tough negotiations with health carriers to contain premium hikes and maintain benefit levels, and continue to provide, improve, and expand tools so customers can make informed health insurance decisions.

OPM provides a wide range of human resources management products and services to Federal agencies and employees on a reimbursable basis through its Revolving Fund. These products and services include background investigations and suitability determinations for job seekers, management and executive development and training, assessment and test administration, human resources consulting, automated staffing, and training development. Many of these human resources management solutions are delivered through a network of expert OPM consultants, assessment and recruitment tools and systems, and an expedited contracting process managed by an experienced team of human resources and contracting professionals.

OPM's assistance crosses all departments and most agencies; however, much of the training and management assistance and testing and assessment work has been provided specifically to the homeland security agencies, DOD, and Federal Aviation Administration. These OPM programs and services support the training needs to strengthen antiterrorism, emergency preparedness, and intelligence activities as well as staffing and testing for national defense and homeland security. In FY 2006, OPM will continue to carry out these responsibilities as well as continue to sponsor training seminars for Federal agency security and human resources executives on personnel security and suitability issues.

The Defense Authorization Act of 2004 provided OPM with the option of accepting a transfer of functions and personnel from DOD's Defense Security Service. OPM accepted the transfer of the Personnel Security Investigations functions and personnel from DSS in early FY 2005. The transfer of DSS to OPM's Center for Investigative Services will bring under one roof a unit that will conduct the vast majority of background investigations for the entire Federal Government. This is an enormous responsibility, and one that is critical to the security of our Nation. The transfer will encompass the full range of investigative and administrative support functions including reimbursable investigative work, training and system support, accounting functions, and billing and collections.

Management Strategy

OPM's Management Strategy provides executive direction and leadership and ongoing administrative support to ensure that OPM fulfills its mission themes of supporting national security and protecting the vitality of the civil service as it achieves its strategic goals and objectives, and successfully implements its e-Gov initiatives.

Executive Services: Executive services includes executive direction and leadership, legal advice and representation, public affairs, legislative liaison, and the operating expenses of the Presidential Committee on White House Fellows. OPM's budget request includes \$16,690,000 in General Funds to support these activities and ensure that OPM meets its goals and objectives for FY 2006.

E-Government: In 2006, OPM will continue to be a leader in the President's Management Initiative for Expanding Electronic Government and has included \$10,345,000 in its request to come from Salaries and Expenses multi-year funds. Two of OPM's e-Gov projects will have "graduated" into regular program operations during FY 2005; OPM similarly expects to complete the core project work and graduate e-Payroll and e-Training during FY 2006. OPM's remaining two projects, Enterprise Human Resources Integration and Human Resources Information System, will continue modernizing how the Federal Government processes, records, stores, and transmits human resources transactions and resulting information.

Management and Chief Financial Officer (CFO): OPM recognizes the need to support its programs with excellent administrative management services and is including in this request \$64,484,000 (\$34,049,000 from the General Fund and \$30,435,000 from the Trust Fund) for management and CFO activities. These activities include financial management, budget and performance planning, facilities maintenance, contracting, procurement, publications, human capital and equal employment opportunity (EEO) management, security and emergency planning, and information services management. Beginning in FY 2005, these activities also include internal control and risk management activities.

Through these activities, OPM will strive to make solid progress in advancing the President's Management Agenda in FY 2006. Key strategies for achieving green status for Financial Management Improvement are to complete planned actions to resolve issues involving OPM's financial management system, and address weaknesses in its Revolving Fund and Salaries and Expenses account.

Finally, OPM will lead by example in the area of security and emergency preparedness planning by upgrading its Continuity of Operations Plan. It will also continue its active Governmentwide role in this arena by participating in a wide variety of emergency planning activities at all levels of government and forums, and continue to be a strong advocate for such planning in all Federal agencies. Chief among these will be OPM's continued contributions toward the National Response Plan.

The National Response Plan will be used by all Federal organizations charged with assisting during a national incident, such as threats or acts of terrorism, major natural disasters, or manmade emergencies. The National Incident Management System will be used to establish standardized training, organization, and communications procedures for multi-jurisdictional interaction, and clearly identify authority and leadership responsibilities.

The plan fulfills a requirement in Homeland Security Presidential Directive 5 and provides a core operational plan for all national incident management. When fully implemented, it will supersede the Initial National Response Plan, the Federal Response Plan, the U.S. Government Interagency Domestic Terrorism Concept of Operations Plan, and the Federal Radiological Emergency Response Plan.

Relationship to OPM's Strategic Plan

OPM's Strategic Plan sets the framework for virtually all of its other performance planning and reporting documents, including the annual Performance Budget (Congressional Budget Justification), Human Capital Plan, and Capital Asset Plans. OPM's Performance Budgets are designed to implement its strategic goals and objectives. In preparing their annual Performance Budgets, OPM program offices develop annual performance goals that cascade from the strategic goal and objectives for which they are responsible.

Supporting this approach is the alignment of OPM's organizational structure with its strategic goals. Under this alignment, each annual goal relates to a specific strategic goal and objective, or the management strategy. As shown in the table on the next page, each of these groups of goals and objectives is the responsibility of one of OPM's program divisions, and of specific executives who report directly to the OPM Director. The OPM divisions are:

- Division for Strategic Human Resources Policy (SHRP),
- Division for Human Capital Leadership and Merit System Accountability (HCLMSA),
- Division for Human Resources Products and Services (HRPS), and
- Division for Management and Chief Financial Officer (MCFO).

This structure supports accountability, and ensures that OPM executives, managers, and staffers are fully aware of their specific organizational and strategic priorities. It also enables OPM to track its costs directly to its strategic goals and compute the full cost of each (see table next page). OPM is also able to compute the full and marginal cost of each of its annual performance goals, as is shown in Part 6: FY 2006 Annual Performance Budget.

Adjustments to OPM's Strategic Plan

As provided by the Government Performance and Results Act of 1993, and OMB Circular A-11, Part 6, Section 210, this request describes a minor modification to OPM's Strategic Plan 2002-07. Specifically, Objective 2 under Strategic Goal I is being updated to take into account provisions in the National Defense Authorization Act of 2004 dealing with OPM's role in helping establish the National Security Personnel System in DOD. Originally, this objective was stated as follows:

Provide expert advice and assistance in establishing the Department of Homeland Security and ensure that human capital needs for the homeland security community are met.

The objective is being modified to read:

Provide expert advice and assistance in establishing and/or coordinating the implementation of human resources systems for the Department of Homeland Security, the Department of Defense, and other Federal agencies to ensure that their human capital needs are met.

OPM Goals and Responsible Organizations

	Strategic Goal I	Strategic Goal II	Strategic Goal III	Management Strategy
Responsible Organization	SHRP	HCLMSA	HRPS	Executive Offices Office of e-Government Initiatives MCFO OIG
Responsible Executive	Associate Director, SHRP	Associate Director, HCLMSA	Associate Director, HRPS	Director, OPM Director, e-Gov Initiatives Associate Director, MCFO Inspector General
Objectives and Annual Performance Goals	Objective 1: SHRP Annual Performance Goals 1–5 Objective 2: SHRP Annual Performance Goal 6 Objective 3: SHRP Annual Performance Goals 7–11 Objective 4: SHRP Annual Performance Goals 12–16	Objective 1: HCMLSA Annual Performance Goal 1 Objective 2: HCMLSA Annual Performance Goal 2	Objective 1: HRPS Annual Performance Goals 1–3 Objective 2: HRPS Annual Performance Goal 4 Objective 3: HRPS Annual Performance Goals 5 & 6	E-Gov Annual Performance Goal 1 MCFO Annual Performance Goal 1 OIG Annual Performance Goals 1 & 2
Appropriated Resources	\$28.705 million	\$35.219 million	\$69.095 million	\$109.462 million
Other Resources	\$0.600 million	\$0.000 million	\$1,128.688 million	\$60.743 million
FY 2006 Full Cost	\$29.305 million	\$35.219 million	\$1,197.783 million	\$170.205 million

Part 3

Appropriations Language and Budget Summary Tables

Appropriations Language

Salaries and Expenses (Including Transfer of Trust Funds)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, [\$125,500,000, of which \$12,000,000 shall remain available until September 30, 2007; and in addition \$128,462,000 for administrative expenses.] *\$124,521,000, of which \$6,983,000 shall remain available until expended for the Enterprise Human Resources Integration project; \$1,450,000 shall remain available until expended for the e-Human Resources Line of Business project; \$500,000 shall remain available until expended for the e-Training project; and \$1,412,000 shall remain available until expended until September 30, 2007 for the e-Payroll project; and in addition \$100,017,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs[, of which \$27,640,000 shall remain available until expended for the cost of automating the retirement recordkeeping systems]:*

Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and [9004(f)(1)(A) and (2)(A)] *9004(f)(2)(A)* of title 5, United States Code: *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year [2005] *2006*, accept donations of money, property, and personal services: *Provided further*, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission. (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

Office of Inspector General Salaries and Expenses (Including Transfer Of Trust Funds)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, [\$1,627,000] *\$1,614,000*, and in addition, not to exceed [\$16,461,000] *\$16,329,000* for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere. (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

OPM FY 2006
Appropriated Budget Authority (\$ in thousands)

	FY 2005 Appropriated Level	FY 2005 Enacted Level *	FY 2006 Appropriated Request	FY 2006 Variance vs. Enacted
TOTAL OPM DISCRETIONARY BUDGET AUTHORITY	272,050	269,875	242,481	(27,394)
Salaries & Expenses (Including Transfer of Trust Funds)	253,962	251,932	224,538	(27,394)
General Fund	125,500	124,496	124,521	25
Annual	113,500	112,592	114,176	1,584
No Year: HR-LOB**	12,000	11,904	10,345	(1,559)
—EHRI	1,870	1,855	6,983	5,128
—e-Payroll (Two Year fund through 2007)	6,219	6,169	1,412	(4,757)
—HR-LOB (e-HRIS)	748	742	1,450	708
—e-Clearance	1,887	1,872	0	(1,872)
—e-Training	0	0	500	500
—General	1,276	1,266	0	(1,266)
Transfers of Trust Funds	128,462	127,436	100,017	(27,419)
Annual	100,822	100,017	100,017	0
No Year/Retirement Systems Modernization	27,640	27,419	0	(27,419)
OIG Salaries & Expenses	18,088	17,943	17,943	0
General Fund	1,627	1,614	1,614	0
Trust Funds	16,461	16,329	16,329	0
Mandatory Payments	34,039,000	34,039,000	35,009,000	970,000
Federal Employee Health Benefit Fund	7,831,000	7,831,000	8,401,000	570,000
Federal Employee Group Life Insurance Fund	36,000	36,000	36,000	0
Civil Service Retirement and Disability Fund	26,172,000	26,172,000	26,572,000	400,000
TOTAL OPM REQUEST	34,311,050	34,308,875	35,251,481	942,606

Details may not add to totals because of rounding. In addition to the appropriated amounts listed on this sheet, and elsewhere in this document, \$15 million was transferred from the Department of Defense's Operations and Maintenance (O&M) account to OPM's Revolving Fund (RF) account in December 2004, and another \$10 million is scheduled to be transferred in the coming months from DOD's O&M account to OPM's RF. These transfers of funds are to support the migration of DOD's Defense Security Services' functions and personnel to OPM in early 2005.

*Reflects impact of across-the-board 0.8% rescission also enacted by P.L. 108-447 on discretionary appropriated amounts.

**No Year - HR-LOB is converted from multi-year in 2005.

**OPM Discretionary Appropriation
 FY 2006 Budget Obligations by Object Class
 (\$ in thousands)**

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	115,560	119,384	3,824
Personnel Benefits	28,494	29,269	775
Travel and Transportation of Persons	3,797	3,470	(328)
Transportation of Things	155	155	0
Communications, Utilities and Rent	37,042	36,278	(765)
Printing and Reproduction	684	650	(34)
Other Services	81,069	50,373	(30,697)
Supplies and Materials	1,123	887	(237)
Equipment	1,949	2,016	67
Total	\$269,875	\$242,481	(\$27,394)

Details may not add to totals because of rounding.

OPM Salaries & Expenses/General Fund Appropriation Comparative Summary Statement
(\$ in thousands)

	FY 2004 Enacted	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
<i>Obligations</i>				
Strategic Human Resources Policy	\$ 23,638	\$ 24,194	\$ 24,194	\$ 0
HC Leadership & Merit System Accountability	33,285	34,444	34,194	(250)
HR Products and Services	4,955	5,049	5,049	0
Management Services	31,021	29,330	34,049	4,719
Executive Services	14,659	16,690	16,690	0
e-Gov Projects	11,235	14,789	10,345	(4,444)
Total	\$118,793	\$124,496	\$124,521	\$25
<i>Budget Authority</i>				
Annual	\$112,498	\$113,500	\$114,176	\$ 676
Rescission	(705)	(1,004)	0	1,004
Two Year (Program Evaluation)	2,500	0	0	0
No Year (EHRI)*	2,000	1,870	6,983	5,113
Two Year (e-Payroll)*	2,500	6,218	1,412	(4,806)
No Year (e-HRIS)*	0	748	1,450	702
No Year (e-Training)	0	0	500	500
No Year (e-Clearance)*	0	1,887	0	(1,887)
No Year (General)*	0	1,276	0	(1,276)
Total	\$118,793	\$124,496	\$124,521	\$25
<i>Full-Time Equivalents</i>				
Strategic Human Resources Policy	162	166	166	0
HC Leadership & Merit System Accountability	277	286	286	0
HR Products and Services	37	37	37	0
Management Services	360	371	371	0
Executive Services	118	125	125	0
e-Gov Projects	0	13	13	0
Total	954	998	998	0

Details may not add to totals because of rounding.

*No Year - Activities convert from multi-year in 2005.

OPM
General Fund Appropriation
Salaries & Expenses Obligations by Object Class
(\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$54,406	\$56,898	\$2,492
Personnel Benefits	13,414	13,870	457
Travel and Transportation of Persons	2,405	2,282	(122)
Transportation of Things	50	50	0
Communications, Utilities and Rent	9,683	8,991	(692)
Printing and Reproduction	456	444	(12)
Other Services	41,854	39,784	(2,070)
Supplies and Materials	556	396	(160)
Equipment	1,673	1,805	132
Total	\$124,496	\$124,521	\$25

Details may not add to totals because of rounding.

OPM
Transfers from the Trust Funds
Comparative Summary Statement
(\$ in thousands)

	FY 2004 Enacted	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
<i>Obligations</i>				
Strategic Human Resources Policy	4,520	5,311	5,111	(200)
Human Capital Leadership and Merit System Accountability	1,028	1,275	1,025	(250)
HR Products and Services	136,839	127,715	97,134	(30,581)
Management Services	30,499	30,435	30,435	0
Total	\$172,886	\$164,736	\$133,705	(\$31,031)
<i>Offsetting Collections</i>				
Annual	98,629	100,017	100,017	0
Permanent Indefinite Authority, Title V	37,774	37,300	33,688	(3,612)
8348	28,162	29,688	29,688	0
Long-Term Care	1,000	1,000	1,000	0
FERCCA	8,612	5,612	2,000	(3,612)
Dental/Vision Benefits	0	1,000	1,000	0
No Year/RSM	36,483	27,419	0	(27,419)
Total	\$172,886	\$164,736	\$133,705	(\$31,031)
<i>Budget Authority</i>				
Annual	98,629	100,017	100,017	0
No Year/RSM	36,483	27,419	0	(27,419)
Total	\$135,112	\$127,436	\$100,017	(\$27,419)
<i>Full-Time Equivalents</i>				
Strategic Human Resources Policy	42	42	42	0
Human Capital Leadership and Merit System Accountability	17	17	17	0
HR Products and Services	959	959	959	0
Management Services	133	133	133	0
Total	1,151	1,151	1,151	0

Details may not add to totals because of rounding.

OPM**Discretionary Transfers from the Trust Funds Obligations by Object Class**

(\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	49,998	51,011	1,015
Personnel Benefits	12,291	12,530	239
Travel and Transportation of Persons	185	160	(25)
Transportation of Things	75	75	0
Communications, Utilities and Rent	26,187	26,152	(36)
Printing and Reproduction	202	180	(22)
Other Services	38,190	9,629	(28,561)
Supplies and Materials	248	231	(17)
Equipment	62	50	(12)
Total	\$127,436	\$100,017	(\$27,419)

Details may not add to totals because of rounding.

This display only represents trust fund resources subject to congressional limitation. The planned use of mandatory administrative resources to achieve specific goals and objectives is noted where applicable in the Annual Performance Budget (Part 4).

OIG
Comparative Summary Statement
(\$ in thousands)

	FY 2004 Enacted	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
<i>Obligations</i>				
Salaries & Expenses	\$ 1,489	\$ 1,614	\$ 1,614	0
Transfers from the Trust Funds	14,342	16,329	16,329	0
Subtotal	15,831	17,943	17,943	0
Advances and Reimbursements	150	150	150	0
Total	\$15,981	\$18,093	\$18,093	0
<i>Offsetting Collections</i>				
Transfers from the Trust Funds	\$14,342	\$16,329	\$16,329	0
Advances and Reimbursements	150	150	150	0
Total	\$14,492	\$16,479	\$16,479	0
<i>Budget Authority</i>				
Budget Authority	\$ 1,489	\$ 1,614	\$ 1,614	0
<i>Trust Funds Budget Authority</i>				
Annual	\$14,342	\$16,329	\$16,329	0
<i>Full-Time Equivalents</i>				
Salaries & Expenses	17	18	18	0
Transfers from the Trust Funds	106	122	122	0
Advances and Reimbursements	0	0	0	0
Total	123	140	140	0

Details may not add to totals because of rounding.

OIG**General Funds and Transfers from the Trust Funds FY 2006****Obligations by Object Class**

(\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$11,156	\$11,474	\$318
Personnel Benefits	2,790	2,869	79
Travel and Transportation of Persons	1,208	1,028	(180)
Transportation of Things	30	30	0
Communications, Utilities and Rent	1,172	1,135	(37)
Printing and Reproduction	26	26	0
Other Services	1,026	960	(66)
Supplies and Materials	320	260	(60)
Equipment	215	161	(54)
Total	\$17,943	\$17,943	0

Details may not add to totals because of rounding.

**Revolving Fund
Comparative Summary Statement
(\$ in thousands)**

	FY 2004 Enacted	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
<i>Obligations</i>				
Investigative Services	\$290,000	\$786,000	\$864,000	\$ 78,000
Talent Services	148,000	152,000	125,000	(27,000)
Leadership Capacity Services	45,000	44,000	108,000	64,000
Enterprise Human Resources Integration	0	31,000	28,000	(3,000)
Total	\$483,000	\$1,013,000	\$1,125,000	\$112,000
<i>Full-Time Equivalents</i>				
Investigative Services	136	1,171	2,061	890
Talent Services	499	572	569	(3)
Leadership Capacity Services	83	91	104	13
Total	718	1,834	2,734	900

Details may not add to totals because of rounding.

In addition to the amounts listed on this sheet, and elsewhere in this document, \$15 million was transferred from the Department of Defense's Operations and Maintenance (O&M) account to OPM's Revolving Fund (RF) account in December 2004, and another \$10 million is scheduled to be transferred in the coming months from DOD's O&M account to OPM's RF. These transfers of funds are to support the migration of DOD's Defense Security Services' functions and personnel to OPM's Investigative Services function in early 2005.

Revolving Fund
Obligations by Object Class
(\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$140,000	\$201,000	\$61,000
Personnel Benefits	32,000	46,000	14,000
Travel and Transportation of Persons	12,000	12,000	0
Transportation of Things	0	0	0
Communications, Utilities and Rent	31,000	31,000	0
Printing and Reproduction	2,000	2,000	0
Other Services	775,000	811,000	36,000
Supplies and Materials	10,000	11,000	1,000
Equipment	11,000	11,000	0
Total	\$1,013,000	\$1,125,000	112,000

Details may not add to totals because of rounding.

Resource Summary by Strategic Goal and Objective - FY 2005 Enacted (\$ in thousands)

	Salaries & Expenses		Trust Funds		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
SHRP (OPM Strategic Goal 1)	24,194	166	5,311	42					29,505	208
Strat. Obj. 1/Goals 1–5 Policy & Guidance	6,314	42							6,314	42
Strat. Obj. 2/Goal 6 Adv/Assist in Establishing DHS	2,682	20							2,682	20
Strat. Obj. 3/Goals 7–12 Modernize Pay	9,215	68	4,511	37					13,726	105
Long Term Care			300	2					300	2
Dental and Vision Benefits			500	3					500	3
Strat. Obj. 4/Goals 13–16: Improve Fed Hiring	5,983	36							5,983	36
HCLMSA (OPM Strategic Goal 2)	34,444	286	1,275	17					35,719	303
Strat. Obj. 1/Goal 1: Technical Assistance	18,179	150	1,025	17					19,204	167
Strat. Obj. 2/Goal 2: Compliance	16,265	136							16,265	136
FERCCA			250						250	
HRPS (OPM Strategic Goal 3)	5,049	37	127,715	959			982,000	1,834	1,114,764	2,830
Strat. Obj. 1	4,940	36					982,000	1,834	986,940	1,870
Goal 1: Investigations Services	2,594	25					786,000	1,171	788,594	1,196
Goal 2: Talent Services	2,346	11					152,000	572	154,346	583
Goal 3: Leadership Capacity Services							44,000	91	44,000	91
Strat. Obj. 2/Goal 4: Retirement Programs			116,717	872					116,717	872
Annual			54,248	857					54,248	857
No Year/RSM (New)			27,419	15					27,419	15
Title V/8348			29,688						29,688	
FERCCA			5,362						5,362	

Resource Summary by Strategic Goal and Objective - FY 2005 Enacted (\$ in thousands)

	Salaries & Expenses		Trust Funds		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	\$	FTE	\$	FTE	\$
Strat. Obj. 3/Goals 5 & 6: Insurance Programs	109	1	10,998	87					11,107	88
Annual	109	1	9,798	87					9,907	88
Long Term Care			700						700	
Dental and Vision Benefits			500						500	
Management & Chief Financial Officer	29,330	371	30,435	133	33,519				93,283	504
Internal Control and Risk Management	879	12			600				1,479	12
Human Capital Management Services	4,177	54			1,932				6,109	54
Contracting, Facilities and Admin Services	5,276	54			1,079				6,355	54
Financial Services - OPM and trust funds	8,005	102	15,645	77	171				23,821	179
Equal Opportunity Employment Program	733	10			902				1,635	10
Security and safety for OPM employees	2,272	32			4,522				6,794	32
Information Services (includes NARA)	7,987	107	14,790	56	24,313				47,090	163
Executive Services	16,690	125							16,690	125
HR Line of Business	14,789	13			900		31,000		46,689	13
EHRI	4,151				900				5,051	
e-Payroll	1,855	5					31,000		32,855	5
e-Clearance	6,169	1							6,169	1
e-HRIS	1,872	2							1,872	2
e-Training	742	5							742	5
OPM Subtotal	124,496	998	164,736	1,151	34,419		1,013,000	1,834	1,336,651	3,983
Inspector General	1,614	18	16,329	122	150				18,093	140
GRAND TOTAL (OPM + OIG)	126,100	1,016	181,065	1,273	34,569		1,013,000	1,834	1,354,744	4,123

Resource Summary by Strategic Goal and Objective - FY 2006 Request (\$ in thousands)

	Salaries & Expenses		Trust Funds		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
SHRP (OPM Strategic Goal 1)	24,194	166	5,111	42					29,305	208
Strat. Obj. 1/Goals 1–5 Policy & Guidance	6,314	42							6,314	42
Strat. Obj. 2/Goal 6 Adv/Assist in Establishing DHS	2,682	20							2,682	20
Strat. Obj. 3/Goals 7–12 Modernize Pay	9,215	68	4,511	38					13,726	106
Long Term Care			300	2					300	2
Dental and Vision Benefits			300	2					300	2
Strat. Obj. 4/Goals 13–16: Improve Fed Hiring	5,983	36							5,983	36
HCLMSA (OPM Strategic Goal 2)	34,194	286	1,025	17					35,219	303
Strat. Obj. 1/Goal 1: Technical Assistance	17,929	150	1,025	17					18,954	167
Strat. Obj. 2/Goal 2: Compliance	16,265	136							16,265	136
FERCCA										
HRPS (OPM Strategic Goal 3)	5,049	37	97,134	959			1,097,000	2,734	1,199,183	3,730
Strat. Obj. 1	4,940	36					1,097,000	2,734	1,101,940	2,770
Goal 1: Investigations Services	2,594	25					864,000	2,061	866,594	2,086
Goal 2: Talent Services	2,346	11					125,000	569	127,346	580
Goal 3: Leadership Capacity Services							108,000	104	108,000	104
Strat. Obj. 2/Goal 4: Retirement Programs			85,936	872					85,936	872
Annual			54,248	857					54,248	857
No Year/RSM (New)				15						15
Title V/8348			29,688						29,688	
FERCCA			2,000						2,000	

Resource Summary by Strategic Goal and Objective - FY 2006 Request (\$ in thousands)

	Salaries & Expenses		Trust Funds		Advances & Reimbursements		Revolving Fund		Total	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE
Strat. Obj. 3/Goals 5 & 6: Insurance Programs	109	1	11,198	87					11,307	88
Annual	109	1	9,798	87					9,907	88
Long Term Care			700						700	
Dental and Vision Benefits			700						700	
Management & Chief Financial Officer	34,049	371	30,435	133	33,519				98,003	504
Internal Control and Risk Management	1,495	12			600				2,095	12
Human Capital Management Services	4,126	54			1,932				6,058	54
Contracting, Facilities and Admin Services	5,223	54			1,079				6,302	54
Financial Services – OPM and trust funds	12,569	102	15,645	77	171				28,385	179
Equal Opportunity Employment Program	758	10			902				1,660	10
Security and safety for OPM employees	2,216	32			4,522				6,738	32
Information Services (includes NARA)	7,661	107	14,790	56	24,313				46,764	163
Executive Services	16,690	125							16,690	125
HR Line of Business	10,345	13					28,000		38,345	13
EHRI	6,983	5					28,000		34,983	5
e-Payroll	1,412	1							1,412	1
e-HRIS	1,450	6							1,450	6
e-Training	500	1							500	1
OPM Subtotal	124,521	998	133,705	1,151	33,519		1,125,000	2,734	1,416,745	4,883
Inspector General	1,614	18	16,329	122	150				18,093	140
GRAND TOTAL (OPM + OIG)	126,135	1,016	150,034	1,273	33,669		1,125,000	2,734	1,434,838	5,023

Part 4

FY 2006 Performance Budget (Annual Performance Plan)

Impact of OMB's PART on OPM's FY 2006 Budget Process

OPM has incorporated the Program Assessment Rating Tool (PART) into its program management tool set so that it is now an integral part of the budget process. OPM has used the PARTs to improve several aspects of how it portrays its programs in its performance budgets, and improve performance measures for several programs. For instance, based on its experiences applying the PART to the benefit programs (retirement, life insurance, and health benefit insurance), OPM has more clearly articulated the intended outcomes for these programs and developed new and better performance indicators that assess whether these outcomes are being achieved. OPM also is implementing program evaluations that will develop a template for assessing the competitiveness of the Federal benefit programs against benefits offered by other employers, and then evaluate the extent to which the programs are effective and achieving the results for which they were established. These experiences led OPM to establish a research and program evaluation initiative in FY 2003 to undertake a broad range of studies pertaining to all of the human resources and human capital management programs for which it is responsible, and to research other potential program enhancements that will ultimately improve the Government's ability to attract and retain the kind of workforce it needs.

To better reflect these elements, and position its other programs for the PARTs that will be completed in FY 2005 and FY 2006, OPM adopted a program logic approach for its budget formulation process. The program logic approach aligns program outcomes with associated activities, outputs, inputs, and performance indicators so that program managers and external stakeholders and decision-makers can see the relationship between budgetary resources and program results.

During the FY 2006 budget formulation process, OPM programs were evaluated using the PART instrument as follows:

1. The Federal Employees Group Life Insurance Program (FEGLI), and the Federal Civilian Retirement (retirement) programs were first "PARTed" during the development of the FY 2004 budget and received ratings of "Results Not Demonstrated." Both were re-PARTed for the FY 2006 budget and received improved ratings of "Adequate."
2. The Federal Employees Health Benefits Program was PARTed for the first time for the FY 2006 budget and received a rating of "Adequate."

The FEGLI and Retirement programs first received "Results Not Demonstrated" ratings because they lacked performance indicators and targets that assess whether program purposes were being achieved. To address this issue and improve program management of these programs, and the newly PARTed FEHB Program, OPM developed program indicators and targets and implemented data collection tools in FY 2004 to demonstrate program results. The information gathered through the FY 2006 PART processes is being provided to senior officials and program managers for use in making decisions regarding future programmatic funding requests. Equally important to the data collection are the changes being made and the corrective action plans being formulated to address recommendations resulting from the PART reviews.

Outstanding PART Recommendations

Program	Recommendation
Retirement, FEGLI, and FEHB	Establish ambitious targets for newly developed long-term goals and demonstrate adequate progress in achieving these performance goals
Retirement, FEGLI, and FEHB	Hold program managers and partners accountable for cost, schedule and performance results and demonstrate that the program and its partners are achieving its annual performance goals
Retirement, FEGLI, and FEHB	Conduct an independent program evaluation of sufficient scope and quality; OPM will use the information to demonstrate that program is effective and is achieving results
Retirement, FEGLI, and FEHB	Improve future budget requests to effectively link resources to program performance and results/outcomes

During FY 2005, as OPM develops its budget request for FY 2007, the agency will address the four outstanding recommendations related to the benefit program PARTs and apply the PART for the first time to the Compliance and Talent Services programs. In addition, OPM will position its remaining programs for PARTing during the FY 2008 budget cycle.

During FY 2006, OPM will implement any outstanding recommendations related to the programs that will have been PARTed through FY 2005, and complete first-time PARTs on its remaining programs. As programs are PARTed, OPM expects that program outcomes will be refined and more clearly articulated in its performance budgets, based on the program purpose descriptions developed through the PARTs. OPM expects that any refined program outcomes will naturally lead to the development of new performance indicators that will focus more clearly and directly on these outcomes.

Strategic Goal I: Strategic Human Resources Policy

OPM Strategic Goal I

Federal agencies adopt human resources management systems that improve their ability to build successful, high-performance organizations.

Organization: Division for Strategic Human Resources Policy

OPM's Division for Strategic Human Resources Policy provides policy direction and leadership in designing, developing, and promulgating innovative Governmentwide and agency-tailored human resources systems and programs for workforce planning, employment, pay and benefits, performance management and recognition, learning and development, labor relations, employee accountability, personnel records and information systems, payroll systems, and merit systems accountability. During FY 2006, SHRP will play a pivotal role in implementing unprecedented changes in human resources policy across the Federal Government as it partners with DHS and DOD to implement flexible and modern systems of human resources management. In addition, SHRP will undertake initiatives that will forever change the way Federal agencies manage their workforces.

Program Activity: Strategic Human Resources Policy

Overall Resources (Full Cost) for Organization and Strategic Goal I (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$20.046	\$24.194	\$4.148	\$24.194	\$0.000
	162.0 FTE	166.0 FTE	4.0 FTE	166.0 FTE	0.0 FTE
Trust Fund Annual	\$4.152	\$4.511	\$0.359	\$4.511	\$0.000
	42.0 FTE	37.0 FTE	(5.0) FTE	38.0 FTE	1.0 FTE
Total Requested Resources	\$24.198	\$28.705	\$4.507	\$28.705	\$0.000
	204.0 FTE	203.0 FTE	(1.0) FTE	204.0 FTE	1.0 FTE
Long Term Care Fund	\$0.042	\$0.300	\$0.258	\$0.300	\$0.000
	0.0 FTE	2.0 FTE	2.0 FTE	2.0 FTE	0.0 FTE
Dental/Vision Fund	\$0.000	\$0.500	\$0.500	\$0.300	(\$0.200)
	0.0 FTE	3.0 FTE	3.0 FTE	2.0 FTE	(1.0) FTE
Total Resources	\$24.240	\$29.505	\$4.765	\$29.305	(\$0.200)
	204.0 FTE	208.0 FTE	4.0 FTE	208.0 FTE	0.0 FTE

SHRP Salaries and Expenses Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	417,736	\$18,396	\$ 660
Personnel Benefits	4,425	4,585	160
Travel and Transportation of Persons	359	326	(33)
Transportation of Things	0	0	0
Communications, Utilities and Rent	2,789	2,782	(7)
Printing and Reproduction	227	225	(2)
Other Services	2,873	2,223	(649)
Supplies and Materials	148	97	(51)
Equipment	148	71	(77)
Total	\$28,705	\$28,705	\$0

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

SHRP General Fund Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$14,533	\$15,076	\$ 543
Personnel Benefits	3,623	3,759	136
Travel and Transportation of Persons	346	326	(20)
Transportation of Things	0	0	0
Communications, Utilities and Rent	2,417	2,417	0
Printing and Reproduction	225	225	0
Other Services	2,769	2,223	(546)
Supplies and Materials	139	97	(42)
Equipment	141	71	(71)
Total	\$24,194	\$24,194	\$0

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

SHRP Trust Fund Annual Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$3,204	\$3,320	\$117
Personnel Benefits	801	826	24
Travel and Transportation of Persons	13	0	(13)
Transportation of Things	0	0	0
Communications, Utilities and Rent	372	365	(7)
Printing and Reproduction	2	0	(2)
Other Services	103	0	(103)
Supplies and Materials	9	0	(9)
Equipment	7	0	(7)
Total	\$4,511	\$4,511	\$0

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

OPM Strategic Objective 1

Agencies use OPM policy and guidance to develop and maintain the capacity of their workforce to continue to meet and improve their strategic performance targets.

SHRP Annual Performance Goal 1: Develop regulations and an evaluation plan for the Federal Workforce Flexibility Act policies.

The Federal Workforce Flexibility Act (FWFA) requires OPM to make significant and technically complex changes in pay, leave administration, succession planning and training for Federal employees and agencies. Beginning in FY 2005 and continuing through FY 2006 and beyond, OPM will develop implementing regulations and report to Congress annually regarding agencies' use of the new flexibilities provided by FWFA. In addition, OPM will consult with agencies regarding their management succession and training programs.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 1 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$0.000	\$0.851	\$0.851	\$0.851	\$0.000
	0.0 FTE	6.0 FTE	6.0 FTE	6.0 FTE	0.0 FTE
Total Requested Resources	\$0.000	\$0.851	\$0.851	\$0.851	\$0.000
	0.0 FTE	6.0 FTE	6.0 FTE	6.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Develop regulations and evaluation plan for FWFA; Prepare annual report to Congress on agency use of R&R bonuses; Consult with agencies to develop management succession and training programs	Draft and final regulations completed; Annual report to Congress on R&R; Consultations with agencies to develop management succession and training programs	Agencies have increased options for recruitment and retention (R&R) bonuses, and pay and leave flexibilities; Agencies' R&R issues are addressed; Agencies establish management succession and training programs	Efficiency: FWFA regulation timeliness	n/a	n/a	Draft FWFA regulations	Final FWFA regulations
			FWFA Program evaluation results	n/a	n/a	Positive evaluations	Positive evaluations
			Efficiency: Annual report timeliness	n/a	n/a	Milestones are met	Milestones are met
			<i>Full cost (S&E):</i>	n/a	\$0.000M	\$0.851M	\$0.851M
			<i>FTE</i>	n/a	0.0 FTE	6.0 FTE	6.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- SHRP staff, stakeholder comments.
- SHRP staff, contractor support.

Strategies:

- Hold stakeholder meetings.
- Publish in *Federal Register*, hold stakeholder meetings.

SHRP Annual Performance Goal 2: Improve Federal workforce information by implementing the Human Resources Line of Business initiative.

During FY 2006, OPM's e-Gov projects for EHRI and e-Payroll will become operational and replace the Central Personnel Data File. SHRP will begin this transition during FY 2005 and resources dedicated to the CPDF in previous budget requests will be redirected to SHRP's 13 other goals.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 2 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$2.200	\$1.711	(\$0.489)	\$1.711	\$0.000
	20.0 FTE	12.0 FTE	(8.0) FTE	12.0 FTE	0.0 FTE
Total Requested Resources	\$2.200	\$1.711	(\$0.489)	\$1.711	\$0.000
	20.0 FTE	12.0 FTE	(8.0) FTE	12.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Establish requirements and standards for core HR automated processes	Standards for core HR automated processes	Federal HR information is in consistent format across all agencies	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
	Functionality requirements		Effectiveness: Clarity of HR-LOB standards	n/a	n/a	Standards are used	Standards are used
	Assistance in identification of Shared Service Centers		Extent that HR info meets requirements and standards	n/a	n/a	n/a	Standards used in software development & acquisition
	Software compliance reviews (against standards)						
			<i>Full cost (S&E):</i>	n/a	\$2.200M	\$1.711M	\$1.711M
			<i>FTE</i>		20.0 FTE	12.0 FTE	12.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Collaboration with stakeholders, workforce research and analyses.

Strategies:

- Use results of stakeholder working groups, oversee human resources information system performance, and conduct workforce research and analyses.

SHRP Annual Performance Goal 3: Establish Senior Executive Service pay-for-performance system.

OPM must manage the ongoing policy support and operation of the new pay-for-performance system for the Senior Executive Service (SES) introduced in FY 2004. This new system requires extensive technical guidance on issues related to pay administration and certification of SES appraisal systems into FY 2006. Moreover, OPM is implementing a Senior Professional System which establishes significant and rigorous

criteria for accession and retention. OPM will certify or provisionally certify agency applications for their SES pay-for-performance system.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 3 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.250	\$1.288	\$0.038	\$1.288	\$0.000
	8.0 FTE	8.0 FTE	0.0 FTE	8.0 FTE	0.0 FTE
Total Requested Resources	\$1.250	\$1.288	\$0.038	\$1.288	\$0.000
	8.0 FTE	8.0 FTE	0.0 FTE	8.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide technical guidance to implement new SES pay-for-performance systems; Develop evaluation plans for pay-for-performance systems	Agency SES pay-for-performance certifications	Agencies implement certified or provisional appraisal systems	Efficiency: Timeliness of processing agency applications for SES pay-for-performance systems	n/a	n/a	Milestones are met	Milestones are met
	Proposals for final and provisional pay-for-performance appraisal plans		Timeliness of producing evaluation plans	n/a	n/a	n/a	Milestones are met
	Evaluation plan		Timeliness of processing evaluations of agency SES pay-for-performance plans	n/a	n/a	n/a	Milestones are met
			Effectiveness: New Senior Professional System implementation timeliness	n/a	n/a	Milestones are met	Milestones are met
			Agency satisfaction with timely SHRP processing	n/a	n/a	At least 50% positive	More than 50% positive
			<i>Full cost (S&E):</i>	n/a	\$1.250M	\$1.288M	\$1.288M
			<i>FTE</i>	n/a	8.0 FTE	8.0 FTE	8.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Conducts meetings and workshops with agencies to support the implementation of SES pay-for-performance across Government.

Strategies:

- Leverage OPM's network of Human Capital Officers to solicit feedback, conduct workshops, and provide advice and support.

SHRP Annual Performance Goal 4: Develop evaluation methodology for Governmentwide leader development programs.

OPM is launching the Federal Candidate Development Program, revising the Presidential Management Fellows Program (PMFP), and developing the Senior Presidential Management Fellows Program (SPMFP).

Overall Resources (Full Cost) for SHRP Annual Performance Goal 4 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.352	\$1.212	(\$0.140)	\$1.212	\$0.000
	13.0 FTE	8.0 FTE	(5.0) FTE	8.0 FTE	0.0 FTE
Total Requested Resources	\$1.352	\$1.212	(\$0.140)	\$1.212	\$0.000
	13.0 FTE	8.0 FTE	(5.0) FTE	8.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Develop regulations for SPMFP; Design evaluations; Evaluate FCDP and PMFP, and implement SPMFP with HRPS	Design for evaluations, regulations for SPMFP	CDP is operational New PMF, SPMF program elements are implemented	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
	Evaluation reports		Effectiveness: Feedback on evaluation methodologies by external sources	n/a	n/a	Positive feedback	Positive feedback
	Program regulations		Usefulness of evaluation results and recommendations	n/a	n/a	Evaluations useful in assessing program impact	Programs become operational
			<i>Full cost (S&E):</i>	n/a	\$1.352M	\$1.212M	\$1.212M
			FTE	n/a	13.0 FTE	8.0 FTE	8.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Identify internal and external expertise to assist with design and meetings.

Strategies:

- Employ skills of OPM evaluation staff, test developers; collaborate with stakeholders.
- Disseminate and collect data from evaluation instruments.

SHRP Annual Performance Goal 5: Strategically sustain existing human resources systems and policies.

Sustaining laws and regulations in areas such as labor relations and employee relations involves rulemaking, implementation of rules, oversight of administration, monitoring, evaluation, data systems adjustments, publication, presentation, and training support of policy initiatives, as well as responses to requests from the Congress, media, other agencies, and non-Federal organizations concerning policy issuances and issues. Thus, OPM will continue to carry out this work by focusing resources as shown in the table below and emphasizing its importance by highlighting it as an annual performance goal.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 5 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.822	\$1.252	(\$0.570)	\$1.252	\$0.000
	8.0 FTE	8.0 FTE	(5.0) FTE	8.0 FTE	0.0 FTE
Total Requested Resources	\$1.822	\$1.252	(\$0.570)	\$1.252	\$0.000
	8.0 FTE	8.0 FTE	(5.0) FTE	8.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Response to taskings from OPM, Executive Branch, Congress, media, public, private, and international sectors	Views, briefings, events	Agencies receive sufficient ongoing support for labor relations and employee relations policy	Efficiency: Response timeliness	n/a	n/a	Deadlines are met	Deadlines are met
			Effectiveness: Stakeholders view response positively	n/a	n/a	Positive evaluation	Positive evaluation
			Full cost (S&E):	n/a	\$1.822M	\$1.252M	\$1.252M
			FTE		8.0 FTE	8.0 FTE	8.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Research, analyses, collaboration.

Strategies:

- Provide advice and support.

OPM Strategic Objective 2

Provide expert advice and assistance in establishing and/or coordinating the implementation of human resources systems for the Department of Homeland Security, the Department of Defense, and other Federal agencies to ensure that their human capital needs are met.

SHRP Annual Performance Goal 6: Assist the Department of Homeland Security and the Department of Defense in implementing new human resources policies as requested and required.

With the advent of the National Defense Authorizations Act and its requirement that OPM partner with the Department of Defense to establish the National Security Personnel System, OPM has expanded Objective 2 under Strategic Goal I to encompass this new and historic initiative in Federal HR policy. To ensure that it meets the requirements of both the Department of Homeland Security and DOD initiatives, SHRP has redirected resources from other policy areas.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 6 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$2.192	\$2.682	\$0.490	\$2.682	\$0.000
	16.0 FTE	20.0 FTE	4.0 FTE	20.0 FTE	0.0 FTE
Total Requested Resources	\$2.192	\$2.682	\$0.490	\$2.682	\$0.000
	16.0 FTE	20.0 FTE	4.0 FTE	20.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
New human resources management systems for DHS and DOD	Regulations issued	Regulations correctly applied in implementation	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
	OPM coordination on implementing issuances applied	Systems operational	Effectiveness: Regulations operational	n/a	n/a	Regulations	Programs implemented
			<i>Full cost (S&E):</i>	n/a	\$2.192M	\$2.682M	\$2.682M
			FTE		16.0 FTE	20.0 FTE	20.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Meetings and other communications, workforce research and analyses.

Strategies:

- Solicit feedback from stakeholders, conduct workforce research and analyses.

OPM Strategic Objective 3

Provide the Federal Government with a modern compensation system that is performance-oriented, market-sensitive, and assists Federal agencies in meeting their strategic goals.

SHRP Annual Performance Goal 7: Consistent with Administration policy and plans, assume a leadership role in modernizing the balance of the Federal civil service.

In addition to supporting civil service modernization in DHS and DOD, OPM will leverage lessons learned from these experiences and help develop legislative proposals, consistent with Administration policy, to modernize the rest of the civil service.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 7 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$0.000	\$2.649	\$2.649	\$2.649	\$0.000
	0.0 FTE	20.0 FTE	20.0 FTE	20.0 FTE	0.0 FTE
Total Requested Resources	\$0.000	\$2.649	\$2.649	\$2.649	\$0.000
	0.0 FTE	20.0 FTE	20.0 FTE	20.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Develop legislation, provide technical assistance; Develop regulations, if proposal is enacted	Legislation, implementing regulations, and technical assistance	Balance of agencies adopt HR reforms	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
			Effectiveness: Legislation enacted; Regulations issued	n/a	n/a	Legislation enacted	Regulations published
			<i>Full cost (S&E):</i> FTE	n/a	\$0.000M 0.0 FTE	\$2.649M 20.0 FTE	\$2.649M 20.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Meetings, stakeholder collaboration, workforce research and analyses.

Strategies:

- Work with OPM and Office of Management and Budget (OMB) staff, respond to Hill inquiries, and conduct workforce research and analyses.
- Collaborate with stakeholders, conduct workforce research and analyses.

SHRP Annual Performance Goal 8: Implement dental/vision policy.

SHRP will use a portion of the estimated funds provided by the Federal Dental and Vision Benefits Program Act of 2005 to cover staff and contractor costs to design and implement the new Dental and Vision programs for Federal employees.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 8 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Dental/Vision Fund (not appropriated)	\$0.000	\$0.500	\$0.500	\$0.300	(\$0.200)
	0.0 FTE	3.0 FTE	3.0 FTE	2.0 FTE	(1.0) FTE
Total Resources (not appropriated)	\$0.000	\$0.500	\$0.500	\$0.300	(\$0.200)
	0.0 FTE	3.0 FTE	3.0 FTE	2.0 FTE	(1.0) FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Prepare and execute contracting strategy; Negotiate and implement dental and vision plans	Contracting strategy Negotiations and final contracts	Study and recommendations report Regulations; enrollment	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
			Effectiveness: Stakeholder approval; carriers sign on	n/a	n/a	Positive evaluations	Positive evaluations
			Enrollment statistics for dental/vision programs	n/a	n/a	n/a	Enrollments meet or exceed projections
			<i>Full cost (D/V):</i> FTE	n/a	\$0.000M 0.0 FTE	\$0.500M 3.0 FTE	\$0.300M 2.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Meetings, stakeholder collaboration, workforce research and analyses.

Strategies:

- Work with OPM and OMB staff, respond to Hill inquiries, and conduct workforce research and analyses.
- Announcement of dental and vision programs start-up, briefings, other Governmentwide dissemination methods, workforce research and analyses.

SHRP Annual Performance Goal 9: Address changes needed in law enforcement officer pay and benefits, consistent with Administration plans and the July 2004 OPM report.

OPM will follow through on recommendations made in its July 2004 report and accepted by the Congress to develop legislation providing broad regulatory authority to modernize law enforcement officer pay and benefits, after receiving Administration approval to commence activity.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 9 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.730	\$1.384	(\$0.346)	\$1.384	\$0.000
	10.0 FTE	8.0 FTE	(2.0) FTE	8.0 FTE	0.0 FTE
Total Requested Resources	\$1.730	\$1.384	(\$0.346)	\$1.384	\$0.000
	10.0 FTE	8.0 FTE	(2.0) FTE	8.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Develop regulations that enact legislation	Legislative proposal	New law enforcement officers pay and benefits system is operational	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
	Regulations when legislation is enacted		Effectiveness: Agency satisfaction with results	n/a	n/a	Positive evaluations	Positive evaluations
			<i>Full cost (S&E):</i>	n/a	\$1.730M 10.0 FTE	\$1.384M 8.0 FTE	\$1.384M 8.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Workforce research and analyses.

Strategies:

- Conduct workforce research and analyses.

SHRP Annual Performance Goal 10: Ensure the competitiveness of Federal employee benefits.
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Influence of the Benefits Programs PARTs on This Annual Performance Goal

OPM used the PART process to improve its management of the Federal employee benefits programs and to more clearly articulate the purpose of each: retirement, life insurance, and health insurance. The PART analysis confirmed that these programs were intended to serve as an important component of employee compensation and support Federal agencies' recruitment and retention needs. Thus, they allow the Government to remain competitive with other employers for highly qualified workers. OPM developed new performance measures that assess the extent to which the programs are fulfilling this purpose and data collection tools (the Federal Benefits Survey) to provide performance information for the new measures.

The results of the Federal Benefits Survey established baselines for the new performance measures and provided information regarding Federal employees' awareness of the value and competitiveness of the benefit programs. Beginning in FY 2005 and in FY 2006, OPM will use this information to make strategic decisions on how to improve program performance. OPM will also explore additional performance measures for the benefits programs.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 10 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.100	\$1.234	\$0.134	\$1.234	\$0.000
	9.0 FTE	9.0 FTE	0.0 FTE	9.0 FTE	0.0 FTE
Trust Fund Annual	\$3.152	\$4.511	\$1.359	\$4.511	\$0.000
	42.0 FTE	37.0 FTE	(5.0) FTE	38.0 FTE	1.0 FTE
Total Requested Resources	\$4.252	\$5.745	\$1.493	\$5.745	\$0.200
	51.0 FTE	46.0 FTE	(5.0) FTE	47.0 FTE	1.0 FTE
Long Term Care Fund	\$0.042	\$0.300	\$0.258	\$0.300	\$0.000
	0.0 FTE	2.0 FTE	2.0 FTE	2.0 FTE	0.0 FTE
Total Resources	\$4.294	\$6.045	\$1.751	\$6.045	\$0.000
	51.0 FTE	48.0 FTE	3.0 FTE	49.0 FTE	1.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Promote Work/Life programs, especially telework	Work with agencies to increase telework interest and use	Work/Life programs are competitive and support agencies' efforts to recruit and retain needed workforce	Agencies' feedback regarding usefulness of OPM information and assistance promoting Work/Life programs	n/a	n/a	Draft FWFA regulations	Final FWFA regulations
			<i>Full cost (S&E):</i>	n/a	\$1.100M 9.0 FTE	\$1.234M 9.0 FTE	\$1.234M 9.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide ongoing retirement policy guidance and support; provide actuarial analyses and determine program liabilities; conduct research and propose and develop new benefits policy initiatives	Retirement policy guidance and regulations; responses to inquiries; actuarial analyses and liability calculations	Retirement benefits are competitive and support agencies' efforts to recruit and retain the workforce they need to meet their mission	Effectiveness: % of new hires who say retirement benefits are competitive, a fair value, and important in their decision to accept a job with the Federal Government	n/a	78	78	80
			% of employees who say retirement benefits are competitive, a fair value, and important in their decision to remain in the Federal Government	n/a	79	79	79
			<i>Full cost (TF):</i>	n/a	\$1.353M 18.0 FTE	\$2.075M 17.0 FTE	\$2.138M 18.0 FTE
Provide ongoing health benefits policy guidance and support; provide actuarial analyses, set premiums, and determine program liabilities; develop new benefits products and related policies and legislation	Health benefits guidance and regulations; health benefits rate negotiations; actuarial analyses and liability calculations	Health benefits are competitive and support agencies' efforts to recruit and retain the workforce they need to meet their mission	Effectiveness: % of new hires who say FEHBP health benefits are competitive, a fair value, and important in their decision to accept a job with the Federal Government	n/a	75	75	75
			% of employees who say FEHBP health benefits are competitive, a fair value, and important in their decision to remain in the Federal Government	n/a	82	82	82
			% of enrollees (Federal employees) satisfied with health insurance benefits	n/a	60	60	60
			<i>Full cost (TF):</i>	n/a	\$1.500M 20.0 FTE	\$1.949M 16.0 FTE	\$2.016M 17.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide ongoing life Insurance policy guidance and support	Life insurance policy guidance and regulations; responses to inquiries; actuarial analyses and liability calculations	Life insurance benefits are competitive and support agencies efforts to recruit and retain the workforce they need to meet their mission	Effectiveness:				
			% of new hires who say life insurance benefits are competitive, a fair value, and important in their decision to accept a job with the Federal Government	n/a	71	71	69
			% of employees who say life insurance benefits are competitive, a fair value, and important in their decision to remain in the Federal Government	n/a	61	61	59
			% of enrollees (Federal employees) satisfied with life insurance benefits	n/a	62	62	62
			<i>Full cost (TF):</i>	n/a	\$0.299M	\$0.487M	\$0.356M
			<i>FTE</i>		4.0 FTE	4.0 FTE	3.0 FTE
			<i>Full cost (LTC):</i>	n/a	\$0.042M	\$0.300M	(\$0.300M)
			<i>FTE</i>		0.0 FTE	2.0 FTE	2.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Make extensive use of e-technologies, by enhancing employees' ability to develop information and materials suitable for distribution through the OPM Web site.
- Use consultant support to assist in the development of legislative and regulatory initiatives.

Strategies:

- Provide ongoing retirement, insurance, and work/life policy analysis; develop and/or revise regulations and guidance materials as needed; and provide ongoing technical advice and services to other Federal agencies.
- Obtain and analyze benefit and utilization data from Federal and non-Federal programs, issue requests for proposals, conduct workforce research and analyses and report results.

SHRP Annual Performance Goal 11: Ensure competitive Federal pay.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 11 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$3.500	\$1.925	(\$1.575)	\$1.925	\$0.000
	34.0 FTE	16.0 FTE	(18.0) FTE	16.0 FTE	0.0 FTE
Total Requested Resources	\$3.500	\$1.925	(\$1.575)	\$1.925	\$0.000
	34.0 FTE	16.0 FTE	(18.0) FTE	16.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Set Federal pay levels	Published pay tables	Agencies incorporate new pay scales into payroll systems timely; employees receive increases according to law	Efficiency: Timeliness of updating pay tables	n/a	n/a	New pay tables posted within 24 hours of presidential decision	New pay tables posted within 24 hours of presidential decision
		New pay authorities are significant in recruitment and retention successes, turnover or quit rates reduced over previous years	Effectiveness: Results of evaluations of new pay authorities and flexibilities	n/a	n/a	Agencies report new pay authorities have been significant in recruitment and retention successes	Agencies report new pay authorities have been significant in recruitment and retention successes
		Increased use of student loan repayment authority	Use/success of student loan repayment and 3Rs authorities	Baseline established	Increased use over previous year	Increased use over previous year	Increased use over previous year
			<i>Full cost (S&E):</i>	n/a	\$3.500M 34.0 FTE	\$1.925M 16.0 FTE	\$1.925M 16.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Stakeholder meetings, technical assistance to Congress.

Strategies:

- Facilitate stakeholder understanding of legislation and utilize stakeholder feedback.

SHRP Annual Performance Goal 12: Strategically sustain existing human resources systems and policies relative to compensation and benefits.

Sustaining laws and regulations in Federal compensation involves rulemaking, implementation of rules, oversight of administration, monitoring, evaluation, data systems adjustments, publication, presentation, and training support of policy initiatives, as well as responses to requests from the Congress, media, other agencies, and non-Federal organizations concerning policy issuances and issues. Thus, OPM will continue to carry out this work—consistent with the Administration’s civil service reform proposals—by focusing resources as shown in the table below and emphasizing its importance by highlighting it as an annual performance goal.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 12 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.800	\$2.023	\$0.223	\$2.023	\$0.000
	15.0 FTE	15.0 FTE	0.0 FTE	15.0 FTE	0.0 FTE
Total Requested Resources	\$1.800	\$2.023	\$0.223	\$2.023	\$0.000
	15.0 FTE	15.0 FTE	0.0 FTE	15.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Response to taskings from OPM, Executive Branch, Congress, media, public and private sectors	Views, briefings, events	Agencies receive sufficient ongoing support for labor relations and employee relations policy	Efficiency: Response timeliness	n/a	n/a	Deadlines are met	Deadlines are met
			Effectiveness: Stakeholders view response positively	n/a	n/a	Positive evaluation	Positive evaluation
			<i>Full cost (S&E):</i>	n/a	\$1.800M 15.0 FTE	\$2.023M 15.0 FTE	\$2.023M 15.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Research, analyses, collaboration.

Strategies:

- Provide advice and support.

OPM Strategic Objective 4

Increase the effectiveness and efficiency of the Federal hiring process and make Federal employment attractive to high-quality applicants of diverse backgrounds.

SHRP Annual Performance Goal 13: Implement new hiring flexibilities.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 13 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.100	\$1.795	\$0.695	\$1.795	\$0.000
	10.0 FTE	10.0 FTE	0.0 FTE	10.0 FTE	0.0 FTE
Total Requested Resources	\$1.100	\$1.795	\$0.695	\$1.795	\$0.000
	10.0 FTE	10.0 FTE	0.0 FTE	10.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Schedule A Cooperative Ed Senior Presidential Management Fellows Program	Implement programs and propose legislation	All agencies employ authorities into structure of their recruitment programs	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
			Effectiveness: Stakeholder feedback positive	n/a	n/a	Positive evaluations	Positive evaluations
			<i>Full cost (S&E):</i> FTE	n/a	\$1.100M 10.0 FTE	\$1.795M 10.0 FTE	\$1.795M 10.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Research, analyses, collaboration.

Strategies:

- Provide advice and support.

SHRP Annual Performance Goal 14: Assist the intelligence community in implementing human resources policies and authorities.

Work with the Federal Bureau of Investigation (FBI) and other members of the intelligence community regarding implementation of legislation and Administration intelligence reforms to include Regulations for Intelligence Career Service, as per Sec. 2003 of Intelligence Reform and Terrorism Prevention Act of 2004, P.L. 108-458, Sec. 2003, authorizes the FBI Director to (1) establish career positions for intelligence analysts within the FBI; (2) establish an FBI Reserve Service (limited to 500 employees) for the temporary reemployment (no more than 180 days) of former FBI employees during periods of emergency; and (3) through FY 2007, for up to 50 employees per fiscal year, extend the mandatory retirement age for FBI employees to 65 (current law allows an extension to age 60).

Overall Resources (Full Cost) for SHRP Annual Performance Goal 14 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$0.000	\$1.330	\$1.330	\$1.330	\$0.000
	0.0 FTE	8.0 FTE	8.0 FTE	8.0 FTE	0.0 FTE
Total Requested Resources	\$0.000	\$1.330	\$1.330	\$1.330	\$0.000
	0.0 FTE	8.0 FTE	8.0 FTE	8.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Work with FBI and others regarding Intelligence Career Service regulations	Consultations, meetings, decision papers, and guidance, as appropriate	Agreement between OPM and FBI	Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
			Effectiveness: FBI satisfaction with result	n/a	n/a	Positive evaluations	Positive evaluations
			<i>Full cost (S&E):</i>	n/a	\$0.000M	\$1.330M	\$1.330M
			FTE	n/a	0.0 FTE	8.0 FTE	8.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Meetings.

Strategies:

- Research and collaboration with FBI, and other intelligence community agencies.

SHRP Annual Performance Goal 15: Modernize the civil service examination process.
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The Administrative Careers with America (ACWA) entrance examination needs revision and modernization.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 15 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$0.000	\$1.430	\$1.430	\$1.430	\$0.000
	0.0 FTE	9.0 FTE	9.0 FTE	9.0 FTE	0.0 FTE
Total Requested Resources	\$0.000	\$1.430	\$1.430	\$1.430	\$0.000
	0.0 FTE	9.0 FTE	9.0 FTE	9.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
			Efficiency: Meeting project milestones	n/a	n/a	Milestones are met	Milestones are met
			Effectiveness: ACWA identifies qualified applicants	n/a	n/a	Qualified applicants hired by agencies	Qualified applicants hired by agencies
			<i>Full cost (S&E):</i> FTE	n/a	\$0.000M 0.0 FTE	\$1.430M 9.0 FTE	\$1.430M 9.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Identify internal and external expertise to assist with design and meetings. Research, meetings, contract support.

Strategies:

- Utilize research and feedback to develop rating schedules, feasibility review, competencies, and build on these to develop new qualifications standards and provide technical assistance through Division for Human Capital Leadership to agencies.

SHRP Annual Performance Goal 16: Strategically sustain existing human resources systems relative to recruitment.

Sustaining laws and regulations in staffing and employment involves rulemaking, implementation of rules, oversight of administration, monitoring, evaluation, data systems adjustments, publication, presentation, and training support of policy initiatives, as well as responses to requests from the Congress, media, other agencies, and non-Federal organizations concerning policy issuances and issues.

Overall Resources (Full Cost) for SHRP Annual Performance Goal 16 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$2.000	\$1.428	(\$0.572)	\$1.428	\$0.000
	19.0 FTE	9.0 FTE	(10.0) FTE	9.0 FTE	0.0 FTE
Total Requested Resources	\$2.000	\$1.428	(\$0.572)	\$1.428	\$0.000
	19.0 FTE	9.0 FTE	(10.0) FTE	9.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Response to taskings from OPM, Executive Branch, Congress, media, public, private, and international sectors	Views, briefings, events	Agencies receive sufficient ongoing support for labor relations and employee relations policy	Efficiency: Response timeliness	n/a	n/a	Deadlines are met	Deadlines are met
			Effectiveness: Stakeholders view response positively	n/a	n/a	Positive evaluation	Positive evaluation
			<i>Full cost (S&E):</i>	n/a	\$2.000M 19.0 FTE	\$1.428M 9.0 FTE	\$1.428M 9.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Identify internal and external expertise to assist with design and meetings. Research, meetings, contract support.

Strategies:

- Utilize research and feedback to develop rating schedules, feasibility review, competencies, and build on these to develop new qualifications standards and provide technical assistance through Division for Human Capital Leadership to agencies.

Strategic Goal II: Human Capital Leadership and Merit System Accountability

OPM Strategic Goal II

Federal agencies use effective merit-based human capital strategies to create a rewarding work environment that accomplishes the mission.

Organization: Division for Human Capital Leadership and Merit System Accountability

OPM's Division for Human Capital Leadership and Merit System Accountability leads the Governmentwide effort to transform human capital management so that agencies are held accountable for managing their workforce effectively, efficiently, and in accordance with Merit System Principles. By improving agencies' human capital management, HCLMSA ensures accountability and improves the way the Government works for its citizens—for example, among myriad other functions, providing national and homeland security, protecting natural resources, and assisting veterans. HCLMSA accomplishes this effort through a comprehensive, strategy-driven set of programs and activities.

- It analyzes the human capital efforts of agencies and shares its insights and guidance with them to help them improve in all key areas of human capital management, particularly with regard to the three primary drivers of human capital: talent, leadership, and performance culture.
- It develops and provides agencies with workshops and tools (e.g., the Federal Human Capital Survey, the Human Capital Assessment and Accountability Framework, and links to human capital resources).
- It develops and refines the Human Capital Standards for Success.
- It provides agencies with guidance by setting intermediate goals.
- It tangibly links improvements in human capital management to measures, and ensures agencies' compliance with Merit System Principles and personnel practices required by law, executive order, and regulation.

HCLMSA carries out these responsibilities through five centers that are agency-based in design and two centers that are focused on cross-cutting implementation in the specific areas of measurement and outreach activities, and human resources statutory and delegation compliance.

Program Activity: Human Capital Leadership and Merit System Accountability

Overall Resources (Full Cost) for Organization and Strategic Goal II (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$30.714	\$34.444	\$3.730	\$34.194	(\$0.250)
	277.0 FTE	286.0 FTE	9.0 FTE	286.0 FTE	0.0 FTE
Trust Fund Annual*	\$1.429	\$1.275	(\$0.154)	\$1.025	(\$0.250)
	17.0 FTE	17.0 FTE	0.0 FTE	17.0 FTE	0.0 FTE
Total Requested Resources	\$32.143	\$35.719	\$3.576	\$35.219	(\$0.500)
	294.0 FTE	303.0 FTE	9.0 FTE	303.0 FTE	0.0 FTE

*Includes FERCCA.

HCLMSA Salaries & Expenses Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$424,162	\$24,844	\$682
Personnel Benefits	6,037	6,210	173
Travel and Transportation of Persons	968	966	(2)
Transportation of Things	0	0	0
Communications, Utilities and Rent	3,684	2,848	(836)
Printing and Reproduction	68	53	(15)
Other Services	472	220	(252)
Supplies and Materials	78	78	0
Equipment	0	0	0
Total	\$35,469	\$35,219	(\$250)

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

HCLMSA General Fund Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$23,488	\$24,142	\$654
Personnel Benefits	5,872	6,035	163
Travel and Transportation of Persons	966	966	0
Transportation of Things	0	0	0
Communications, Utilities and Rent	3,517	2,700	(817)
Printing and Reproduction	53	53	0
Other Services	470	220	(250)
Supplies and Materials	78	78	0
Equipment	0	0	0
Total	\$34,444	\$34,194	(\$250)

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

HCLMSA Trust Fund Annual Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$674	\$702	\$28
Personnel Benefits	165	175	10
Travel and Transportation of Persons	2	0	(2)
Transportation of Things	0	0	0
Communications, Utilities and Rent	167	148	(19)
Printing and Reproduction	15	0	(15)
Other Services	2	0	(2)
Supplies and Materials	0	0	0
Equipment	0	0	0
Total	\$1,025	\$1,025	0

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

OPM Strategic Objective 1

Provide advice to agencies and promote best practices on solutions, actions and strategies to meet their Human Capital Management needs.

HCLMSA Annual Performance Goal 1: Move agencies beyond scoring and into active, comprehensive, and continuous improvement of human capital management.

Overall Resources (Full Cost) for HCLMSA Annual Performance Goal 1 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$16.209	\$18.179	\$1.970	\$17.929	(\$0.250)
	147.0 FTE	150.0 FTE	3.0 FTE	150.0 FTE	0.0 FTE
Trust Fund Annual*	\$1.429	\$1.275	(\$0.154)	\$1.025	(\$0.250)
	17.0 FTE	17.0 FTE	0.0 FTE	17.0 FTE	0.0 FTE
Total Resources	\$17.638	\$19.454	\$1.816	\$18.954	(\$0.500)
	164.0 FTE	167.0 FTE	3.0 FTE	167.0 FTE	0.0 FTE

*Includes FERCCA.

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Assist agencies in human capital transformation through the strategic management of human capital	Tools and hands-on technical assistance to agencies	Equip leadership to drive agency results	Efficiency: Turnaround time on requests, inquiries, and deliverables	n/a	31 days	23 days	20 days
	Timely responses in inquiries	Lead the call for talent to serve America	Effectiveness:				
	PMA progress and status scores	Provide agencies with tools and services to create a performance culture	# of PMC agencies with rising Employee Satisfaction scores	No 2003 HC survey	Waiting on 2004 results	No 2005 HC survey	Waiting on 2004 results
	Skill and competency gaps in mission-critical occupations	Efficient use of fiscal resources	# of PMC agencies with significantly reduced skill gaps in mission-critical occupations	2	10	20	24
Results-oriented and integrated human capital plans	Achieve customer value proposition	# of PMC agencies with leadership succession plans	5	24	26	26	

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
			# of PMC agencies with rising employee perceptions of leadership effectiveness	No 2003 HC survey	Waiting on 2004 results	No 2005 HC survey	Waiting on 2004 results
			# of PMC agencies with linked performance appraisal plans for 60% of employees	4	14	20	24
			# of PMC agencies with certified SES performance management systems	n/a	Established regulations	22	26
			# of PMC agencies with rising performance culture scores	No 2003 HC survey	2004 HC survey not yet available	No 2005 HC survey	Waiting on 2004 results
			# of PMC agencies making progress toward aggressive hiring time frames (NEW)	n/a	n/a	12	24
			<i>Full cost (S&E):</i>	n/a	\$16.209M	\$18.179M	\$17.929M
			FTE		147.0 FTE	150.0 FTE	150.0 FTE
Engage agencies to ensure that employees see the importance of benefits as part of their total compensation	Training courses and guidance to Federal Benefits Officers	Quality and timely instruction to Federal Benefits Officers to ensure that employees have the tools for making benefits choices and retirement planning Efficient use of fiscal resources Achieve customer value proposition	Efficiency: % of benefits officers trained per year Effectiveness: % of customers rating consulting services as very satisfactory or better % of training attendees rating training as very good or higher % of employees at appropriate stage of retirement planning per Retirement Readiness Index	n/a	n/a	n/a	Establish baseline
			<i>Full cost (TF):</i>	\$1.429M	\$1.429M	\$1.275M	\$1.025M
			FTE	17.0 FTE	17.0 FTE	17.0 FTE	17.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Develop and internally implement a strategic planning process to create and sustain a performance culture and disciplined execution and evaluation methodology. Apply this experience to assist other agencies in their strategic planning process.
- Conduct a rigorous competency assessment of its own staff, align critical staff skills, and fill competency gaps to maximize program outcomes.
- Identify and share across agencies human capital practices that have generated positive human capital results.
- Integrate human capital tools and knowledge management systems
- Develop human capital tools, provide technical assistance, and conduct pilots of promising human capital practices in real organizational environments.
- Evaluate each of its activities' resource usage against projections and continue to refine spending plans and execution to ensure effective and efficient use of fiscal resources in achieving program outcomes.

Strategies:

- **Promote Public Trust in the Federal Workforce.** HCLMSA will engage public service advocacy groups and congressional bodies on human capital issues to drive forward human capital legislative initiatives; support Merit System Principles through compliance activities; and support human resources activities that contribute to national security and a more effective and efficient Government.
- **Strengthen and Measure Customer Relationships to Create Strategic Partners.** HCLMSA will reach out to agencies and work to understand their needs and build human capital awareness, communicate OPM's value proposition to agencies, establish expectations and assist with implementation of human capital assessment and accountability framework principles, and identify and leverage promising human capital practices. This also includes leveraging e-Government initiatives and competitive sourcing to support human capital transformation. HCLMSA will provide linkages among agencies and e-Gov initiatives and competitive sourcing activities.
- **Innovation.** Through strategic partnerships with the agencies, HCLMSA will assist in launching pilots of promising human capital practices.
- **Operational Excellence.** HCLMSA will consistently, accurately, and cost-effectively deliver human resources guidance and services.

Influence of the Benefits Programs PARTs on This Annual Performance Goal

During the FY 2006 budget development and accompanying PART process, OPM developed two new performance indicators to assess the impact of the benefits programs (retirement, life insurance, and health insurance) on achieving the program outcome of providing Federal employees options and tools for making benefits choices and retirement planning. The first new indicator, the percent of Benefits Officers trained per year, will allow OPM to assess its success in engaging Agency Benefits Officers, whose job is to ensure

that their employees have the employee benefits information they need to make benefits decisions and to see the importance of benefits as part of their total compensation. The second new indicator, the percent of employees who are at the appropriate stage of retirement planning according to the Retirement Readiness Index (RRI), will allow OPM to work with agencies in creating an awareness of what is needed for individuals to successfully plan and prepare for retirement, from both a financial and personal perspective. The RRI will identify what Federal employees should know as well as what action they should take, and by when, to adequately plan for retirement. The RRI is being developed as part of a project that also will identify education programs and models of best practices to improve retirement readiness. OPM will use the RRI to measure the impact of its educational efforts on employees' ability to plan for retirement by assessing the percentage of employees who are at the appropriate stage of retirement planning. Both of these new indicators will enable OPM to better assess its success in achieving the program outcome of providing Federal employees options and tools for making benefits choices and retirement planning.

OPM Strategic Objective 2

Monitor and assess agencies' effectiveness in implementing merit-based strategies that support their mission.

HCLMSA Annual Performance Goal 2: HCLMSA leads the Governmentwide effort to transform human capital management so that agencies are held accountable for managing their workforce effectively, efficiently, and in accordance with Merit System Principles to achieve mission results.

Overall Resources (Full Cost) for HCLMSA Annual Performance Goal 2 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$14.505	\$16.265	\$1.760	\$16.265	\$0.000
	130.0 FTE	136.0 FTE	6.0 FTE	136.0 FTE	0.0 FTE
Total Requested Resources	\$14.505	\$16.265	\$1.760	\$16.265	\$0.000
	130.0 FTE	136.0 FTE	6.0 FTE	136.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Conduct enhanced audits to assess: —HR, HC, and Merit Systems —Personnel security —Employee safety —Competitively sourced HR processes —Delegated examining	HR/HC oversight audit reports	Protect and promote the ideal of the Civil Service as expressed in Merit System Principles	Efficiency: Turnaround time on requests, inquiries, and deliverables	27 days	27 days	26 days	10 days
	Auditing competitively sourced HR processes	Secure the safety of Federal employees through comprehensive employee safety plans	Effectiveness: # of PMC agencies with HR accountability systems that meet OPM standards	2	2	10	26
	Delegated examining unit audit reports		% of PMC agencies under audit	30	31	30	35
	Security appraisal audits (background investigation audit)	Efficient use of fiscal resources	% of PMC agencies that meet relevant personnel security standards	46	No data	90	95
	Employee safety audits		% of PMC agencies that have workforce safety plans	n/a	84	100	100
	Classification/pay appeals						
			<i>Full cost (S&E):</i>	n/a	\$14.505M	\$16.265M	\$16.265M
			FTE		130.0 FTE	136.0 FTE	136.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Strengthen agency compliance by revamping the audit agenda to better assess the impact of human capital and human resources programs.
- Develop a set of standards and audit processes patterned after the Government Auditing Standards and the traditional performance audit for assessing competitively sourced human resources functions, to include, but not be limited to, a critical review of agencies' documents, contract accountability programs, the efficacy of contractor deliverables and performance milestones as well as adherence to Merit System Principles, Federal law and regulations, and public policy requirements. The audit coverage guide will be modified to include elements of the competitive sourcing audit to ensure consistent Governmentwide standards (including agency "most efficient organizations"). Based upon audit results, this program will advise agencies on the standards needed to be achieved as well as provide concrete suggestions for improvement based upon the best practices from other agencies it has audited.
- Conduct a rigorous competency assessment of its own staff, align critical staff skills, and fill competency gaps to maximize program outcomes.

Strategies:

- Promote Public Trust in the Federal Workforce. HCLMSA will do this by ensuring adherence to Merit System Principles through compliance activities and supporting human resources activities that contribute to national security and safety.

Strategic Goal III: Human Resources Products and Services

Strategic Goal III

Meet the needs of Federal agencies, employees, and annuitants through the delivery of efficient and effective products and services.

Organization: Division for Human Resources Products and Services

Human Resources Products and Services helps build high-performing organizations and offers support services that assist OPM customers in caring for Federal employees and their families. Specifically, HRPS provides high quality, cost-effective services and products that help agencies recruit and retain the best talent; develop and maintain a results-oriented leadership capacity; and support Federal employees, annuitants, and their families. HRPS is comprised of four major components.

- **The Center for Federal Investigative Services** provides investigative services to agencies on a cost-effective basis that maintains high standards of quality and integrity. These services include background investigations, suitability determinations, technical assistance to agencies' security and suitability staff, and training agencies on investigative services and adjudicative authorities and processes.
- **The Center for Talent Services** provides human resources management and consulting assistance to agencies for attracting the best talent (recruitment, staffing, and classification services) and optimizing organizational performance (competency and assessment services and tools); technology management to support agency human resources systems; and training and management assistance on a contract basis.
- **The Center for Leadership Capacity Services** provides world class educational and leadership development courses and programs and makes e-Training/Government online learning center (one-stop access to e-Training products and services) available to agencies at a value price. The Centers' in-residence courses are offered at three locations: Denver, Colorado; Shepherdstown, West Virginia; and Charlottesville, Virginia. Additionally, succession planning programs assist in identifying and preparing potential leaders not only for their current responsibilities, but for their future Federal service. The Presidential Management Fellow Program recruits exceptionally talented people who hold masters degrees and doctorates for a two-year leadership development program.
- **The Center for Retirement and Insurance Services** provides Federal employees, retirees, and their families with benefits, programs, and services that offer choice, value, and quality to help maintain the Government's position as a competitive employer. The Retirement Services Program adjudicates pending retirement and death claims, determines entitlements for the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), group life insurance (FEGLI) and employee health benefits (FEHB), and determines initial claims for disability retirement and medical claims. The Insurance Services Program negotiates benefits and contracts with more than 200 participating health plans annually in the Federal Employees Health Benefits Program, administers and monitors health, life, and long-term care insurance and flexible spending accounts.

Overall Resources (Full Cost) for Organization and Strategic Goal III (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$4.849	\$5.049	\$0.200	\$5.049	\$0.000
	37.0 FTE	37.0 FTE	0.0 FTE	37.0 FTE	0.0 FTE
Trust Fund Annual	\$62.413	\$64.046	\$1.633	\$64.046	\$0.000
	944.0 FTE	944.0 FTE	0.0 FTE	944.0 FTE	0.0 FTE
Trust Fund No Year	\$36.483	\$27.419	(\$9.064)	\$0.000	(\$27.419)
	15.0 FTE	15.0 FTE	0.0 FTE	15.0 FTE	0.0 FTE
Total Requested Resources	\$103.745	\$96.514	\$7.231	\$69.095	(\$27.419)
	996.0 FTE	996.0 FTE	0.0 FTE	996.0 FTE	0.0 FTE
Trust Fund Title V & FERCCA*	\$27.142	\$35.050	\$7.908	\$31.688	(\$3.362)
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Long Term Care Fund*	\$0.247	\$0.700	\$0.453	\$0.700	\$0.000
	0.0 FTE	2.0 FTE	2.0 FTE	2.0 FTE	0.0 FTE
Dental/Vision Fund*	\$0.000	\$0.500	\$0.500	\$0.700	\$0.200
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Revolving Fund	\$483.000	\$982.000	\$499.000	\$1,097.000	\$115.000
	718.0 FTE	1,834.0 FTE	1,116.0 FTE	2,734.0 FTE	900.0 FTE
Total Resources	\$614.134	\$1,114.764	\$500.630	\$1,199.183	\$84.419
	1,714.0 FTE	2,832.0 FTE	1,115.0 FTE	3,732.0 FTE	900.0 FTE

*Estimated amounts that do not require congressional action.

HRPS Salaries & Expenses Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$41,379	\$42,139	\$759
Personnel Benefits	10,310	10,940	181
Travel and Transportation of Persons	888	798	(90)
Transportation of Things	79	79	0
Communications, Utilities and Rent	10,648	10,639	(9)
Printing and Reproduction	185	180	(5)
Other Services	32,800	4,555	(28,245)
Supplies and Materials	169	164	(5)
Equipment	56	51	(5)
Total	\$96,514	\$69,095	(\$27,419)

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

HRPS General Fund Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$3,350	\$3,421	\$71
Personnel Benefits	837	855	18
Travel and Transportation of Persons	727	647	(80)
Transportation of Things	4	4	0
Communications, Utilities and Rent	22	22	0
Printing and Reproduction	0	0	0
Other Services	104	95	(9)
Supplies and Materials	4	4	0
Equipment	1	1	0
Total	\$5,049	\$5,049	0

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

HRPS Trust Fund Annual Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$36,721	\$38,718	\$1,997
Personnel Benefits	9,180	9,435	255
Travel and Transportation of Persons	151	151	0
Transportation of Things	75	75	0
Communications, Utilities and Rent	10,617	10,617	0
Printing and Reproduction	180	180	0
Other Services	6,912	4,660	(2,252)
Supplies and Materials	160	160	0
Equipment	50	50	0
Total	\$64,046	\$64,046	0

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

HRPS Trust Fund No Year (RSM) Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$1,309	\$0	(\$1,309)
Personnel Benefits	292	0	(292)
Travel and Transportation of Persons	10	0	(10)
Transportation of Things	0	0	0
Communications, Utilities and Rent	9	0	(9)
Printing and Reproduction	5	0	(5)
Other Services	25,784	0	(25,784)
Supplies and Materials	5	0	(5)
Equipment	5	0	(5)
Total	\$27,419	\$0	(\$27,419)

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

HRPS Revolving Fund Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$141,000	\$201,000	\$60,000
Personnel Benefits	32,000	46,000	14,000
Travel and Transportation of Persons	11,000	12,000	1,000
Transportation of Things	0	0	0
Communications, Utilities and Rent	31,000	31,000	0
Printing and Reproduction	2,000	2,000	0
Other Services	744,000	783,000	39,000
Supplies and Materials	10,000	11,000	1,000
Equipment	11,000	11,000	0
Total	\$982,000	\$1,097,000	\$115,000

Program Activity: Human Resources Products and Services and Reimbursable Program

OPM Strategic Objective 1

Provide direct human capital products and services that are cost-effective, relevant, and useful to agencies.

HRPS Annual Performance Goal 1: Support an improved hiring process by performing suitability casework and other investigative services effectively.

Program Activity: Reimbursable Program

In support of OPM's role in the protection of the Merit System Principles, ensuring veteran's preference, guarding against prohibited personnel practices and promoting workforce diversity, the Center for Federal Investigative Services (CFIS) provides critical assistance toward ensuring the fitness and suitability of applicants for, and appointees to, positions in the Federal service. CFIS also conducts background investigations for Federal agencies so they can make national security clearance decisions. This is a critical component for both national security of the public sector and the Strategic Management of Human Capital. CFIS achieves these ends primarily through the use of the Revolving Fund mechanism, and a small amount of Salaries & Expenses (S&E) funds.

In early 2005, OPM accepted a transfer of personnel security investigation functions and personnel from the Department of Defense, Defense Security Service. The transfer to OPM's Center for Investigative Services brings together units that conduct the vast majority of background investigations for the entire Federal government. The transfer is intended to help reduce the current Governmentwide backlog of background investigations and decrease the time required for these investigations.

The full cost shown above includes the estimated cost associated with the Department of Defense's transfer of the Personnel Security Investigations (PSI) program from DSS to OPM. This will move 1,800 personnel and 1,062 FTE ceiling to OPM during the second quarter of FY 2005 to carry out personnel investigations. The total ceiling transfer for FY 2006 will be 1,800 FTE.

Overall Resources (Full Cost) for HRPS Annual Performance Goal 1 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$2.455	\$2.594	\$0.139	\$2.594	\$0.000
	26.0 FTE	26.0 FTE	0.0 FTE	26.0 FTE	0.0 FTE
Revolving Fund	\$290.000	\$786.000	\$496.000	\$864.000	\$78.000
	136.0 FTE	1,171.0 FTE	1,035.0 FTE	2,061.0 FTE	890.0 FTE
Total Resources	\$292.455	\$788.594	\$496.139	\$866.594	\$78.000
	162.0 FTE	1,197.0 FTE	1,035.0 FTE	2,087.0 FTE	890.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide background investigations (BI)	Background investigations	Only suitable applicants hired	Efficiency:				
			% BIs closed within contract delivery date	40*	17	50	60
			% of pending BI cases exceeding 1 year in process	n/a	15	12	6
			% of cases returned for correction	<1	0.06	<1	<1
			Full cost recovery for CFIS products & services	Yes	Yes	Yes**	Yes**
			Effectiveness:				
			% customers satisfied with CFIS products & services	95	*	95	95
			<i>Full cost (RF):</i>	n/a	\$284.7M	\$780.5M	\$859.3M
					130.5 FTE	1,167.0 FTE	2,057.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Oversee and execute OPM's e-Clearance e-Gov project	Agencies are trained and able to deploy e-Qip and image their investigative files		# of SF-86 forms submitted through e-Qip and received by PIPS	5,000	2,049	41,550	200,000
			% of Federal agencies that have deployed e-Qip	10	38	45	75
			% of files submitted through e-Qip that were rejected	5	0.01	1% or less	1% or less
			<i>Full cost (RF):</i>	n/a	\$5.300M 5.5 FTE	\$5.500M 4.0 FTE	\$5.700M 4.0 FTE
Provide suitability determinations	Suitability determinations	Only suitable applicants hired	% applicant suitability determinations completed w/in contract time frames	99	92	95	95
			% suitability determinations sustained when appealed to MSPB	>99	99.9	>99	>99
			<i>Full cost (S&E):</i>	n/a	\$2.455M 26.0 FTE	\$2.594M 26.0 FTE	\$2.594M 26.0 FTE

*Data available winter 2005.

**With additional surcharges for DOD casework when OPM accepts the transfer of DSS's PSI program.

Means and Strategies for Achieving This Annual Performance Goal

Means:

- CFIS will continue to work to better meet the needs of its customers. When necessary, OPM will send teams and contractor staff to assist with special agency hiring needs as it did with the Federal Aviation Administration and the Transportation Security Administration. CFIS will administer the recently awarded background investigative contracts to increase total case production to help reduce case backlogs, improve case timeliness for customers, and handle the workload from other agency customers, which remains high following the events of September 11th. OPM expects to receive 95,000 background investigation cases during FY 2005 and over 1 million automated, background investigations including national agency checks and special agreement checks which involve checks of electronic databases such as law enforcement records.
- CFIS will continue to close more cases than received so as to reduce the case backlog. CFIS reduced the number of pending background investigations in process more than one year from 85,199 to 49,348, a 42 percent reduction in FY 2004. However, overall case timeliness fell during FY 2004 due to a disproportionate number of older cases being closed through

the Personnel Investigations Processing System (PIPS). CFIS expects to make significant progress in reducing the level of cases in process over one year in FY 2005 and FY 2006.

- CFIS will use additional alternate contractors to conduct background investigations for OPM to be able to continue offering competitive case pricing to its customers and enhance the quality of investigative products. According to customer surveys, agencies are satisfied with OPM's investigative services and continue to make suitability and clearance decisions based on OPM investigative case products. Reimbursable services are delivered on a full cost-recovery basis.
- CFIS will continue suitability product delivery, helping to ensure the fitness and suitability of Federal employees. This includes overseeing contractors for suitability products, issuing and archiving investigations-related guidance and operational and user handbooks, taking adjudicative action in the most egregious cases, and determining whether to refer investigations to the Federal Bureau of Investigation. The most egregious cases where suitability issues exist involve applicants for and appointees to competitive service positions who have been involved in conduct serious enough to warrant removal or an extended debarment from all Federal employment.

Strategies:

- CFIS will continue to work closely with its prime contractor, and contract with additional investigative companies hired this year, to reduce the number of investigation cases past contract delivery date and to increase productivity in FY 2005 and FY 2006.
- To prepare for the transfer of the DSS personnel security program, OPM will continue to train DSS staff in the use of PIPS to schedule, track and close investigations. Once this transfer is enacted, OPM's workload level and expenses will increase dramatically as OPM's support organizations increase capacity to meet the technology and support requirements of 1,800 new employees.
- CFIS will continue to expand its support of the President's Management Agenda and address top management challenges by expanding electronic Government through e-Clearance initiatives and providing training to agencies on the use of electronic and other investigative products and services. CFIS will also implement full electronic exchange of information for imaging and converting existing microfilmed files to electronic format. When all components are applied and utilized, the e-Clearance concept will allow for a significant reduction in the number of personnel security investigations requested by allowing requesting agencies to conduct a quick and thorough search of investigative indices.
- CFIS will provide for uniform application of suitability guidelines which facilitates agency security and suitability programs to focus their scarce resources on day-to-day security and suitability issues. CFIS will take adjudicative action in the most egregious cases where suitability issues exist. CFIS will provide technical assistance to agency personnel security and suitability staff on these issues and will continue customer service liaison with agencies to share information with security offices regarding suitability adjudication to ensure suitability of all Federal employees.

- Finally, CFIS will closely track its performance indicators to improve the timeliness of investigative case processing and to determine if agencies' needs for service and guidance are being met.
- The transfer of DSS's PSI program to OPM will drastically change the CFIS workload as well as its ability to cover expenses, thus requiring a surcharge to DOD for all case products provided to them.
- Any change in the Administration's homeland security programs can have a significant effect on the level of casework requested by customer agencies. CFIS does not anticipate any significant drop in workloads given the post September 11th Governmentwide need for increased security and background investigations.
- The target is to maintain a retained earnings level of a least 10 percent of annual operating expenses, to cover costs in the event of a dramatic downturn in workload. If OPM had a large number of investigative employees, the agency would be faced with continuing to pay salaries and benefits even when revenue dropped off. Prices to OPM customers will increase, as necessary, to cover any additional increased operating expenses such as higher investigative contract costs. The case prices for DOD will include an additional "cost-recovery surcharge" of 25 percent. This pricing to DOD includes recovery of additional operating expenses, including OPM overhead charges such as common services and information technology support expenses.

HRPS Annual Performance Goal 2: Help meet agencies' needs to recruit, retain, and manage the best talent through expert, high-value, human resources consulting and support services.

Program Activity: Reimbursable Program

Overall Resources (Full Cost) for HRPS Annual Performance Goal 2 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$2.275	\$2.346	\$0.071	\$2.346	\$0.000
	10.0 FTE	10.0 FTE	0.0 FTE	10.0 FTE	0.0 FTE
Revolving Fund	\$148.000	\$152.000	\$4.000	\$125.000	(\$27.000)
	499.0 FTE	572.0 FTE	0.0 FTE	569.0 FTE	(3.0) FTE
Total Resources	\$150.275	\$154.346	\$4.071	\$127.346	(\$27.000)
	509.0 FTE	582.0 FTE	0.0 FTE	579.0 FTE	(3.0) FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide recruitment, staffing, individual and organizational assessment, as well as training and management assistance	Job announcements, recruitment brochures, certificates of eligibles, tests administered and scored, competency-based assessment tools, job analyses, survey instruments, human capital succession plans, training and management assistance contracts & products	Effective and efficient staffing, training, assessment, and other HR services that contribute to successful, high-performance organizations Satisfied customers Full cost recovery for all reimbursable services	Financial: Full cost recovery maintained over a 3-year period for reimbursable services	Yes	Yes	Yes	Yes
			Effectiveness: Agency acceptance rate of TMA project deliverables	>95%	>95%	>95%	>95%
			% of customers satisfied with Talent's products and services	96	96	≥90	≥90
			% of customers agreeing Talent's reimbursable services contribute to improving organizational effectiveness	82	83	≥80	≥80
			% of customers who express repurchase intention	95	95	≥90	≥90
			Increase # of eligible (registered) users of GoLearn site	180,383	261,154	193,000	See HRPS Goal 3
			Increase annual # of GoLearn courses completed	136,745 more	178,207 more	200,000 more	See HRPS Goal 3
			<i>Full cost (RF):</i>	n/a	\$144.3M 488.0 FTE	\$148.1M 561.0 FTE	\$117.7M 558.0 FTE
			<i>Full cost (S&E):</i>	n/a	\$2.3M 10.0 FTE	\$2.3M 10.0 FTE	\$2.3M 10.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Oversee and execute OPM's USAJOBS Federal Employment Information Program	Maintenance of USAJOBS portal	Increase the effectiveness and efficiency of Federal hiring by simplifying the process of locating and applying for Federal jobs	Efficiency:				
	Implementation of needed software improvements/enhancements to portal		% of Federal job applicants applying online using USAJOBS	No data	8	84	88
			% availability of and applying for tracking data	0	8	84	88
	Ongoing Help Desk and support services		Average # of visitors to site daily*	188,226	217,937	272,100	293,310
			# of applications/resumes on file annually*	127,898	885,655	812,000	933,800
			Effectiveness:				
	Customers satisfied with USAJOBS**		71	76	73	74	
% of customers satisfied with application process	50	56	55	58			
			<i>Full cost (RF):</i>	n/a	\$3.700M	\$3.900M	\$7.300M
					11.0 FTE	11.0 FTE	11.0 FTE

*Data are for August and September only due to migration to new platform.

**ACSI score out of 100.

Means and Strategies for Achieving This Annual Performance Goal

The Center for Talent Services (CTS) provides reimbursable assistance to Government agencies in creating human resources management solutions that meet their specific short-term and long- range objectives. CTS provides a broad range of reimbursable services including; individual and organizational assessment, test administration, HR consulting, automated staffing and training development. This is accomplished through a network of expert OPM HR consultants, assessment and recruitment tools and systems, and an expedited contracting process (Training and Management Assistance Services) which is managed by an experienced team of HR and contracting professionals.

CTS's assistance crosses all departments and most agencies, however, much of the Training and Management Assistance testing and assessment work has been provided specifically to the components of the Department of Homeland Security, Departments of the Air Force and the Navy, other components of the Department of Defense and the Federal Aviation Administration. These programs and services support HR and training needs to strengthen antiterrorism, emergency preparedness, and intelligence activities as well as staffing and testing for Defense and Homeland Security.

Means:

- Deliver cost-effective HR consulting services to help agencies meet their human capital management challenges.
- Deliver high-quality innovative individual, organizational, and outcome assessment and evaluation services to help agencies become high-performing organizations as well as maximize their return on investment in human capital.
- Provide strategic human capital and training solutions to Government agencies through an expedited contracting process that includes project management, contract administration, and human resources consulting support to client agencies.
- Manage the design, development, sales, marketing, delivery, and support of automated human resources systems that provide direct services to agency customers.
- Manage the USAJOBS Federal Employment Information Program and System to provide public notice of Federal job opportunities and transform online recruitment for job seekers and agencies.
- Provide management oversight and support (through appropriated funding) to the Department of Justice to enforce the Voting Rights Act of 1965 by ensuring that the rights of American citizens are protected during voting activities.

Strategies:

- Promote innovative services and cost-effective solutions that support the Administration's human capital initiatives, such as fixing the hiring system, supporting implementation of performance-based pay, improving metrics for human resources accountability, and enhancing knowledge management and learning.
- Enhance the USAJOBS program and system to continue to improve agency and jobseeker access to efficient and effective online recruitment technology and services.
- Increase utilization of USAJOBS by jobseekers through strategic advertising and partnering with key candidate sources including college and university communities; and optimize technology for top placement in Internet search engine results.
- Continue to build and maintain a bilingual, bicultural cadre of observers for instances where allegations of discrimination based on race, ethnicity, or minority language exist.
- Focus on reshaping the workforce to staff up in the areas of human capital management, consulting, project management, and contract management so that OPM is best equipped to respond to the evolving needs of customer agencies.
- Continue to monitor the business environment to identify new business opportunities, phase out products and services that have completed their life cycle, assess distribution channels, and better understand the customer base through a systematic market analysis.

HRPS Annual Performance Goal 3: Demonstrate improvement in individual leaders' knowledge and expected/actual performance or that of their organization as a result of the training and developmental services.

Program Activity: Reimbursable Program

Overall Resources (Full Cost) for HRPS Annual Performance Goal 3 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Revolving Fund	\$45.000	\$44.000	(\$1.000)	\$108.000	\$64.000
	83.0 FTE	91.0 FTE	8.0 FTE	104.0 FTE	13.0 FTE
Total Resources	\$45.000	\$44.000	(\$1.000)	\$108.000	\$64.000
	83.0 FTE	91.0 FTE	8.0 FTE	104.0 FTE	13.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide leadership and executive development, and succession planning programs and services	Federal Executive Institute and Management Development Center sessions Custom Development Programs and PMF programs Interagency Residential Programs Succession planning & SES development strategy, PMA implementation, ROI studies	Leadership capacity of Federal managers and executives is improved and sustained	Effectiveness:				
			Evaluation ratings for MDC, FEI, PMF programs:				
			Level 1 All Programs	4.5	4.6	4.5	4.5
			Level 1 PMF*	4.2	4.0	4.3	4.3
			Level 2 MDC/FEI CEL	4.3	4.6	4.3	4.3
			Level 2 FEI LDS	4.2	4.3	4.2	4.2
			Level 2 PMF*	**	**	4.1	4.1
			# of training sessions	328†	396†	365	387
			# of participants	9,950†	12,071†	11,504	12,158
			# of participant training days	83,186†	92,599†	93,929	98,143
			Efficiency:				
			Full cost recovery for MDCs and FEI	Yes	Yes	Yes	Yes
			<i>Full cost (RF):</i>	n/a	\$45.0M	\$44.0M	\$47.0M
					83.0 FTE	91.0 FTE	99.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Oversee and execute OPM's e-Training e-Gov project	Continue to migrate agencies to the GoLearn site	Support career development for the Federal workforce by increasing return on training investments	Effectiveness: Increase # of participating entities	58	70	75	85
			Efficiency: Increase # of eligible (registered) users of GoLearn site	See HRPS Goal 2	See HRPS Goal 2	See HRPS Goal 2	600,000
			Increase annual # of GoLearn courses completed	See HRPS Goal 2	See HRPS Goal 2	See HRPS Goal 2	600,000 more
			<i>Full cost (RF):</i>	n/a	\$0.000M 0.0 FTE	\$0.000M 0.0 FTE	\$61.000M 5.0 FTE

*Formerly PMI.

**New indicator developed in FY 2004. Data available FY 2005.

†FY 2004 target modified from FY 2004 CBJ based on FY 2003 performance.

Means and Strategies for Achieving This Annual Performance Goal

Means:

Field a variety of new Governmentwide individual/organizational learning offerings to assist agencies with their succession planning needs. Examples of these include:

- Offer more developmental opportunities “on the road” to expand the reach of CLCS programs.
- Update the core executive development curriculum.
- Expand evaluations of program effectiveness using the Kirkpatrick evaluation model.
- Complete implementation of a business line support organization to support program operations more effectively.
- Explore further uses of blended adult education models that incorporate emerging best practices in the area of leadership, management development and individual/organizational learning including a Golearn.gov systems implementation approach detailing how to integrate web-based technology and services focusing on organizational learning strategies for rapid and blended e-Learning.

Strategies:

- Complete implementation of a business line-focused organizational structure to better integrate CLCS learning centers and Golearn.gov to ensure they are flexible, resilient, and responsive to the Administration’s goals, contemporary management issues, and agency needs.
- Assist agencies to identify the current training they are doing and, based on needs assessments and best practices, determine training that should be self-paced, blended, web-based or delivered in residential or custom environments to establish the optimum mix of delivery methods.

OPM Strategic Objective 2

Facilitate retirement income security for Federal employees by making the transition from active employment to retirement seamless and expeditious.

HRPS Annual Performance Goal 4: Limit increases in claims processing times, maintain service delivery options, and improve technology through Retirement Systems Modernization.

Program Activity: Human Resources Products and Services

The Retirement Program is comprised of the Civil Service Retirement System and the Federal Employees Retirement System. The administration of these programs is a core OPM function and one of the agency’s largest and most important service delivery areas. The CSRS was designed to be a stand-alone retirement program and is based on a defined benefit structure. The FERS, also a defined benefit, is part of a three-tiered retirement program that includes Social Security benefits and a Thrift Savings Plan. Through the CSRS and FERS, OPM delivers benefit payments of more than \$52 billion each year to more than 2.4 million retired Federal workers, their survivors, and other beneficiaries. The service delivery functions of the Retirement Program are carried out by OPM’s Center for Retirement and Insurance Services, Retirement Services Program (RSP). RSP is responsible for determining retirement benefits and providing retirement benefits services to Federal retirees and their families, as established under and required by title 5 U.S.C. This involves the timely processing of new claims for regular and disability retirement, survivor and former spousal annuity benefits, and the deposit and refund of retirement contributions to and from the trust fund. RSP also provides a broad range of ongoing account maintenance services.

OPM is working to establish the contracts to implement the major activities of the Retirement Systems Modernization (RSM) project, a strategic initiative to replace OPM’s legacy systems with modern technology, to move from paper to electronic recordkeeping and to reengineer business processes. RSM will deliver retirement services in a timelier and more cost-efficient way and improve the delivery of benefits, agency life-cycle retirement counseling, and plan member access to account information and financial tools.

The following table illustrates the account maintenance services HRPS routinely provides, which include responses to customer inquiries, address changes, tax and allotment withholdings, benefit enrollment changes, etc. Delivering these services at levels customers expect is critical to the HRPS mission.

Altogether, RSP receives and processes more than 4 million claims and customer service transactions each fiscal year.

Retirement Services Program Workloads (Receipts)

FY 2002 Workload	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Projected	FY 2002 Projected
CSRS Retirement Claims	58,860	64,940	71,896	79,500	87,800
CSRS Survivor Claims	71,576	73,105	74,098	75,400	76,700
FERS Retirement Claims	21,833	25,345	29,352	34,000	39,500
FERS Survivor Claims	6,363	6,270	6,824	7,100	7,300
Disability Claims	11,677	12,555	21,865	30,800	43,400
Refund Claims	16,571	16,301	16,767	16,900	17,000
Deposit Claims	13,125	12,931	12,217	11,800	11,400
Reconsideration & Appeal Requests	5,545	5,043	4,835	4,500	4,200
Telecommunication Services	1,637,031	1,702,628	1,897,471	1,900,000	2,000,000
Correspondence	407,347	422,055	405,209	404,400	403,700
Insurance & Allotment Services	103,264	177,431	147,340	187,800	239,300
Tax & Court-Ordered Benefits	34,160	30,038	33,212	33,000	32,700
Retirement Inspection & Survey Services	39,425	64,192	43,309	49,900	57,400
Change of Address Requests	347,951	344,204	383,749	403,700	424,700
Post-Adjudication Work	232,644	229,497	184,011	164,500	147,100
Retirement File Services	1,117,051	1,142,145	1,063,271	1,038,500	1,014,300
Total Workload	4,124,423	4,328,680	4,395,426	4,441,800	4,606,500

Overall Resources (Full Cost) for HRPS Annual Performance Goal 4 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Trust Fund Annual	\$52.668	\$54.248	\$1,580	\$54.248	\$0.000
	857.0 FTE	857.0 FTE	0.0 FTE	857.0 FTE	0.0 FTE
Trust Fund No Year	\$36.483	\$27.419	(\$9.064)	\$0.000	(\$27.419)
	15.0 FTE	15.0 FTE	0.0 FTE	15.0 FTE	0.0 FTE
Trust Fund Title V & FERCCA*	\$27.142	\$35.050	\$7.908	\$31.688	(\$3.362)
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Total Resources	\$116.293	\$116.717	\$0.424	\$85.936	(\$30.781)
	872.0 FTE	872.0 FTE	0.0 FTE	872.0 FTE	0.0 FTE

*Estimated amounts that do not require congressional action.

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results	
Process claims and authorize benefit payments: Process other claims	Benefit Payments	Benefits payments are timely, accurate, and delivered efficiently	Efficiency:					
			Claims processing timeliness (days): Interim annuity	4.4	5.4	5.0**	6.0*	
		Annuitants are satisfied	Claims processing timeliness (days): CSRS annuity	59	73	65**	80*	
			Claims processing timeliness (days): FERS annuity	83	97	85**	98*	
		Claims processing timeliness (days): CSRS survivor	30	28	29**	35*		
		Claims processing unit cost	\$99.54	\$91.91	\$89.00	\$82.00		
		Effectiveness:						
		Claims processing accuracy (%): CSRS annuity	93	89	96	90		
		Claims processing accuracy (%): FERS annuity	98	97	94	90		
		Claims processing accuracy (%): CSRS survivor	97	96	96	96		
Improper payment rate	0.50%†	0.38%†	0.36%**	0.35%				

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
			% of annuitants who received first payment before or when expected	72	80	78	75
			<i>Full cost (TF):††</i>	n/a	\$41.452M 428.0 FTE	\$49.103M 428.0 FTE	\$43.741M 428.0 FTE
Respond to customer inquiries	Responses and customer services	Responses delivered efficiently	Efficiency: # of customer calls handled Call handling rate Priority correspondence unit cost	1,476,853 96% n/a	1,648,834 97% n/a	1,800,000** 95% \$432	1,550,000 78% \$432
			<i>Full cost (TF):††</i>	n/a	\$10.474M 186.0 FTE	\$10.789M 186.0 FTE	\$10.789M 186.0 FTE
Provide pre- and post-retirement services and maintain benefit payment rolls	Customer service	Services delivered efficiently Annuitant rolls are accurate and current Annuitants are satisfied	Efficiency: Total customer service unit cost % self-services Effectiveness: % of annuitants satisfied with overall retirement services	\$6.07 33 93	\$6.63 53 94	\$6.43** 55 93	\$6.43 55 90
			<i>Full cost (TF):††</i>	n/a	\$27.884M 243.0 FTE	\$29.406M 243.0 FTE	\$31.406M 243.0 FTE

*OPM foresees significant increases in retirement applications in the near future. From FY 2002 to FY 2003, the total number of CSRS and FERS claims rose to 169,660, an increase of 7 percent. In FY 2004, the number of applications increased by 12,510 or 7.4 percent. OPM anticipates that the increase between FY 2004 and FY 2006 for CSRS and FERS claims will be over 18,000 (12.7 percent) and nearly 11,000 (29.4 percent) respectively. FY 2006 claims processing timeliness targets reflect these expected increases.

**FY 2005 target modified from FY 2005 CBJ based on FY 2004 performance.

†Improper payment rates recalculated to comply with the Improper Payments Information Act.

††Includes Title V Section 8348 authority and FERCCA.

Means and Strategies for Achieving This Annual Performance Goal

The key to achieving the retirement programs goals for FY 2006 is to concentrate resources on core claims adjudication and customer service functions, and to move forward with Retirement Systems Modernization, utilizing unexpended No Year funds.

Means:

- Process the expected volume of retirement and survivor benefit claims, disability claims, refund and deposit claims, and reconsideration and appeal claims.
- Maintain the Federal Annuity Claims Expert System (FACES) which combines the Retirement Benefits Calculator and Retirement Benefits Estimator to support processing retirement claims.
- Maintain telephone service to achieve good response times for customers.
- Maximize self-servicing options for our customers through interactive voice response and web-enabled technologies.

Strategies:

- Use budgetary resources to maintain FACES in FY 2006 and strive to maintain productivity, processing times, accuracy, and customer satisfaction with claims processing services.
- Use budgetary resources to fill skill and capacity gaps in the Retirement Program call centers.
- Redirect resources during peak periods or seasonal workloads to focus on activities that are the highest priority.
- Leverage technology gains from the RSM project to position the organization for gradual long-term improvements in productivity, processing times, accuracy, and customer satisfaction with claims processing services.
- Support OPM's program evaluation project to develop measures regarding the relationship between the delivery of Retirement Program services and the recruitment and retention of a quality Federal workforce.

Influence of the Retirement Program PART on This Annual Performance Goal

During the FY 2006 budget development and accompanying PART process, OPM examined the purpose of the retirement program. Specifically, program managers researched the legislative history of the program and statutory program changes over time and identified one of the most important aspects of the retirement program—to provide Federal employees options and tools for retirement planning for their and their families' financial future. OPM now is implementing recommendations from OMB to demonstrate that the retirement program is achieving results, including setting annual and long-term targets for its retirement processing indicators, such as the timeliness and accuracy of retirement claims processing and the unit cost of claims processing and customer service, and conducting independent program evaluations to assess whether the program is effective and efficient.

The FY 2006 PART process coincided with the implementation of the Improper Payment Information Act. Consequently, OPM replaced the retirement "erroneous payment rate" indicator with the "improper payment rate" indicator. The new indicator allows the agency to measure both under- and overpayments for the retirement program.

OPM Strategic Objective 3

Federal employees, annuitants, and their families can choose from among quality and fiscally responsible carriers to address their specific insurance needs.

HRPS Annual Performance Goal 5: Provide Federal employees, annuitants, their families, and other covered members with high-quality health plan options and services, while meeting or exceeding industry standards for timely and accurate medical claims processing and sound carrier administration.

Program Activity: Human Resources Products and Services

The Center for Retirement and Insurance Services continues to negotiate and administer contracts for 249 health plan choices in the Federal Employees Health Benefits Program, at premium rates that rose last year at the smallest average rate of increase among major U.S. employers. Insurance Program customers will be able to choose from a flexible range of benefits, including newly offered high-deductible health plans with health savings accounts or health reimbursement arrangements, and are covered by high-quality and fiscally responsible carriers. The Insurance Services Program (ISP) also conducts an annual open season as required by law, monitors use and benefit trends within the industry, implements program changes directed by the Administration and Congress, and proposes changes to reflect the current structure of the market and the expressed needs of customers.

Overall Resources (Full Cost) for HRPS Annual Performance Goal 5 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Trust Fund Annual	\$9.321	\$9.374	\$0.053	\$9.374	\$0.000
	82.0 FTE	82.0 FTE	0.0 FTE	82.0 FTE	0.0 FTE
Dental/Vision Fund*	\$0.000	\$0.500	\$0.500	\$0.700	\$0.200
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Total Resources	\$9.321	\$9.874	\$0.553	\$10.074	\$0.200
	82.0 FTE	82.0 FTE	0.0 FTE	82.0 FTE	0.0 FTE

*Estimated amounts that do not require congressional action.

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Administer health benefit insurance contracts; Develop Health Benefits Program Open Season materials and guidance; Provide annual Health Benefits Program Open Season	Information, including FEHB Web site, HB Open Season materials, and guidance Executed contracts	Provide Federal employees, retirees, and their families with health benefits coverage meeting their individual health insurance needs Provide high-quality and efficient health care services Provide tools to make sound judgments on plan choice Customer satisfaction	Efficiency:				
			Claims processing timeliness (% within 30 working days)	n/a	95%	>_95%	>_95%
			Claims processing accuracy	n/a	95%	>_95%	>_95%
			Improper Payment Rate	0.15%*	0.32%*	0.31%	0.30%
			Effectiveness:				
			Overall customer satisfaction scores for enrollees in FEHB plans meet or exceed industry standard	FEHB: 65%; ind: 61%	FEHB: 70%; ind: 62%	FEHB>_industry	FEHB>_industry
			% of accredited FEHB plans	69	74	>74	>2005 level
Cholesterol management after acute cardiovascular events	n/a	76%	>77%	>77%			
Enrollee satisfaction with OPM FEHB Open Season Web site (content and usability)	n/a	n/a	TBD	TBD			
			<i>Full cost (TF):</i>	n/a	\$9.321M	\$9.874M	\$10.074M
					82.0 FTE	82.0 FTE	82.0 FTE

*Improper payment rates recalculated to comply with the Improper Payments Information Act.

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Negotiate and administer the FEHB contracts and develop publications and other materials for the annual health benefits open season.
- Resolve issues identified by the Office of the Inspector General during its audits of the plans participating in the FEHB.
- Maintain strategic alliances within the health care industry.
- Review and resolve disputed claims from program customers.

Strategies:

- Collect and analyze performance measurement data to ensure continuous quality improvement and develop improved data sources to support tracking and reporting program performance indicators.
- Mitigate premium increases and maintain quality in the health benefit program by ensuring that FEHB members have the information they need when they need it, that they understand it, and that they make choices based upon it.
- Introduce dental and vision benefits programs in 2006 for employees and annuitants who would pay the full premium.
- Monitor carrier performance to ensure that products and services provided to customers are both first-rate and cost-effective.
- Support OPM's program evaluation project to develop measures regarding the relationship between the delivery of insurance program services and the recruitment and retention of a quality Federal workforce.
- Collaborate with established independent organizations that develop measures of health care quality and patient safety and work closely with the health plans to support implementation of standards and measures of health care quality agreed upon by consensus organizations such as the National Quality Forum, and provide information on quality factors as part of a consumer education program.

Influence of the Health Benefits Program PART on This Annual Performance Goal

In improving the PART rating for the FEHB program from Results Not Demonstrated to Adequate during the FY 2006 budget formulation process, OPM's program managers updated the FEHB program outcome (see logic model above) and developed new performance indicators to assess the impact of the health benefits program on achieving the program outcome of providing Federal employees, retirees and their families with health benefits coverage meeting their individual health needs. The first new indicator, Cholesterol Management after Acute Cardiovascular Events, is collected through an independent accreditation organization, the National Committee for Quality Assurance, and allows OPM to assess the health outcomes achieved by the health maintenance organizations (HMOs) that OPM contracts with to provide health care. Since this indicator covers only HMOs (which cover less than 30 percent of the FEHBP population), OPM will work with OMB to develop, in FY 2005, an appropriate and feasible health outcome related measure covering all FEHB health plans. The second new measure, Enrollee Satisfaction with OPM Web Site (content and usability), will allow OPM to assess the effectiveness of the information provided directly to enrollees and Agency Benefits Officers on our Web site in meeting individual health needs. In addition to articulating the FEHB program purpose and developing new indicators to assess program performance, the FEHB PART process caused program managers to focus on their accountability for cost, schedule and performance in the FEHB program in order to ensure that the program and its partners achieve results.

The FY 2006 PART process coincided with the implementation of the Improper Payment Information Act. Consequently, OPM replaced its health benefits "erroneous payment rate" indicator with the "improper payment rate" indicator. The intent of this new indicator is to measure both under- and overpayments for the health benefits program. At this time, OPM has the overpayment data (from OPM's Office of the

Inspector General) but does not have a data source for underpayments. OPM will conduct additional research in FY 2005 on underpayments to make this indicator more representative of the total rate of improper payments.

HRPS Annual Performance Goal 6: Provide Federal employees, annuitants, their families, and other covered members with quality life and long-term care insurance products and services, and reduce out-of-pocket expenses via participation in flexible spending accounts.

Program Activity: Human Resources Products and Services

The Center for Retirement and Insurance Services continues to negotiate and administer contracts for two life insurance contracts, predominantly the Federal Employees Group Life Insurance Program; one business partner, the Long Term Care Partners, LLC for the Federal Long-Term Care Insurance Program (FLTCIP); and one administrator, SHPS, Inc., for the Flexible Spending Account (FSAFEDS) Program. ISP will maintain the performance of the life insurance program and promote enrollment in the FLTCIP and FSAFEDS.

Overall Resources (Full Cost) for HRPS Annual Performance Goal 6 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$0.119	\$0.109	(\$0.010)	\$0.109	\$0.000
	1.0 FTE	1.0 FTE	0.0 FTE	1.0 FTE	0.0 FTE
Trust Fund Annual	\$0.424	\$0.424	\$0.000	\$0.424	\$0.000
	5.0 FTE	5.0 FTE	0.0 FTE	5.0 FTE	0.0 FTE
Total Requested Resources	\$0.543	\$0.533	(\$0.010)	\$0.533	\$0.000
	6.0 FTE	6.0 FTE	0.0 FTE	6.0 FTE	0.0 FTE
Long Term Care Fund*	\$0.247	\$0.700	\$0.453	\$0.700	\$0.000
	0.0 FTE	2.0 FTE	2.0 FTE	2.0 FTE	0.0 FTE
Total Resources	\$0.790	\$1.233	(\$0.443)	\$1.233	\$0.000
	6.0 FTE	6.0 FTE	0.0 FTE	6.0 FTE	0.0 FTE

*Estimated amounts that do not require congressional action.

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Administer FEGLI Program	Information, including FEGLI Web site Guidance materials to agencies	Federal employees have the opportunity to purchase group term life insurance that provides financial protection to beneficiaries in the event of enrollee death or dismemberment	Efficiency:				
			FEGLI paid claims timeliness (days)	5.2	6.4	<Industry standard	<Industry standard
			FEGLI paid claims accuracy (%)	99.6%	99.8%	99.5%	99.5%
			Improper Payment Rate	0.23%*	0.22%*	0.21%	0.21%
			<i>Full cost (TF):</i>	n/a	\$0.424M 2.5 FTE	\$0.424M 2.5 FTE	\$0.424M 2.5 FTE
Administer FLTCIP	Information, including FLTCIP Web sites Guidance materials to agencies	Enrollees and their families have the opportunity to protect their lifetime savings and independence against the high costs of long term care Customer satisfaction	Efficiency:				
			% of FLTCIP service calls answered within 20 seconds	86	88	85	87
			FLTCIP Service Call Center handling rate	99.5%	98.8%	97%	97%
			Effectiveness:				
			New approved FLTCIP applications	200,229	11,023	8,700	8,700
			% of FLTCIP customers overall satisfied with customer service	90	95	94	94
			<i>Full cost (TF):</i>	n/a	\$0.247M 2.5 FTE	\$0.700M 2.5 FTE	\$0.700M 2.5 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Administer Flexible Spending Accounts (FSAFEDS) Program	Information, including FSAFEDS Web site Guidance materials to agencies	FSAFEDS enrollees reduce their out-of-pocket financial expenses for medical care Claimants paid in a timely and accurate manner	Efficiency:				
			Participation in FSAFEDS	122,065	125,300	160,000	200,000
			% of "clean" FSAFEDS claims reimbursed within 5 business days (2005); within 4 business days (2006)	n/a	n/a	90	90
			<i>Full cost (S&E):</i>	n/a	\$0.119M	\$0.109M	\$0.109M
					1.0 FTE	1.0 FTE	1.0 FTE

*Improper payment rates recalculated to comply with the Improper Payments Information Act.

**Indicator modified to measure actual number of approved applications.

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Administer the FEGLI contract.
- Administer the FLTCIP.
- Administer the FSAFEDS Program.

Strategies:

- Promote enrollment in the FLTCIP.
- Promote enrollment in the FSAFEDS.

Influence of the Life Insurance Program PART on This Annual Performance Goal

During the FY 2006 budget development and accompanying PART process, OPM updated its FEGLI program outcome and improved its PART rating from Results Not Demonstrated to Adequate. The PART process raised program manager's awareness of their accountability for cost, schedule and performance in the FEGLI program to ensure that the program achieves results in providing Federal employees the opportunity to purchase group term life insurance that provides financial protection to beneficiaries in the event of enrollee death or dismemberment.

The FY 2006 PART process coincided with the implementation of the Improper Payment Information Act. Consequently, OPM replaced its life insurance "erroneous payment rate" indicator with the "improper payment rate" indicator. The goal for this new indicator is to measure both under- and overpayments for the entire life insurance program. At this time, the improper payment indicator includes both under- and overpayments for deceased annuitants but not for employees. In FY 2005, HRPS will conduct research into obtaining data on payments to deceased employees to include in this indicator.

Management Strategy

Management Strategy

OPM creates an environment that fosters the delivery of services to our customers and employees through effective communication and management of human capital, technology, financial resources, and business processes.

Organization: Office of e-Government Initiatives

HR-LOB Annual Performance Goal: Improve the Governmentwide strategic management of human capital; achieve efficiencies in the acquisition, development, implementation, and operation of human resources management systems; achieve or increase cost savings/avoidance from human resources solution activities; and improve customer service by establishing shared service centers that implement the HR-LOB common solution. Transition and incorporate the current suite of OPM-managed e-Gov projects into the HR-LOB.

Program Activity: Management Services

Overall Resources (Full Cost) for Organization and HR-LOB Annual Performance Goal (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$4.473	\$4.151	(\$0.322)	\$0.000	(\$4.151)
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Salaries & Expenses No Year and Three Year	\$4.403	\$10.638	\$6.235	\$10.345	(\$0.293)
	0.0 FTE	13.0 FTE	0.0 FTE	13.0 FTE	0.0 FTE
Total Requested Resources	\$8.876	\$14.789	\$5.913	\$10.345	(\$4.444)
	0.0 FTE	13.0 FTE	0.0 FTE	13.0 FTE	0.0 FTE
Revolving Fund*	\$0.000	\$31.000	\$31.000	\$28.000	(\$3.000)
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Total Resources	\$8.876	\$45.789	\$36.913	\$38.345	(\$7.444)
	0.0 FTE	13.0 FTE	0.0 FTE	13.0 FTE	0.0 FTE

*Estimated amounts that do not require congressional action.

HR-LOB General Fund Multi- and No Year Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$929	\$1,350	\$421
Personnel Benefits	221	236	15
Travel and Transportation of Persons	67	45	(22)
Transportation of Things	0	0	0
Communications, Utilities and Rent	0	125	125
Printing and Reproduction	12	0	(12)
Other Services	13,380	8,324	(5,056)
Supplies and Materials	150	32	(118)
Equipment	30	233	203
Total	\$14,789	\$10,345	(\$4,444)

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Implement and oversee the HR-LOB	Service Centers established	Improve the Governmentwide strategic management of human capital	Efficiency: # of Service Centers established	n/a	n/a	n/a	1
		Achieve or increase operational efficiencies in the acquisition, development, implementation, and operation of HR management systems	# of agencies completing migration to the shared Service Center	n/a	n/a	n/a	3
			# of legacy and duplicative systems retired	n/a	n/a	n/a	TBD
		Achieve or increase cost savings/avoidance from HR solution activities	Effectiveness: % of Federal employees covered by common solution	n/a	n/a	n/a	TBD
			<i>Full cost:</i> (S&E Annual and No year)	n/a	\$8.876M 13.0 FTE	\$14.789M 13.0 FTE	\$10.345M 13.0 FTE
			RF (EHRI):	\$0.000	\$0.000	\$31.000M	\$28.000M

Means and Strategies for Achieving This Annual Performance Goal

Means:

Human Resources Line of Business. The objective of the Human Resources Line of Business is to create a framework for Governmentwide, modern, cost-effective, standardized, and interoperable human resources solutions that provide common core functionality and maximize automation of processes to support the strategic management of human capital. The current suite of the e-Government initiatives managed by OPM will be transitioned and integrated into the HR-LOB. Key activities in FY 2005 and FY 2006 will be:

- the establishment of governing bodies,
- the identification of the functional and technical requirements for the common solution(s),
- further development of the Federal Enterprise Architecture for core integrated HR/payroll processes,
- the issuance of Requests for Proposals to conduct both public and private sector procurements,
- the establishment of a program to assess the functionality, interoperability, and integration of potential HRMS solution sets. This program will allow for cross-agency collaborative evaluation of COTS and GOTS products and the establishment and refinement of applicable performance measures and metrics. The results will support the implementation of a common solution and to identify where point solutions may be necessary or applicable in the shared service centers.
- the administration of a benchmarking survey to determine baseline performance measures and goals

The OPM e-Government initiatives Recruitment One-Stop, e-Clearance, and e-Training are funded via OPM's Revolving Fund. e-Gov initiatives funded under OPM's S&E appropriation in FY 2006 are:

Enterprise Human Resources Integration. EHRI provides the capability for comprehensive knowledge management and workforce analysis, forecasting, and reporting across the Executive Branch. This includes a data repository for query and analysis, knowledge management, and workforce planning capability. EHRI will also enable expanded electronic exchange of standardized human resources data within and across agencies and systems and, when complete, the attainment of associated benefits and cost savings. The project will also provide unification and consistency in human resources data across the Executive Branch. This includes the development of a Governmentwide human resources business model and standards, as well as standards for a single-source repository for managing human capital, human resources, and payroll information.

e-Payroll. The e-Payroll project is designed to standardize, consolidate, and integrate Governmentwide Federal civilian payroll services and processes by simplifying and standardizing human resources/payroll policies and procedures and better integrating payroll, human resources, and finance functions. By FY 2005, the majority of the 22 legacy Federal payroll providers will be consolidated into two "partnerships," providing a significant savings of tax dollars by reducing operating costs and avoiding duplicative systems

modernization investments. In FY 2005, e-Payroll will establish payroll policies and procedures that will be uniform and easy to understand and administer.

e-Training. FY 2006 is a transition year for the e-Training Initiative from a stand-alone program to a sub-function within the HR Line of Business. The Resource Training and Development sub-function will house the transferred governance structure of the current e-Training Initiative. This governance structure is composed of the e-Training Advisory Council, and other bodies such as the e-Training Service Provider Consortium (eTSPC), the Enterprise Architecture Working Group for e-Training, and Voice of the Customer. Through these groups, OPM will continue monitoring agency migrations and usage of eTSPC solutions and Governmentwide resources, including overseeing the transition of the Governmentwide e-Learning site to a portal connecting Federal e-Learning resources across identified solutions.

Strategies:

- **Human Resources Line of Business.** The HR-LOB vision is to implement a common solution that identifies systems, best practices, migration strategies and key interfaces to develop common business processes and system solutions in the HR Line of Business area. The HR common solution is a market driven approach where service providers competing for Government business are driven to provide the best services and most innovative solutions at the lowest cost. The HR-LOB initiative will establish Governmentwide shared Service Centers to provide technology solutions to support multiple agencies with HR management and back office activities. Multiple Service Centers may be established through competitive selections among both public and private sectors to leverage economies of scale, reduce costs, and increase the quality and consistency of service provided. The selection process will focus first on the Federal service centers, followed by private sector competition.
- **Enterprise Human Resources Integration.** In FY 2006, EHRI will continue to expand the data collection and storage activities across the Government to include data on human resources, training, and payroll. This includes the overall hosting, operation and maintenance of the data warehouse and includes IT security tasks. Because EHRI is a component of the Federal Critical Infrastructure, EHRI will work to develop and implement a critical infrastructure protection plan.

Organization: Executive Offices and Division for Management and CFO

The Executive Services offices provide leadership, direction, and oversight to all OPM offices as they carry out Governmentwide responsibilities as required by statute and/or executive order. These offices are the Office of the Director, Office of Congressional Relations, Office of the General Counsel, Office of Communications and Public Liaison, President's Commission on White House Fellowships, the Federal Prevailing Rate Advisory Committee and the Combined Federal Campaign. Executive Services is financed through the General (Salaries & Expenses) Fund.

To better serve the Director and offices within OPM, the agency's management support activities are integrated into a single organization called the Division for Management and Chief Financial Officer. MCFO is the agency's strategic decision-making and internal support system that provides analyses and recommendations concerning administrative issues of significant sensitivity and Governmentwide impact,

relationships with internal and external stakeholders, strategies for achieving OPM objectives, and systematic measurement and evaluation of program performance. MCFO works closely with OPM's other divisions to implement the President's Management Agenda for Strategic Management of Human Capital, competitive sourcing programs, e-Government projects, integration of budget and performance goals, and improved integrated financial performance in order to reflect corporate responsibility for management improvements.

MCFO's activities include providing agency-wide services for security and emergency actions, human capital management, contracting and facilities maintenance, information technology, and budget and financial management. These services are financed through a mix of appropriated general (Salaries & Expenses) and trust fund resources, and are delivered through Service Centers, each of which is led by a Deputy Associate Director reporting to the MCFO Associate Director.

Together, OPM's Executives Services and Division for Management and Chief Financial Officer implement OPM's corporate management strategy described in the agency's Strategic Plan FY 2002-07.

Overall Resources (Full Cost) for Organization and Management Strategy Annual Performance Goal (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$46.198	\$44.754	(\$1.444)	\$50.739	\$5.985
	490.0 FTE	496.0 FTE	6.0 FTE	496.0 FTE	0.0 FTE
Salaries & Expenses Two Year	\$2.485	\$0.000	(\$2.485)	\$0.000	\$0.000
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Salaries & Expenses Three Year	\$0.000	\$1.266	\$1.266	\$0.000	(\$1.266)
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Trust Fund Annual	\$30.499	\$30.435	(\$0.064)	\$30.435	\$0.000
	133.0 FTE	133.0 FTE	0.0 FTE	133.0 FTE	0.0 FTE
Total Requested Resources	\$79.182	\$76.455	(\$2.727)	\$81.174	\$4.719
	623.0 FTE	629.0 FTE	6.0 FTE	629.0 FTE	0.0 FTE
Internal Advances & Reimbursements*	\$37.149	\$33.519	(\$3.630)	\$33.519	\$0.000
	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE	0.0 FTE
Total Resources	\$116.331	\$109.974	(\$6.357)	\$114.519	\$4.545
	623.0 FTE	629.0 FTE	6.0 FTE	629.0 FTE	0.0 FTE

*Estimated amounts that do not require congressional action.

Executive Services and MCFO Salaries & Expenses Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$20,196	\$21,180	\$985
Personnel Benefits	4,712	4,879	167
Travel and Transportation of Persons	307	307	0
Transportation of Things	46	46	0
Communications, Utilities and Rent	18,749	18,749	0
Printing and Reproduction	166	166	0
Other Services	30,519	34,090	3,571
Supplies and Materials	258	255	(3)
Equipment	1,501	1,501	0
Total	\$76,455	\$81,174	\$4,719

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

Executive Services and MCFO Trust Fund Annual Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$8,090	\$8,272	\$182
Personnel Benefits	1,852	1,894	42
Travel and Transportation of Persons	9	9	0
Transportation of Things	0	0	0
Communications, Utilities and Rent	15,022	15,022	0
Printing and Reproduction	0	0	0
Other Services	5,389	5,169	(220)
Supplies and Materials	74	71	(3)
Equipment	0	0	0
Total	\$30,435	\$30,435	\$0

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

Executive Services and MCFO General Fund Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$12,106	\$12,909	\$802
Personnel Benefits	2,860	2,985	125
Travel and Transportation of Persons	298	298	0
Transportation of Things	46	46	0
Communications, Utilities and Rent	3,727	3,727	0
Printing and Reproduction	166	166	0
Other Services	25,131	28,921	3,791
Supplies and Materials	185	185	0
Equipment	1,501	1,501	0
Total	\$46,020	\$50,739	\$4,719

This display represents only resources subject to direct appropriation (i.e., Salaries & Expenses). Resources shown for each Annual Performance Goal include all funding sources and are noted accordingly.

Management Strategy Annual Performance Goal: Advance the President’s Management Agenda and build the capacity of the agency to meet its goals and carry out its mission.

OPM’s Executive Offices and the Division for Management and Chief Financial Officer support all of OPM’s programs by providing leadership and centralized services for financial management, human capital, security and emergency actions, information systems support, competitive sourcing, and contracting and facilities maintenance. During FY 2006, these offices will work with the appropriate OPM offices to maintain the green status scores OPM expects to achieve during FY 2005 on all six of the PMA initiatives, and also continue achieving green progress scores for each fiscal quarter. In addition, OPM will address any remaining issues stemming from the material weakness and other reportable conditions identified during the audit of OPM’s FY 2004 Consolidated Financial Statements, and continue to solidify the role played by the newly established Center for Internal control and Risk Management. Finally, OPM will develop a detailed research and evaluation plan that will describe the specific projects the agency will undertake to evaluate program performance, conduct forward looking research to support HR modernization, and strengthen its internal performance measurement and reporting systems.

Program Activity: Executives Services and Management Services

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide internal control and risk management services	Internal control and risk management policies, procedures, reviews, and analyses FMFIA and FFMA reviews Recommendations to improve agency operations Presentations, workshops, and guidance	Effective administrative and accounting controls Ensure effective controls and accountability practices are in place Enhance agency awareness of internal controls	Effectiveness: Implement a COTS-based audit follow-up tracking system that reports the status of corrective actions for pending audits and reviews. Baseline FY 2005 data to construct meaningful FY 2006 targets for improvement	n/a	n/a	100% tracking of pending corrective actions	TBD
			# of reviews of OPM business operations and work processes	n/a	n/a	Initiate and complete 22 reviews	Initiate and complete 42 reviews
			# of instances of internal control and risk management orientation and training to promote understanding and use of effective tools and techniques	n/a	n/a	800	1,500
			<i>Full cost (S&E/CS):</i>	n/a	n/a	\$1.479M 12.0 FTE	\$2.095M 12.0 FTE
Provide EEO and diversity management services	EEO and diversity programs	Identify and eradicate systemic barriers to EEO by installing and maintaining systems and processes to provide all EEO complaints processing functions	Effectiveness: % EEO and diversity reports completed and delivered on time to required organizations	No data	100	100	100
			# of days to complete investigations*	295	295	240	180
			# of days to complete final agency decisions	No data	No data	90	60
			# of days to complete final agency orders (following receipt of EEOC decision and hearing record)	No data	No data	40	40
			<i>Full cost (S&E/CS):</i>	n/a	\$1,362M 10.0 FTE	\$1.635M 10.0 FTE	\$1.660M 10.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide security and emergency action services	COOP personnel for Telework Centers	Train assigned COOP personnel to relocate to Telework Centers	Efficiency: # of field audits conducted	n/a	13	15	15
	COOP seminars and readiness exercises	Conduct COOP seminars and readiness exercises	# of COOP readiness exercises conducted	n/a	n/a	2	2
	Background investigations	Reduce backlog of background investigations	# of BIs initiated or completed	n/a	726	900	900
	Field security assessment reports	Complete security field audits and reports	# of COOP seminars conducted	n/a	n/a	3	3
			# of COOP personnel trained to relocate to Telework Centers	n/a	n/a	15	15
			% of field security assessment reports delivered within 14 working days	n/a	n/a	90	90
				<i>Full cost (S&E/CS):</i>	n/a	\$7.834M 31.0 FTE	\$6.794M 32.0 FTE
Provide financial management, budget, and performance measurement services	Completed financial transactions	Financial transactions are completed in a timely manner and accounts are balanced	Efficiency: Payment timeliness (Prompt Pay Act compliance)	83%	83%	83%	95%
	Financial statements	Reports fully describe agency performance plans and requests so public understands OPM activities	% of accounts receivable delinquent	37%	37%	37%	15%
	Financial reports		Effectiveness: Unqualified audit opinions	Unqualified	Unqualified	Unqualified	Unqualified
	Budget submissions and justifications		Material weaknesses	0	1	0	0
	Annual performance reports		End-of-year rating on FP Scorecard	Yellow	Yellow	Green	Green
				End-of-year rating on BPI Scorecard	Yellow	Yellow	Green
			<i>Full cost (S&E/CS):</i>	n/a	\$11.849M 102.0 FTE	\$8.176M 102.0 FTE	\$12.569M 102.0 FTE
			<i>Full cost (TF):</i>	n/a	\$15.677M 77.0 FTE	\$15.645M 77.0 FTE	\$15.645M 77.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide human capital management services	Staffing deliverables	Vacancies are filled in a timely manner	Efficiency: Hiring cycle time from closing date of announcement to date job offer made	36 days	38 days	45 days	45 days
	Recruitment and selection support	Managers are satisfied with advisory and operational services provided by CHCMS	Effectiveness: Overall management satisfaction with quality of HR services (per annual agency survey)	90%	90%	90%	90%
	Personnel transactions	Employees possess the competencies needed to perform their jobs	End-of-year rating on HC Executive Scorecard	Yellow	Green	Green	Green
			<i>Full cost (S&E/CS):</i>	n/a	\$7.848M 54.0 FTE	\$6.109M 54.0 FTE	\$6.058M 54.0 FTE
Provide information services	Network support and infrastructure	Reliable and secure computing environment for OPM system users.	Efficiency: % of time mainframe available during agreed-upon service hours	99	99	99	99
	Enterprise-wide IT systems		Timely completion of system support requests	No data	No data	92%	95%
	External compliance reports		Effectiveness: Material security weaknesses (in financial audits)	0	0	0	0
			Computer Security program: computer security awareness training provided	100%	100%	100%	100%
			<i>Full cost (S&E/CS):</i>	n/a	\$32.091M 107.0 FTE	\$32.300M 107.0 FTE	\$31.974M 107.0 FTE
			<i>Full cost (TF):</i>	n/a	\$14.822M 56.0 FTE	\$14.790M 56.0 FTE	\$14.790M 56.0 FTE

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Provide competitive sourcing, contracting, facilities, and administrative services	FAIR Inventory Report	Reduced costs	Efficiency:				
	Standard and streamlined A-76 competitions	Improved support services	Cost savings that result from competitions	\$2.1M	\$2.1M	\$1.5M	\$3.5M
	Contracts		\$ savings on telecommunications	\$18,000	\$18,000	\$19,400	\$20,000
	Facilities and administrative services		Effectiveness:				
			EOY rating on Competitive Sourcing Executive Scorecard	Yellow	Yellow	Green	Green
			Cumulative FTE performing commercial activities competed	284	448.4	611	666
			% of contract actions competed	97	97	97	97
		% of contracts that are performance-based	76	76	88	90	
			<i>Full cost (S&E/CS):</i>	n/a	\$8.516M	\$6.355M	\$6.302M
					54.0 FTE	54.0 FTE	54.0 FTE

*Targets based on days to submit reports of investigation following filing of formal complaint, unless amended or where investigation deadline is extended by agreement or due to need for sanitation of file.

Means and Strategies for Achieving This Annual Performance Goal

Means:

Center for Internal Control & Risk Management

- Design and conduct tests of key or high risk operations; evaluate controls and risk management; and recommend improvements. Focus CICRM activities on OPM's financial system. Validate that OPM has implemented viable controls and processes such as strong contractor oversight and management, requirements management, change management, and quality assurance; and recommend improvements as needed.
- Establish routine alert and notification processes to inform the Director, Chief Financial Officer, and other OPM top managers of emerging risk and internal control problems. CICRM alerts will be based on thorough reviews of internal and external audits and reviews, planned corrective actions, and continuous scanning for risks and internal control applications at other Federal agencies and outside the Government.
- Ensure that OPM managers and employees understand and apply effective internal controls and risk management techniques and methods by using the CICRM staff and available

contractor resources to design and conduct a variety of awareness, training, advisory, and coaching approaches. This effort will offer general orientation and introduction, advanced specialized training, classroom and web-based applications, and self-assessment tools.

- Using available hardware and software consistent with OPM's information architecture, maintain a comprehensive tracking and management notification system of all audits and reviews to ensure that effective and timely corrective actions are taken in compliance with all governing laws and regulations, and to improve OPM operations generally.

Center for Equal Employment Opportunity

- Identify and eradicate barriers to equal employment opportunity at OPM, in concert with the Equal Employment Opportunity Commission's Management Directive 715.
- Install and maintain new systems and processes, and recruit and train staff, to ensure the provision of the full array of EEO services at an excellent level.
- Provide timely and excellent quality complaints adjudication, including timely and excellent quality EEO Counseling, EEO Investigations, and adjudications of EEO complaints.
- Begin implementing an effective Alternative Dispute Resolution program.
- Provide training and consultative services to all OPM offices.
- Develop appropriate and effective outreach and recruitment plans to promote workforce diversity.
- Develop proposals to support OPM's Strategic Management of Human Capital.

Center for Security and Emergency Actions

- As a result of the merger with the Defense Security Service, the Center for Security and Emergency Actions (CSEA) is now responsible for an additional 120 facilities; nearly 1850 new employees; and the consolidation of approximately 95 percent of all background investigations throughout Government. Included in this will be the need to ensure that we can continue operations under any situation. By FY 2006, the personnel security cleanup project should be complete and in order. In FY 2006, CSEA will focus its resources on continuing the development and fielding of the Security Assurance Management System; field a new "Smart-Card" system for all OPM facilities nationwide; and complete the review of all 25-year-old classified material for declassification. Funds will also be used to support interagency security and emergency operations, including operations and tests and exercises.

Center for Financial Services

- Use \$5 million to conduct performance measurement, program evaluation, and research projects.
- Address the weaknesses that currently exist within OPM's core financial system. Implement viable controls and processes (such as strong contractor oversight and management, requirements management, change management, and "IV&V"). This will allow OPM to maintain a clean audit opinion; comply with various Federal financial management statutes (e.g., Chief Financial Officers Act, Federal Financial Management Improvement Act,

Federal Managers Financial Integrity Act, Prompt Payment Act, Debt Collection Act, Improper Payments Act); and implement regulations (OMB circulars and bulletins, Treasury regulations, Government Accountability Office [GAO] internal control standards, Federal Accounting Standards Advisory Board standards, etc.).

- Establish a quarterly review process to ensure financial integrity and link budget and performance processes. Devise and routinely distribute viable financial information and reports to help financial and program managers make timely, informed operational decisions.
- Ensure the timely and accurate publication of the *Congressional Budget Justification* and the *Performance and Accountability Report*.

Center for Human Capital Management Services

- Continue to improve operational services, technical and advisory services, and policy/program implementation to support the strategic management of OPM's human capital in line with the *Plan for the Strategic Management of OPM's Human Capital*.

Contracting, Facilities and Administrative Services Group

- Review remaining commercial activities to determine which are appropriate for competition. Conduct streamlined or standard A-76 competitions on those commercial activities determined to be appropriate to compete.
- Conduct performance and cost reviews of completed competitions to ensure that performance is at an acceptable level and cost savings are realized.
- Conduct annual inventory of telecommunication lines.

Center for Information Services & Chief Information Officer

- Ensure a stable, secure, and reliable computing environment for OPM system users. OPM has a fully implemented and institutionalized information security program. This contributed to OPM achieving "green" on the e-Government element of the President's Management Agenda scorecard. For the past two years, OPM has maintained certifications and accreditations on more than 90 percent of its systems.

Strategies:

Executive Services

- Executive, communications and public liaison, congressional relations staff and legal staff will promote public trust in the Federal workforce, build confidence in the value of OPM, and foster strong customer relations by actively supporting Public Service Recognition Week; sponsoring press conferences and providing press releases regarding significant events and accomplishments; providing quality legal advice and representation to the agency; and providing ongoing liaison with congressional offices and staff.
- Collaborate with OMB, GAO, and other stakeholders to improve human resources systems and strategically manage human capital.

Center for Internal Control & Risk Management

- Interact extensively with OPM executives, managers, and employees to understand OPM processes, resources, and program requirements to determine the need for new or revised internal controls, and provide early warning of emerging risk management and internal control problems.
- Ensure that the CICRM staff competencies are sufficiently high to establish credibility in evaluating risks and controls, and advising management. Enhance the core management competencies of OPM executives, managers, and employees as they relate to internal controls and risk management.
- Deploy CICRM staff to gain insight into all key and high risk Agency activities; penetrate operational problems; and gain a reputation for honesty, objectivity, creativity, expertise, timeliness, and cooperation to help OPM implement a stronger system of internal controls and accountability.
- Closely monitor and fully understand the Administration's initiatives and policies such as the President's Management Agenda to help ensure that OPM achieves its goals and objectives. Continuously and thoroughly apply Governmentwide regulations and policy as criteria in CICRM evaluations of OPM operations to ensure compliance and improve the public trust of OPM's activities.

Center for Equal Employment Opportunity

- Identify barriers that create under representation of women and minorities in the OPM workforce and specifics as required by Management Directive 715 and the No Fear Act. The overall strategies will be focused on the identification of those existing barriers and the development of means to create proactive measures for preventing discrimination within OPM. The CEEEO will maintain a constant presence within OPM's management communities to ensure the visibility and viability of the EEO program. The CEEEO will consistently attempt to achieve conflict resolution at the lowest possible level and reduce EEO complaint processing time to within established time requirements.

Center for Security and Emergency Actions

- The Center for Security and Emergency Actions, a relatively new organization within OPM, will focus on developing the protocols and procedures for customer service. This will include outreach to all stakeholder groups to ensure an understanding of customer requirements and a renewed emphasis on customer service. Throughout the fiscal year, CSEA will look for opportunities to reduce overall costs of OPM's security and emergency actions programs while maintaining the high level of effectiveness that currently exists.

Center for Financial Services

- Extensive dealings with OMB and agencies to determine the need for new/revised guidance, regulations, and statutory adjustments. Briefings for agency representatives and external stakeholder groups.

- Significantly enhance the core management competencies of Center for Financial Services managers/supervisors, staff members (accountants, technicians, management analysts), and team leaders to instill a strong service-centric team environment.
- Implement a stronger system of internal controls and accountability within the Center for Financial Services that ensures more efficient and reliable operations; transactions; and resulting information/results that are relevant to OPM customers, including financial and program managers as well as other decision-makers (such as OMB).
- Improve the President’s Management Agenda scorecard status for scorecard item(s)—and maintain green progress on all items—through careful management of the scorecard review process.

Human Capital Management Services Group

- Develop human resources staff competencies in key areas such as technical expertise, consulting/communications, and customer service.
- Support the development and implementation of human capital policies that provide managers with the tools and mechanisms they need to manage the OPM workforce effectively.
- Continue to identify business process efficiencies and appropriate technologies that can help streamline and automate staffing processes to fill jobs quickly and efficiently.

Contracting, Facilities and Administrative Services

- Executive, communications, and public liaison, and congressional relations staff and legal staff will promote public trust in the Federal workforce, build confidence in the value of OPM, and foster strong customer relations by actively supporting Public Service Recognition Week; sponsoring press conferences and providing press releases regarding significant events and accomplishments; providing quality legal advice and representation to the agency; and providing ongoing liaison with congressional offices and staff.
- Collaborate with OMB, GAO, and other stakeholders to improve human resources systems and strategically manage human capital.
- Update the “green” competition plan identifying additional FTE for competition during FY 2006.

Center for Information Services & Chief Information Officer

- The Center for Information Services ensures OPM compliance with information technology management laws and regulations, and tracks operational performance against defined metrics.

Office of the Inspector General

Organization: Office of the Inspector General

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

The IG Act requires that each OIG:

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

Program Activity: Office of the Inspector General

Overall Resources (Full Cost) for Organization and This Annual Goal (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.489	\$1.614	\$0.125	\$1.614	\$0.000
	17.0 FTE	18.0 FTE	1.0 FTE	18.0 FTE	0.0 FTE
Trust Fund Annual	\$14.342	\$16.329	\$1.987	\$16.329	\$0.000
	106.0 FTE	122.0 FTE	16.0 FTE	122.0 FTE	0.0 FTE
Total Resources	\$15.831	\$17.943	\$2.112	\$17.943	\$0.000
	123.0 FTE	140.0 FTE	17.0 FTE	140.0 FTE	0.0 FTE

OIG Salaries & Expenses Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$1,027	\$1,066	\$39
Personnel Benefits	257	267	10
Travel and Transportation of Persons	80	50	(30)
Transportation of Things	0	0	0
Communications, Utilities and Rent	100	100	0
Printing and Reproduction	0	0	0
Other Services	115	110	(5)
Supplies and Materials	20	10	(10)
Equipment	15	11	(4)
Total	\$1,614	\$1,614	0

OIG Trust Fund Annual Obligations by Object Class (\$ in thousands)

Object Class	FY 2005 Enacted	FY 2006 Request	FY 2006 Change
Personnel Compensation	\$10,129	\$10,408	\$279
Personnel Benefits	2,533	2,602	69
Travel and Transportation of Persons	1,128	978	(150)
Transportation of Things	30	30	0
Communications, Utilities and Rent	1,072	1,035	(37)
Printing and Reproduction	26	26	0
Other Services	911	850	(61)
Supplies and Materials	300	250	(50)
Equipment	200	150	(50)
Total	\$16,329	\$16,329	0

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

Overall Resources (Full Cost) for OIG Annual Performance Goal 1 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$1.078	\$1.203	\$0.125	\$1.203	\$0.000
	12.0 FTE	13.0 FTE	1.0 FTE	13.0 FTE	0.0 FTE
Trust Fund Annual	\$10.426	\$11.793	\$1.367	\$11.793	\$0.000
	74.0 FTE	84.0 FTE	10.0 FTE	84.0 FTE	0.0 FTE
Total Resources	\$11.504	\$12.996	\$1.492	\$12.996	\$0.000
	86.0 FTE	97.0 FTE	11.0 FTE	97.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Conduct audits of health benefits carrier contracts; Conduct audits of Annual Financial Statements, program and performance-related information Pre- and Post-Award Contracts, Combined Federal Campaign, and Information Systems	Audit reports from FEHB carrier audits, financial and performance audits, pre-award contract and CFC audits Semi-annual reports	Ensure FEHB and FEGLI contract compliance through financial audits and quality assurance standards	Efficiency:				
			Return on investment	\$4	\$7	\$10	\$10
			Carrier audit cycle	4.0 years	2.9 years	2.9 years	3.0 years
			FEHB Audit Recovery Rate	92%	86.9%	70–75%	70–75%
			Effectiveness:				
			Positive financial impact	\$40.2M	\$95.2M	\$135M	\$130M
			# of carriers not audited within 5- year retention period	110	34	33	40
Average FEHBP unaudited years	5.1 years	3.5 years	3.5 years	3.6 years			
			<i>Full cost (TF):</i>	n/a	\$10.426M	\$11.793M	\$11.793M
			FTE		74.0 FTE	84.0 FTE	84.0 FTE
			<i>Full cost (S&E):</i>	n/a	\$1.078M	\$1.203M	\$1.203M
			FTE		12.0 FTE	13.0 FTE	13.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Ensure Federal Employees Health Benefits and Federal Employees Group Life Insurance contract compliance through financial and performance audits, and quality assurance standards. The vast majority of financial recoveries are associated with these activities. Historically, this positive financial impact has been approximately \$10 per direct program dollar spent.
- Conduct audits of pharmacy benefit managers participating in the FEHBP. It is estimated that \$6 billion was paid during 2004 in prescription drug premiums by OPM and Federal employees. This represents approximately 26 percent of the total premiums paid for health benefit coverage for Federal employees and annuitants. The premiums paid for prescription drug coverage have risen exponentially over the last 10 years. By performing these audits, the OIG will help the FEHBP recover inappropriate costs charged to it in previous years, negotiate more favorable contracts, and positively affect the future costs and benefits provided to program enrollees. Potential recoveries during FY 2005 to the FEHBP Trust Fund will be \$5 to \$6 million.
- Expand the scope of audit for the largest community-rated carriers. Since the majority of these large carriers use some sort of experience-based rating to set premiums, the OIG is expanding its audit testing to include reviews of claim payments used in the rate development process for potential overpayments. This will include reviewing for duplicate payments; verifying that the carrier coordinated claims with Center for Medicare Services or other primary payers; verifying that the charges are for allowable benefits; ensuring that only Federal claims are used; ensuring that claims are for the appropriate time period; and verifying that any negotiated rebates are passed on to the FEHBP.
- Further develop computer-assisted audit techniques and tools for FEHBP audits, especially those necessary for further development of a data warehouse capability. A data warehouse offers the best opportunity for detecting incorrect health benefit payment transactions by medical providers, insurance carriers, and subscribers by accumulating all benefit claims for all fee-for-service insurance carriers in a single data repository. This measure will help ensure more efficient audits and help enhance global audit coverage of FEHB carriers.
- Audit, or arrange for audit of, all OPM financial statements to express an opinion on the fair presentation of the statements, consider the internal controls over financial reporting, and test compliance with applicable laws and regulations.
- Monitor the use of independent public accountants who perform the trust fund financial statement audits. Conduct performance audits of OPM programs and operations.
- Provide a sufficient level of oversight of the Combined Federal Campaign (CFC) program to create a broad sentinel effect on all local CFC campaigns.

Strategies:

- Identify and monitor sensitive, significant, or costly agency initiatives.
- Participate in Quality Improvement Teams. The OIG continues to place a high level of emphasis on working with OPM program offices to resolve problems that it identifies, while maintaining the high level of independence necessary to carry out its mission objectively.
- Recruit and retain a highly skilled, proficient, and technically competent audit staff based on available budget resources.
- Provide necessary training to ensure that staff has the proper skills to perform audit oversight activities. Ensure that all audit staff receive sufficient training to fulfill the requirements of the Government Accountability Office Yellowbook Auditing Standards.
- Obtain input from OIG customers to determine their level of satisfaction with OIG work. Measure timeliness of OIG reports, effectiveness of OIG recommendations, and the relevance and impact of OIG reviews. Gather this information through survey questionnaires.
- Conduct audits based on risk assessments that project the potential for fraud, waste, and abuse in OPM programs. Utilize an objective rating methodology to determine risks on dollars, FTEs, strategic alliances, information systems, management systems, personnel changes, laws and regulations, and the control environment.
- Continue to work closely with OMB to update the Program Assessment Rating Tool for the FEHBP integrity program. This tool was critical in developing the OIG's FY 2005 and FY 2006 budget requests and performance plans.

OIG Annual Performance Goal 2: Detect, investigate, and prevent fraud, waste, and abuse against OPM programs. Our FY 2006 annual performance goal is unchanged from FY 2005.

Overall Resources (Full Cost) for OIG Annual Performance Goal 2 (\$ in millions)

Fund	FY 2004 Actual	FY 2005 Enacted	Change from FY 2004	FY 2006 Request	Change from FY 2005
Salaries & Expenses	\$0.411	\$0.411	\$0.000	\$0.411	\$0.000
	5.0 FTE	5.0 FTE	0.0 FTE	5.0 FTE	0.0 FTE
Trust Fund Annual	\$3.916	\$4.536	\$0.620	\$4.536	\$0.000
	32.0 FTE	38.0 FTE	6.0 FTE	38.0 FTE	0.0 FTE
Total Resources	\$4.327	\$4.947	\$0.620	\$4.947	\$0.000
	37.0 FTE	43.0 FTE	6.0 FTE	43.0 FTE	0.0 FTE

Program Activities, Outputs, Outcomes, and Performance Indicators

Activity	Output	Outcome	Indicator/Type	FY 2003 Results	FY 2004 Results	FY 2005 Results	FY 2006 Results
Conduct criminal investigations of health care providers and persons receiving benefits through FEHBP; Issue administrative sanctions to health care providers that commit violations identified by statute or regulations	Investigations, arrests, indictments, and convictions	Detect, investigate, and prevent fraud, waste, and abuse against OPM programs	Effectiveness:				
			# of arrests	10	7	35	55
			# of indictments	14	22	33	53
			# of convictions	13	25	33	53
			# of debarments and suspensions	3,405	3,797	3,500	3,900
			# of debarment inquiry responses	2,741	3,731	3,200	3,400
			<i>Full cost (TF):</i>	n/a	\$3.916M	\$4.536M	\$4.536M
			FTE		32.0 FTE	38.0 FTE	38.0 FTE
			<i>Full cost (S&E):</i>	n/a	\$0.411M	\$0.411M	\$0.411M
			FTE		5.0 FTE	5.0 FTE	5.0 FTE

Means and Strategies for Achieving This Annual Performance Goal

Means:

- Conduct objective, aggressive, thorough, and timely investigations of all OPM programs where fraud and abuse are suspected.
- Further expand the OIG criminal investigative field structure and expand oversight of the OPM-administered FEHBP and CSRS/FERS programs. Without a sufficient investigative presence, the OPM-administered trust fund programs are exposed to potentially serious problems. Examples include increased health risks to Federal employees and their families; financial losses; and fewer warranted arrests, indictments, and convictions.
- Publicize offender convictions for deterrent effect. The OIG has provided the National Health Care Antifraud Association (and similar organizations) with press releases regarding investigative efforts.
- Promote and protect the integrity of the FEHBP through debarment of untrustworthy health care providers.
- Fully utilize all phases of Section 2 of P.L. 105-266, the Federal Employees Health Care Protection Act of 1998. These phases include mandatory debarments, permissive debarments, and civil monetary penalties.
- Impose civil monetary penalties in every case meeting statutory or regulatory guidelines where there is reasonable opportunity to recover funds.

- Negotiate agreed-upon payment schedules concurrently with imposition of civil monetary penalties.
- Conduct due process hearings promptly when necessary to adjudicate violations.
- Obtain and implement a system for storing records on debarred/suspended providers in an electronic format. Only a relatively small number of our debarred provider files ever become inactive through termination of the providers' debarments. In fact, 91 percent of the 26,000 debarment and suspension we have issued over the past 11 years are still in effect.
- Maintain investigative hotlines as a means of receiving information regarding fraud and abuse against OPM programs.

Strategies:

- Recruit and retain highly skilled, proficient, and technically competent special agent criminal investigators based on available budget resources. The OIG has determined that the most effective deployment of investigative staff is to locate them in areas of the country where FEHBP and retirement benefits are provided. Given this, a number of the OIG's current criminal investigators have been located in the field and OIG plans to place new hires where current employees and annuitants reside. Recruitment efforts are specifically targeting these areas. In addition, experience has shown that investigators located in remote locations often work in cooperation with other law enforcement entities similarly located. This leads to better criminal oversight for OPM-administered programs.
- Provide necessary training to ensure that new criminal investigators are fully qualified to conduct criminal investigations. This training is extensive, especially if the agents have not been exposed to health care fraud investigations, and may take up to a year to complete.
- Strongly pursue prosecution and restitution whenever possible.
- Fully participate in U.S. Attorney-sponsored health care fraud task forces throughout the country. These groups provide an opportunity to share investigative information common to many different local and national law enforcement organizations.
- Work with other Federal law enforcement organizations and health carrier special investigations units to detect, prevent, and prosecute fraud and abuse.
- Work with program managers and legislators to improve the legal tools needed to protect OPM programs from fraud and other illegal acts or abuse.

Part 5

Earned Benefit Trust Funds

Transfers from the Trust Funds New Obligational Authority (\$ in thousands)

Trust Fund	FY 2005 *			FY 2006		
	S&E	OIG	Total	S&E	OIG	Total
Civil Service Retirement and Disability Fund						
Annual	84,392	3,383	87,775	84,392	3,383	87,775
No year (Retirement Systems Modernization)	27,419	0	27,419	0	0	0
Subtotal	\$111,811	\$3,383	\$115,194	\$84,932	\$3,383	\$87,775
Employees and Retired Employees Health Benefits	14,425	12,663	27,088	14,425	12,663	27,088
Employees Life Insurance	1,200	283	1,483	1,200	283	1,483
Total OPM	\$127,436	\$16,329	\$143,766	\$100,017	\$16,329	\$118,347

The Merit Systems Protection Board (MSPB) also receives an annual transfer for administrative costs from the Civil Service Retirement and Disability Fund. MSPB is not part of OPM and submits its budget separately.

* Net 0.6 percent rescission.

Payment Accounts

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

PLEASE NOTE: The annual performance goals, means and indicators applicable to the Government payments for annuitants' health benefits and life insurance, and to the Civil Service Retirement and Disability Fund can be found under previous sections.

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

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	FY 2006 Change
Budget Authority	\$7,326	\$7,831	\$8,401	\$570
Obligations	\$7,326	\$7,831	\$8,401	\$570
Outlays	\$7,242	\$7,801	\$8,371	\$570

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

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

Government Payment for Annuitants, Employees Life Insurance \$ in millions)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	FY 2006 Change
Budget Authority	\$35	\$36	\$36	\$0
Obligations	\$35	\$36	\$36	\$0
Outlays	\$35	\$36	\$36	\$0

P.L. 96-427, Federal Employees Group Life Insurance Act of 1980, enacted October 10, 1980, requires that all employees under age 65 who separate for the purposes of retirement on or after January 1, 1990, continue to make contributions toward their Basic life insurance coverage (currently \$0.33 per month for each \$1,000 of coverage). As with active Federal employees, the Government is required to contribute one-third of the cost of the premium (currently \$0.17 per month for each \$1,000 coverage) for Basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, is requesting the funds necessary to make the required Government contribution associated with annuitants' post retirement basic life coverage.

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

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

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	FY 2006 Change
Budget Authority	\$25,921	\$26,172	\$26,572	\$400
Obligations	\$25,921	\$26,172	\$26,572	\$400
Outlays	\$25,921	\$26,172	\$26,572	\$400

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

Current Appropriation

P.L. 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from Acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments. The Office of

Personnel Management has notified the Secretary of the Treasury each year of the “such sums as may be necessary” to carry out these provisions.

Permanent Indefinite Authorization

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement System’s current statutory unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service.

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

Postal Service Contribution for Retiree Health Benefits (Legislative Proposal)(\$ in millions)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request	FY 2006 Change
Receipts	\$0	\$0	\$4,928	\$4,928
Budget Authority	\$0	\$0	\$1,821	\$1,821
Obligations	\$0	\$0	\$1,821	\$1,821
Outlays	\$0	\$0	\$1,821	\$1,821

This budget proposal, if enacted, would use the pension cost savings provided to the Postal Service by the Postal Civil Service Funding Reform Act of 2003 (P.L. 108-18) that would otherwise be held in escrow in 2006 and beyond, to fully finance its retiree (annuitant) health benefits liabilities.

This new account would receive from the Postal Service: (1) payments for the accruing actuarial costs of Postal Service contributions for post-retirement health benefits for its current employees; and (2) amortization payments necessary to provide for the liquidation of the Postal Service’s unfunded liability as of September 30, 2005, for post-retirement health benefits of its current retirees. Obligations of the proposed fund are payable to the Employees and Retired Employees Health Benefits Fund, and consist of the resources necessary to pay the employer (Government) share of the Postal Services post-1971 annuitants’ health insurance premiums under the Federal Employees Health Benefit Program.

OPM would have the authority to notify the Secretary of the Treasury of the “such sums as may be necessary” to carry out these provisions. This proposal is not subject to PAYGO scoring provisions.