

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



**Fiscal Year 2010**  
**Summary of Performance and**  
**Financial Information**

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## *Message from the Director*

*Introduction*—I am pleased to present the U.S. Office of Personnel Management (OPM) Fiscal Year (FY) 2010 Summary of Performance and Financial Information (SPFI). OPM has chosen to produce the SPFI as an alternative to the consolidated Performance and Accountability Report pursuant to OMB Circular A-136. The SPFI summarizes performance information from OPM's FY 2010 Annual Performance Report and financial information from our FY 2010 Agency Financial Report. OPM believes this approach will improve reporting by providing a succinct and more understandable overview of OPM's use of its resources. All three documents are available on the OPM website at <http://www.opm.gov/gpra/opmgpra/>.

*High Priority Performance Goals*—The High Priority Performance Goals are measurable commitments to deliver specific results. The goals represent high priorities for both the Administration and the Office of Personnel Management. These goals are highly relevant to the public, are aligned to the Agency's key mission areas and will produce significant results. Each of the five goals is related to OPM's major performance improvement initiatives: Hiring Reform, Security Clearance Reform, Wellness, Telework and Retirement Claims Processing. Additional information pertaining to the High Priority Performance Goals can be found in OPM's FY 2012 budget submission located at <http://www.opm.gov/budget/>.

*Financial Management*—OPM received an unqualified audit opinion on its FY 2010 consolidated financial statements by independent public accounting (IPA) firm KPMG LLP. As reported in the independent auditor's report, OPM had no material weakness in internal control over financial reporting for FY 2010 and received an unqualified audit opinion on the FY 2010 individual combined financial statements of the Retirement, Health Benefits and Life Insurance Programs.

*Operations*—OPM conducted a review of its system of internal control over operations in FY 2010. As a result, material weaknesses were identified in the areas of Information Security Governance, and the Security Certification and Accreditation (C&A) process. During FY 2010, OPM hired a Senior Agency Information Security Officer (SAISO) who is providing OPM-wide Information Security Governance. There is full-time staff assigned to administer C&A process throughout the Agency, which has resulted in significant improvement in the IT security process within the last year.

*Conclusion*—In my time at OPM, I have been pleased to find passionate, dedicated and talented civil servants. I am certain OPM will continue energetically in the years ahead to fulfill our vital mission of ensuring the Federal Government continues to draw the best and the brightest to public service to continually improve our agencies' ability to serve the American people.

Sincerely,

A handwritten signature in blue ink that reads "John Berry". The signature is written in a cursive, flowing style.

John Berry

Director

January 31, 2011

## Introduction

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

OPM operates from its headquarters in the Theodore Roosevelt Federal Office Building at 1900 E Street, NW, Washington, D.C., 20415. OPM delivers a variety of products and services with the help of approximately 5,000 employees in D.C., its field presence in 16 locations across the country, and operating centers in Pittsburgh and Boyers, Pennsylvania; Ft. Meade, Maryland; and Macon, Georgia. OPM’s website is [www.opm.gov](http://www.opm.gov).

## About This Report

The FY 2010 Summary of Performance and Financial Information (SPFI) is designed to be an executive summary highlighting both financial and performance results. OPM has chosen to produce the SPFI as an alternative to the consolidated Performance and Accountability Report pursuant to OMB Circular A-136. This SPFI is one in a series of reports used to convey our budget, performance, and financial information to our constituents. OPM believes this approach will improve reporting by making the information more meaningful and transparent to the public, and by providing a more succinct and understandable reporting of OPM’s use of its resources. OPM performance and financial reports can be found on the OPM website at <http://www.opm.gov/gpra/opmgpra/>.

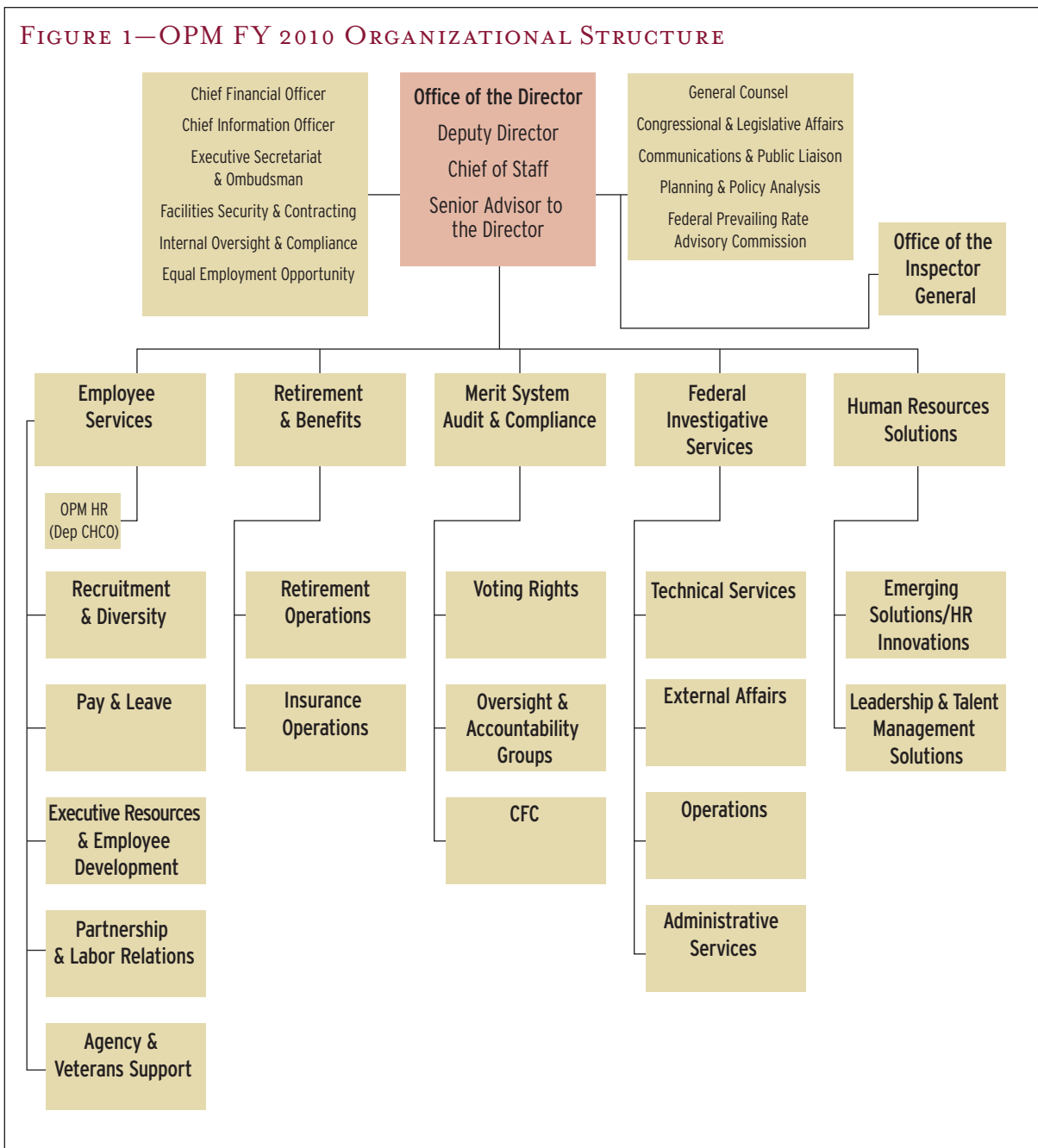
Suggestions for improving this document can be sent to the following address:

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

## FY 2010 Organizational Structure

OPM’s organizational structure reflects primary business lines through which OPM carries out its programs and implements its strategic goals and related implementation strategies: developing Federal human resources management policy; supporting agencies in the implementation of that policy through best practices in human capital management, while adhering to the merit system principles; and supporting these with human resources products and services. During FY 2010, OPM comprised of the following organizational components, as shown in Figure 1.

**FIGURE 1—OPM FY 2010 ORGANIZATIONAL STRUCTURE**



## EXECUTIVE OFFICES

- The *Office of the Director* includes the Deputy Director, Chief of Staff, and Senior Advisor to the Director. This office is charged with keeping the direction of the agency in line with its mission.
- *Communications and Public Liaison (CPL)* is responsible for coordinating a comprehensive effort to inform the public of the President's and the Director's goals, plans and activities through various media outlets. CPL is also responsible for planning and coordinating the publication and production of all printed materials that are generated from OPM offices and develops briefing materials for Congress, the Director and other OPM officials for various briefings and events.
- *Congressional and Legislative Affairs (CLA)* advocates for the legislative and policy priorities of the Director and the Administration. CLA is the focal point for all congressional and legislative activities for the Office of Personnel Management. CLA educates, responds to, interacts with, and advises Congress on Federal human resources management policy. CLA also counsels and advises the Director and other OPM officials on policy, and congressional and legislative matters.
- *Executive Secretariat and Ombudsman (ESO)* is responsible for the administrative management and support for the Office of the Director, including coordination and review of agency correspondence, policy and program proposals, regulations and legislation. ESO is responsible for the Agency's Ombudsman function, which is necessary to provide a neutral, independent and confidential resource for customers and employees of OPM to raise issues of concern or complaints that their requests are not being addressed in a timely manner.
- *Internal Oversight and Compliance (IOC)* proactively provides internal oversight while holding OPM officials accountable for operating effectively and efficiently in accordance with applicable policy, regulations and other criteria as further defined by the Director of OPM. IOC responds to GAO reports, other external evaluative entities, as applicable, and the OPM OIG that require an official response on behalf of the OPM Director.
- *Equal Employment Opportunity (EEO)* provides a fair, legally-correct and expedient EEO complaints process (i.e., EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). EEO designs and implements all required Special Observance and Special Emphasis initiatives, to promote diversity management.

## PROGRAM DIVISIONS

- *Employee Services (ES)* provides policy direction and leadership in designing, developing and promulgating Government-wide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, work/life/wellness programs and labor and employee relations. ES provides technical support to agencies regarding the full range of human resources management policies and practices, to include veterans' employment as well as the evaluation of their human resource programs. ES manages the operation of OPM's internal human resources program.
- *Retirement and Benefits (R&B)* is responsible for Government-wide administration of developing and providing 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. R&B



is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS), serving 2.5 million Federal retirees and survivors who receive monthly annuity payments. R&B is responsible for negotiating and administering health benefits contracts for the Federal Government, administering the Federal Employee Group Life Insurance (FEGLI) program covering employees, retirees and their families. R&B is also responsible for administering three voluntary, enrollee-pay-all programs: long term care insurance program; flexible spending accounts for medical and dependent care expenses; and a group dental and vision insurance program.

- *Merit System Audit & Compliance (MSAC)* ensures through rigorous oversight that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. MSAC carries out this responsibility with a staff of employees in five field offices across the nation and here in Washington. The three key components of the oversight and compliance programs are (1) Delegated Examining Unit Evaluations, (2) Large Agency Human Resource (HR) Evaluation, and (3) Small Agency HR Evaluations. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights (VR) programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program provides observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General.
- *Federal Investigative Services (FIS)* mission is to ensure the Federal Government has a suitable workforce that protects National Security and is worthy of their Public Trust. FIS is responsible for providing investigative products and services for over 100 Federal agencies to use as the basis for security clearance or suitability decisions as required by Executive Orders and other rules and regulations. Over 90 percent of the Government's background investigations are provided by OPM.
- *Human Resources Solutions (HRS)* The Human Resources Solutions enterprise provides services that assist Federal agencies in achieving their missions by partnering with them to provide effective human resource solutions that develop leaders, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. HRS also offers services that enhance agencies' ability to attract and acquire specific talent.

## COMMON SERVICES

- *Chief Financial Officer (CFO)* manages and oversees OPM accounting, billing, vendor payments, budgeting, strategic planning, performance, program evaluation, financial systems, internal control and financial policy functions which enable the Agency to achieve its mission. CFO also ensures the completion of timely and accurate financial reports that improve decision making, comply with Federal requirements and demonstrate effective management of taxpayer dollars.
- *Chief Information Officer (CIO)* develops the Information Resource Management Plan and defines the Information Technology (IT) vision and strategy to include IT policy and security for OPM. CIO shapes the application of technology in support of the Agency's Strategic Plan including the IT Architecture that outlines the long term Strategic Architecture and Systems Plans for the Agency and includes Agency IT Capital Planning. CIO supports and manages pre- and post-implementation reviews of major

IT programs and projects, as well as, project tracking at critical review points. CIO provides oversight of major IT acquisitions to ensure they are consistent with the Agency's architecture and the IT budget, and is responsible for the development of the Agency's IT security policies. CIO directs the realization of the Agency's IT Architecture to guarantee architecture integration, design consistency, and compliance with Federal standards, works with other agencies on Government-wide projects such as e-Government, and develops long range planning for IT Human Resource Strategies.

- *Office of the General Counsel (OGC)* provides expert legal advice to the Director and senior OPM officials to ensure that policies, programs and procedures are consistent with applicable rules, regulations, and statutes affecting civil service personnel law and human resources management. OGC also provides expert legal representation to OPM managers and leaders in an attempt to mitigate the agency's risk of litigation and ensure agency actions are in compliance with applicable statutes, rules, and regulations, and to ensure that agency actions are not unlawful.
- *Facilities Security & Contracting (FSC)* is composed of the following five subcomponents and manages a broad array of OPM's key day-to-day programs:
  1. Facilities Management manages the agency's personal and real property, building operations, space design and layout, realty, safety and occupational health programs.
  2. Emergency Actions directs the operations and oversight of OPM's preparedness and emergency response programs.
  3. Contracting Management provides centralized contract management that supports the operations and Government-wide mission of OPM. It also manages the Small Business and Government-wide Purchase Card programs.
  4. Office of Small and Disadvantaged Business Utilization manages OPM's small business program in conjunction with public law, Federal regulations, and OPM Contracting policies.
  5. Publications Management establishes and oversees OPM's nationwide publishing and printing management system for internal/external design and reproduction, its Government Printing Office (GPO)/commercial print ordering program, publications management, and electronic/office publishing systems.

## OTHER OFFICES

- *Planning and Policy Analysis (PPA)* provides planning and analysis support to the Director and the Agency. PPA also provides the Director with reports, memos and other analyses to allow the assessment of trends and issues that affect OPM. A particular area of responsibility is the analysis of policy options, legislative changes and trends that affect OPM's management of health and retirement benefits for Federal employees. To assure benefits provide maximum value and are secure, the office will conduct actuarial analysis, as well as statistical tests using large databases.
- *Federal Prevailing Rate Advisory Committee (FPRAC)* studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title 5, United States Code, and advises the Director of OPM on the Government-wide administration of the pay system for blue-collar Federal employees.

## OFFICE OF THE INSPECTOR GENERAL

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

## OPM Human Resources Initiatives

During FY 2010, OPM reported on the progress of its three major initiatives: Hire the Best Talent, Respect and Engage the Workforce and Expect the Best from Employees. These important policy initiatives reflect Director Berry's priorities to hire the best employees possible, engage and respect the workforce by offering quality training and work/life initiatives and provide employees the necessary tools to perform at the highest levels. Each initiative was assigned a business process improvement team to develop a systematic approach to help agencies achieve more efficient and effective results.

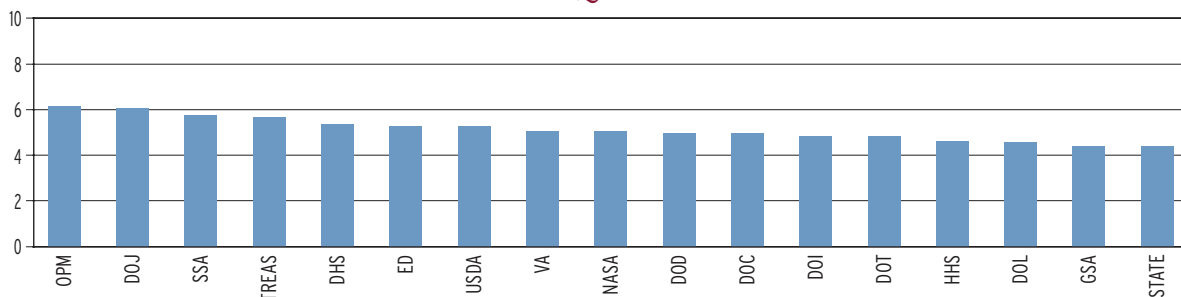
### *Hire the Best Talent*

To achieve its mission, the Federal Government must ensure that it is able to find and hire the best talent possible. Although there are highly skilled people working in the Federal Government, other qualified and talented people are often lost because the application and hiring process is so cumbersome and slow that it causes people not to apply for positions or find other jobs before the hiring process is complete. To address this issue, President Obama has made accelerating and improving the hiring process to attract top talent a priority on the performance agenda. Moreover, the President has placed great emphasis on reforming the hiring process so agencies can better compete against other employers for talented applicants. This encompasses streamlining the end-to-end hiring process (from the first action by a manager to initiate the hiring process to the moment the new employee starts work) to create a positive experience for applicants, managers, and human resources specialists. Additionally, the application process has been simplified to make it less cumbersome for applicants. The selection process is also being improved, so managers are consistently provided the best choice of candidates.

### APPLICANT SATISFACTION WITH THE HIRING PROCESS

Applicant satisfaction with the Federal hiring process is about more than the speed of hiring. It also depends on how cumbersome and long the application is, whether the application questions appear relevant, and applicant awareness of their status during the process. To learn more about these factors, the Chief Human Capital Officers developed an applicant survey that asks applicants to assess the application process on a 1–10 point scale. The results of this survey, by agency, are shown here only for agencies with a minimum of 30 responses in a given quarter. The survey is sent to a randomly selected five percent sample of USAJOBS applicants, and many of them do not respond to the survey. As a consequence, agencies with very few job announcements are likely to have difficulty getting a statistically significant number of responses. In the future, the survey will be administered to a larger sample size to increase the statistical validity of the responses for all agencies. The average applicant satisfaction has decreased slightly from 5.36 in Q4 FY 2009 to 5.20 in Q4 FY 2010.

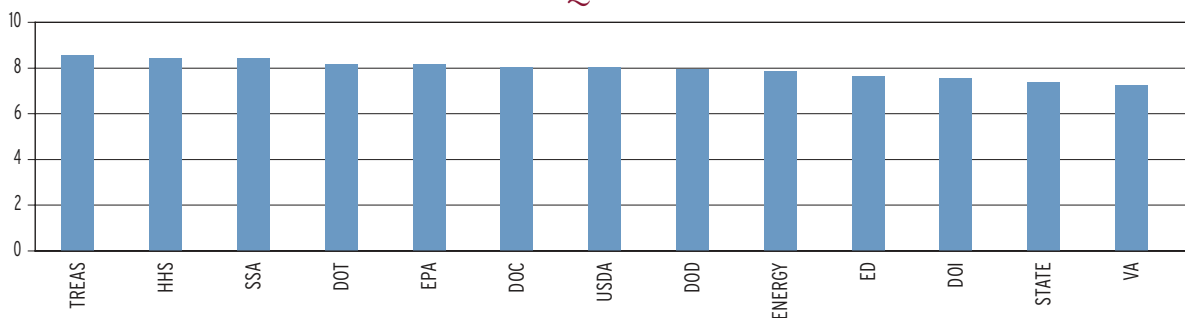
FIGURE 2. AVERAGE APPLICANT SATISFACTION IN Q4 FY 2010



### MANAGER SATISFACTION WITH APPLICANTS

While speeding and easing the application process is critical, a well-functioning hiring process needs to find the best match for open positions in the government. To assess the quality of that match, the Chief Human Capital Officers also developed a survey to ask Federal managers how satisfied they are with the applicants referred to fill an opening. The Chief Human Capital Officers’ Management Satisfaction Survey asks about the managers’ experience on a 1–10 point scale of their perception of workforce planning, interaction with and level of support from Human Resources, their involvement with reviewing applications, interviewing applicants and selecting final candidates, applicant quality, and their knowledge and use of hiring flexibilities. The chart presented here shows the average manager satisfaction based on applicants being referred with the skills to perform the job by agency, only for those agencies with a minimum of 30 responses in a given quarter. The average manager satisfaction with applicants has improved from 6.77 in Q4 FY 2009 to 8.06 in Q4 FY 2010.

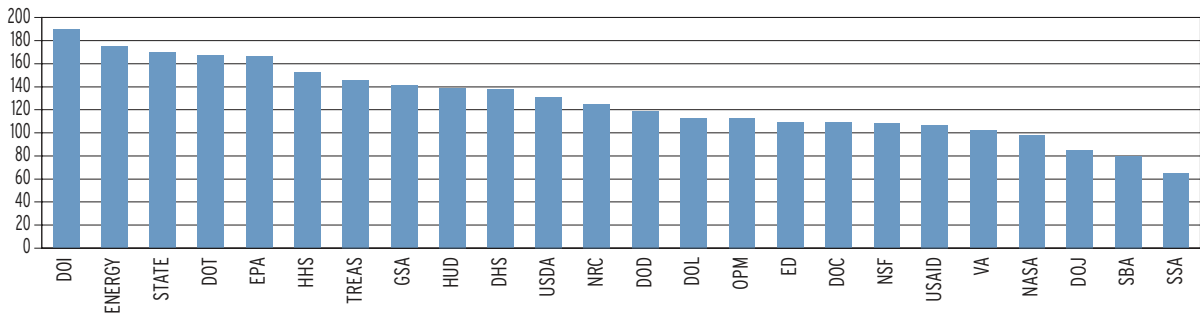
FIGURE 3. AVERAGE MANAGER SATISFACTION IN Q4 FY 2010



### TIME TO HIRE

The Administration has made it a priority to speed the hiring process and required all Federal agencies to reduce the time it takes to hire. In December 2009, agencies mapped their hiring process for all hires and tallied the average days from the time the need is validated by the hiring manager to the time of entry on duty (EOD). Using the 2009 agency data, the average number of days to hire was baselined at 122 days. This is the baseline data portrayed in Figure 4. Agencies used the mapping to set goals and targets for reducing hiring time. All agencies are focused on achieving dramatic reductions in their overall hiring time and reducing hiring time to 80 calendar days for the most commonly filled positions. The FY 2010 average number of days to hire is 105 days.

FIGURE 4. TIME TO HIRE—FY 2009 BASELINE DATA



### Respect and Engage the Workforce

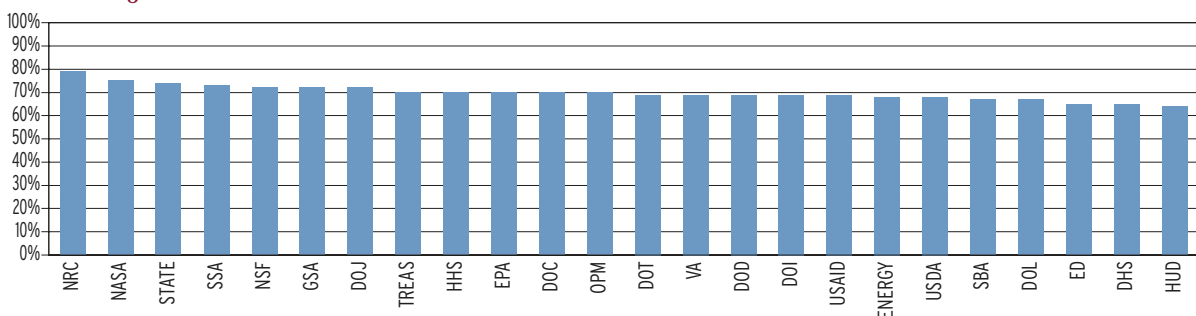
Attracting people to government service is only the beginning—agencies also must treat employees well in order to engage and retain talented individuals. To that end, agencies are continuing to work on promoting a healthy work-life balance and creating development opportunities to engage the workforce, improve employee well-being, and increase government performance.

Just as agencies ask employees to meet high expectations, agencies must also hold themselves to a high standard in their treatment of the workforce. Respecting the workforce includes providing training opportunities, benefits that match employee needs, promoting a healthy work-life balance, improving Federal labor-management relations, and working to ensure employees are satisfied with their work experience. Only by treating employees well will the government continue to attract, hire, and retain talented individuals.

### JOB SATISFACTION

To guide agencies in creating better working environments for their employees, the government administers an annual survey that asks all employees a wide variety of questions on their work experience. This survey, known as the Employee Viewpoint Survey, is organized around four areas: Leadership and Knowledge Management, Results-Oriented Performance Culture, Talent Management, and Job Satisfaction. There are 8–14 questions that address each of these areas, and the answers to those individual 8–14 questions are combined to produce a single composite score of how satisfied an employee is in that area. Figure 5 presents the percentage of employees in each agency that reported they had high levels of personal job satisfaction on the 2010 survey. This area is composed of questions focusing on personal involvement in the workplace and opportunities, recognition of good performance, training, and overall job and pay satisfaction. The 2010 survey results show an improvement from the 2008 survey results. Until recently, this was a biannual measurement.

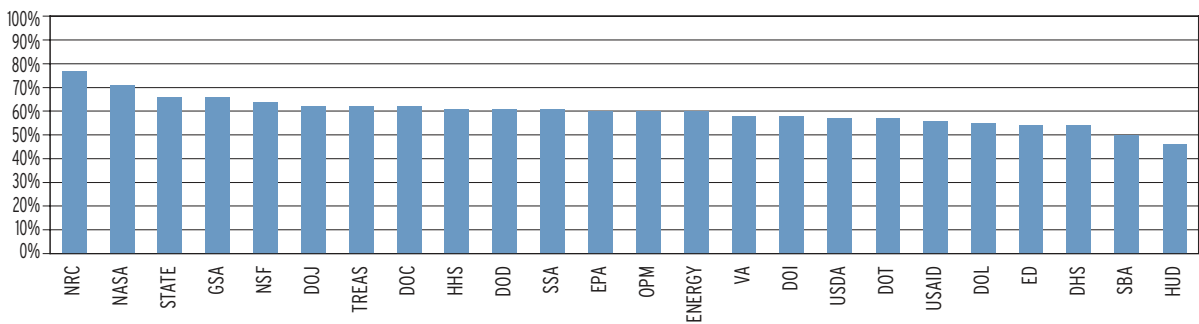
FIGURE 5. JOB SATISFACTION POSITIVE RESPONSES BASED ON EVS 2010



## TALENT MANAGEMENT

Figure 6 presents the percentage of employees in each agency that reported on the 2010 Employee Viewpoint Survey that they were highly satisfied with Talent Management. This area focuses on whether employees perceive that the agency has high-quality people with the appropriate competencies in mission-critical activities, and that the agency has sufficient programs to attract, hire, develop, promote, and retain quality talent. The 2010 survey results show a very slight decrease from the 2008 survey results.

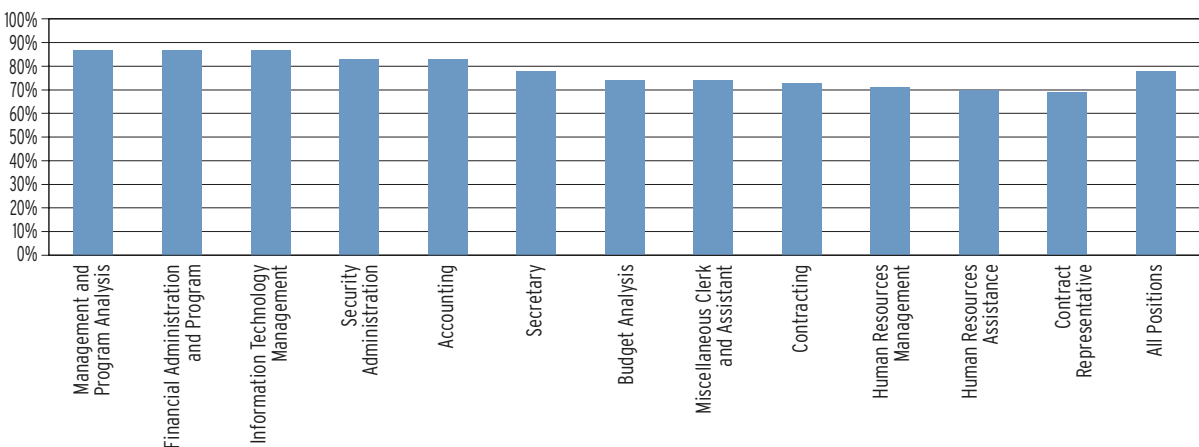
FIGURE 6. TALENT MANAGEMENT POSITIVE RESPONSES BASED ON EVS 2010



## EMPLOYEE RETENTION RATE

The government also analyzes data on how long employees remain at an agency. While some turnover is inevitable and can create a healthy dynamic in an organization, a low or sudden drop in the retention rate, especially for new hires, may also be a product of an agency not having effective workforce plans, staffing processes, on-boarding programs, or workplace policies. Figure 7 shows the percentage of all permanent, non-students, full-time employees hired two years ago that are still with their agency for the most commonly-filled positions across the Federal Government. This is a new measure and the data in Figure 7 represents baseline data.

FIGURE 7. TWO-YEAR RETENTION RATE FOR COMMONLY FILLED POSITIONS



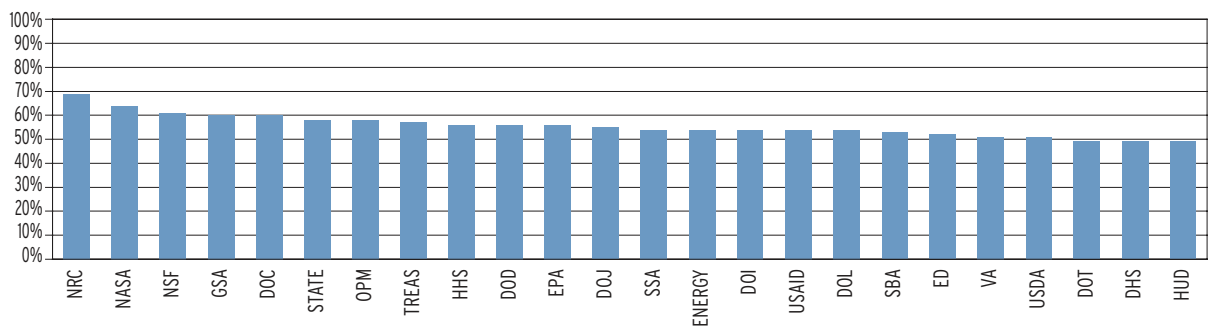
### Expect the Best from Employees

Once talented individuals become attracted to public service, the Federal Government must work hard to position them effectively. This requires inspiring leadership, continuous learning, results-oriented performance culture, recognition of excellence, and a personnel performance management system that effectively plans, monitors, develops, rates, and rewards employee performance and aligns with agencies program performance management. OPM strives to ensure the Federal workforce and its leaders are fully accountable, fairly appraised, and have the tools, systems, and resources to achieve outstanding results.

### RESULTS-ORIENTED PERFORMANCE CULTURE

To guide agencies in creating better working environments for their employees, OPM administers an annual survey that asks all employees a variety of questions related to their work experience. This survey, the Employee Viewpoint Survey, is organized around four areas: Leadership and Knowledge Management, Results-Oriented Performance Culture, Talent Management, and Job Satisfaction. There are 8–14 questions that address each of these areas, and the answers to those individual 8–14 questions are combined to produce a single composite score of how satisfied an employee is in that area. Figure 8 shows the percentage of employees in each agency that reported on the 2010 survey that they were highly satisfied that their agency had a Results-Oriented Performance Culture. This means that employees believe the agency has a results-oriented, high-performing workforce as well as a performance management system that effectively plans, monitors, develops, rates, and rewards employee performance and aligns personnel performance management with program performance management. The 2010 survey results show a very slight increase from the 2008 survey results.

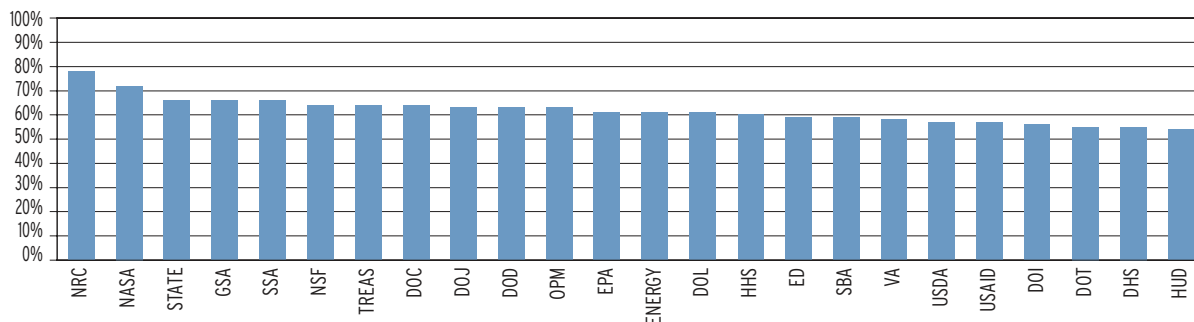
FIGURE 8. RESULTS-ORIENTED PERFORMANCE CULTURE POSITIVE RESPONSES BASED ON EVS 2010



### LEADERSHIP AND KNOWLEDGE MANAGEMENT

Figure 9 shows the percentage of employees in each agency that reported in the Employee Viewpoint Survey that they were highly satisfied with Leadership and Knowledge Management. This area focuses on whether employees believe that agency leaders are competent and inspiring, continuity of leadership is ensured, knowledge is shared across the organization, and an environment of continuous learning is present. The 2010 survey results show a very slight increase from the 2008 survey results.

FIGURE 9. LEADERSHIP AND KNOWLEDGE MANAGEMENT POSITIVE RESPONSES BASED ON EVS 2010



## OPM Top Management Challenges

On October 30, 2009, OPM’s Office of the Inspector General (OIG) identified the top management challenges facing the agency for FY 2010. The OIG divided the challenges into two key types: Environmental Challenges, which result mainly from factors external to OPM and which may be long term or even permanent; and Internal Challenges, which OPM has more control over and which are likely short-term, temporary challenges. The FY 2010 top management challenges are shown below:

### Environmental Challenges

- Strategic Human Capital;
- Federal Employee Health Benefits Program;
  - Reorient FEHBP Management; and,
  - Prescription Drug Benefits and Costs.
- Wellness and Work-Life Balance; and,
- Information Technology (IT) Security
  - Information Security Governance; and,
  - Homeland Security Presidential Directive 12-Personal Identification Verification II.

### Internal Challenges

- Retirement Systems Modernization;
- Background Investigations; and,
- Financial Management System and Internal Controls for the Revolving Fund and Salaries and Expenses Accounts.

During FY 2010, OPM made significant strides in addressing the management challenges identified by the OIG. A detailed accounting of OPM’s FY 2010 actions to address the management challenges can be found in OPM’s FY 2010 Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/>.



## OPM’s Mission and Strategic Goals

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

The OPM mission is to “Recruit, Retain and Honor a World-Class Workforce to Serve the American People.” The mission will be accomplished by achieving the following four strategic goals:

**TABLE 1—OPM STRATEGIC GOALS**

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

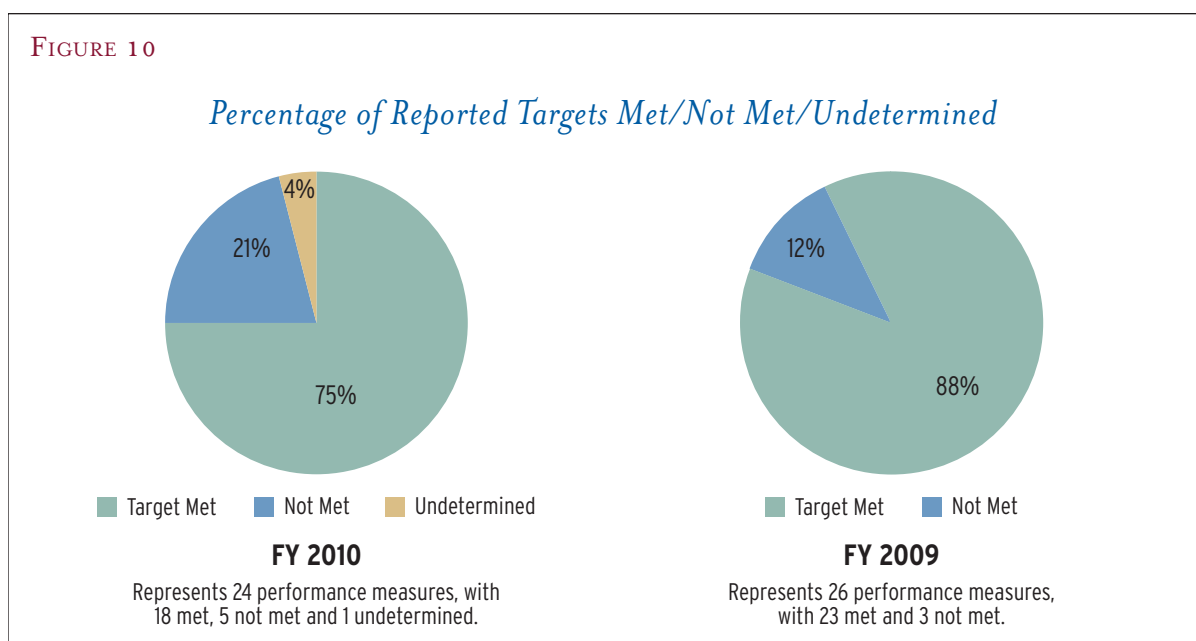
Strategic Goal:	Goal Statement:
<i>Hire the Best</i>	<b>Recruit and hire the most talented and diverse Federal workforce possible to serve the American people</b>
<i>Respect the Workforce</i>	<b>Provide the training, benefits, and work-life balance necessary for Federal employees to succeed, prosper,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

## FY 2010 Performance Results

OPM's FY 2010 performance results are presented below. This presents an overall performance summary that shows an aggregate total of performance targets met along with summary performance tables grouped by strategic goal.

### OVERALL PERFORMANCE SUMMARY

OPM's overall performance results are shown in Figure 10. The summary performance tables follow and are presented by strategic goal.



## Summary Performance Tables by Strategic Goal

### STRATEGIC GOAL: HIRE *THE BEST*

Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percent of Chief Human Capital Officer (CHCO) agencies using the USAJOBS® resume format and integrating online applications with their assessment systems	35%	78%	84%	36%	100%	100%	✓
Percent of hires in each agency hired within the 80-day time frame, as described in OPM's hiring time frame model	n/a	n/a	n/a	50%	*	15%	TBD
Percent of agencies with violations of veterans preference laws, rules and regulations	21%	25%	33%	18%	33%	25%	✗
Number of agencies that establish Veterans Program Employment Offices	n/a	n/a	n/a	n/a	24	24	✓
Number of agencies that incorporate Government-wide veterans employment training materials within their strategies	n/a	n/a	n/a	n/a	24	24	✓
Timely Investigations—Average number of days within which 90 percent of initial clearance investigations are closed [80 percent from FY 2007 through FY 2009]	n/a	76	53	32	39	40	✓
Percent of investigative case returns	n/a	0.115%	0.1%	0.08%	0.16%	<1%	✓

\* The FY 2010 results are undetermined. Thus, they will be reported in the FY 2011 APR.

✓ Met ✗ Not Met

### STRATEGIC GOAL: RESPECT *THE WORKFORCE*

Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percentage increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	n/a	n/a	n/a	n/a	7.4%	FEHB ≤ private sector	✓
Percent of FEHBP enrollees satisfied vs. health industry standard	FEHBP 73% Industry 65%	FEHB 79% Industry 63%	FEHBP 78% Industry 60%	FEHBP 77% Industry 62%	FEHBP 77% Industry 63%	≥ FEHBP Industry standard	✓
Percent of health benefits claims processed within 30 working days	97%	97%	99%	98%	99%	95%	✓
Average number of days to pay Federal Employees Group Life Insurance claims	6.9	6.7	6.3	5.5	4.3	<10 day industry standard	✓
Percent of Federal Long-Term Care Insurance Program customers satisfied with overall customer service	97%	97%	98%	99%	93%	90%	✓

✓ Met ✗ Not Met

## FY 2010 SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

### STRATEGIC GOAL: EXPECT THE BEST

Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	n/a	4%	17%	27%	28%	30%	✗
Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	n/a	n/a	n/a	n/a	52%	35%	✔
Percent of agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	n/a	83%	90%	83%	90%	85%	✔
Percentage of classification and job-grading appeal decisions that exceed timeliness standard	n/a	2%	3%	9%	0%	8%	✔
Index score of customer satisfaction with human resource products and services (ACSI Equivalent Index)	85%	84%	84%	84%	80%	80%	✔
Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	93%	94%	94%	99%	93%	90%	✔
Percentage of payments within Prompt Pay Act guidelines*	99.9%	99.9%	99.9%	92.9% (r)	85.3%	98.0%	✗
Number of financial material weaknesses	0	0	0	0	0	0	✔

(r) OPM reported this measure as 98.0% for FY 2009 in the previous APR. However the measure should have been reported as 92.9%.

\* Reported data for FYs 2009-2010 represents only invoices paid to OPM vendors; in FYs 2006-2008 OPM reported all background investigations cases, which are paid on a daily basis, in this measure. By adding the 2.3 million investigations cases paid in FY 2010, the measure would be 99.9 % for FY 2010.

✔ Met ✗ Not Met

### STRATEGIC GOAL: HONOR SERVICE

Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percent of applicant agency Senior Executive Service (SES) systems whose SES performance plans are fully certified	3%	33%	66%	64%	64%	60%	✔
Retirement claims processing timeliness (days)	41	30	42	41	108	45	✗
Average unit cost for processing retirement claims	\$91.95	\$80.03	\$74.28	\$81.97	\$105.94	\$106.83	✔
Percent of customers satisfied with overall retirement services	83%	87%	83%	85%	81%	88%	✗

✔ Met ✗ Not Met

## FY 2010 Financial Report

In accordance with the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994, OPM prepares consolidated financial statements for OPM, which include OPM operations, as well as the individual financial statements of the Retirement, Health Benefits, and Life Insurance Programs. These statements are audited by an independent certified public accounting firm, KPMG LLP. For the eleventh consecutive year, OPM has earned an unqualified audit opinion on its consolidated financial statements and on the individual financial statements of the Retirement, Health Benefits, and Life Insurance Programs, respectively. These consolidated and individual financial statements are the: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources.

### BALANCE SHEET

The Balance Sheet is a representation of OPM's financial condition at the end of the fiscal year. It shows the resources OPM holds to meet its statutory requirements (Assets); the amounts it owes that will require payment from these resources (Liabilities); and, the difference between them (Net Position).

#### Assets

At the end of FY 2010, OPM held \$892.6 billion in assets, an increase of 4.2 percent from \$856.6 billion at the end of FY 2009. The majority of OPM's assets are intra-governmental, representing claims against other Federal entities. The Balance Sheet separately identifies intra-governmental assets from all other assets. The largest category of assets is investments at \$886.3 billion, which represents 99.3 percent of all OPM assets. OPM invests all Retirement, Health Benefits, and Life Insurance Program collections not needed immediately for payment in special securities issued by the U.S. Treasury. As OPM routinely collects more money than it pays out, its investment portfolio (and consequently, its total assets) continues to grow. In FY 2010, the investment portfolio grew by 4.2 percent, with the largest increase for investments occurring in the Retirement Program.

#### Liabilities

At the end of FY 2010, OPM's total liabilities were \$1,946.7 billion, an increase of 5.5 percent from \$1,845.3 billion at the end of FY 2009. Three line items—the Pension, Post-Retirement Health Benefits, and the Actuarial Life Insurance Liabilities—account for 99.4 percent of OPM's liabilities.

The *Pension Liability*, which represents an estimate of the future cost to provide CSRS and FERS benefits to current employees and annuitants, is \$1,550.2 billion at the end of FY 2010, an increase of over \$95.5 billion, or 6.6 percent from the end of the previous year.

The *Post-Retirement Health Benefits Liability*, which represents the future cost to provide health benefits to active employees after they retire, is \$341.5 billion at the end of FY 2010. This reflects an increase of approximately \$1.6 billion from the amount at the end of FY 2009, or 0.5 percent.

The *Actuarial Life Insurance Liability* is different from the Pension and Post-Retirement Health Benefits Liabilities. Whereas the other two are liabilities for “post-retirement” benefits only, the Actuarial Life Insurance Liability is an estimate of the future cost of life insurance benefits for both deceased annuitants

and for employees who die in service. The Actuarial Life Insurance Liability increased by approximately \$4.3 billion in FY 2010 to \$43.2 billion, or 10.9 percent from the end of the previous year.

## STATEMENT OF NET COST

The Statement of Net Cost (SNC) is different from a private-sector income statement in that the SNC reports expenses first and then subtracts the revenues that financed those expenses to arrive at a net cost. OPM's Statement of Net Cost presents its cost of providing four major categories of benefits and services: Civil Service Retirement and Disability Benefits (CSRS and FERS), Health Benefits, and Life Insurance Benefits, as well as Human Resources Services. OPM derives its Net Cost by subtracting the revenues it earned from the gross costs it incurred in providing each of these benefits and services. OPM's total FY 2010 Net Cost of Operations was \$108.4 billion, as compared with \$88.6 billion in FY 2009. The primary reason for the increase is due to changes in the actuarial estimates, as further discussed in OPM's FY 2010 Agency Financial report at <http://www.opm.gov/gpra/opmgpra/>.

## STATEMENT OF BUDGETARY RESOURCES

In accordance with Federal statutes and implementing regulations, OPM may incur obligations and make payments to the extent it has budgetary resources to cover such items. The Statement of Budgetary Resources presents the sources of OPM's budgetary resources, their status at the end of the year, and the relationship between its budgetary resources and the outlays it made against them. As presented in the Statement of Budgetary Resources, a total of \$208.6 billion in budgetary resources was available to OPM for FY 2010. OPM's budgetary resources in FY 2010 include \$49.3 billion (23.7 percent) carried over from FY 2009, plus three major additional sources:

- Appropriations Received = \$43.0 billion (20.6 percent)
- Trust Fund receipts of \$102.7 billion, less \$33.0 billion\* not available = \$69.7 billion (33.4 percent)
- Spending authority from offsetting collections (SAOC) = \$46.6 billion (22.3 percent)

*Appropriations* are funding sources resulting from specified Acts of Congress that authorize Federal agencies to incur obligations and to make payments for specified purposes. OPM's appropriations partially offset the increase in the Pension Liability in the Retirement Program, and fund contributions for retirees and survivors who participate in the Health Benefits and Life Insurance Programs.

*Trust Fund Receipts* are Retirement Program contributions and withholdings from participants, and interest on investments.

*Spending Authority from Offsetting Collections* includes earnings on investments and contributions made by and for those participating in the Health Benefits and Life Insurance, and revenues in Revolving Fund Programs.

\* Total budgetary resources do not include \$26.0 billion of Trust Fund receipts for the Retirement obligations pursuant to public law. In addition, in accordance with Public Law 109-435, contributions for the Postal Service Retirement Health Benefits (PSRHB) Fund of the Health Benefits Program are precluded from obligations totaling \$7.0 billion and therefore temporarily not available.

## Consolidated Financial Statements

**U.S. OFFICE OF PERSONNEL MANAGEMENT  
CONSOLIDATED BALANCE SHEETS  
As of September 30, 2010 and 2009  
(In Millions)**

	2010	2009
<b>ASSETS</b>		
Intragovernmental:		
Fund Balance with Treasury [Note 2]	\$1,831	\$1,853
Investments [Note 3]	886,313	850,703
Accounts Receivable [Note 4]	2,271	1,981
Total Intragovernmental	890,415	854,537
Accounts Receivable from the Public, Net [Note 4]	1,456	1,314
General Property and Equipment, Net	33	22
Other [Note 1L]	745	741
<b>TOTAL ASSETS</b>	<b>\$892,649</b>	<b>\$856,614</b>
<b>LIABILITIES</b>		
Intragovernmental [Note 6]	\$541	\$685
Federal Employee Benefits:		
Benefits Due and Payable	10,126	9,872
Pension Liability [Note 5A]	1,550,200	1,454,700
Post-retirement Health Benefits Liability [Note 5B]	341,465	339,884
Actuarial Life Insurance Liability [Note 5C]	43,205	38,955
Total Federal Employee Benefits	1,944,996	1,843,411
Other [Notes 6 and 7]	1,207	1,243
<b>Total Liabilities</b>	<b>1,946,744</b>	<b>1,845,339</b>
<b>NET POSITION</b>		
Unexpended Appropriations – Other Funds	97	84
Cumulative Results of Operations – Earmarked Funds [Note 8]	(1,054,603)	(989,134)
Cumulative Results of Operations – Other Funds	411	325
<b>Total Net Position</b>	<b>(1,054,095)</b>	<b>(988,725)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$892,649</b>	<b>\$856,614</b>

**Note:** All Notes referenced in the Consolidated Balance Sheet can be found in OPM's FY 2010 Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/>.

FY 2010 SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

U.S. OFFICE OF PERSONNEL MANAGEMENT CONSOLIDATED STATEMENTS OF NET COST For the Years Ended September 30, 2010 and 2009 (In Millions)			
		2010	2009
<b>Provide CSRS Benefits</b>	Gross Costs	\$39,293	\$97,870
	Less: Earned Revenue	23,790	24,984
	Net Cost	<u>15,503</u>	<u>72,886</u>
	(Gain)/Loss on Pension, ORB, or OPEB		
	Assumption Changes [Note 5A]	<u>55,481</u>	<u>—</u>
	Net Cost of Operations [Notes 9 and 10]	<u>\$70,984</u>	<u>\$72,886</u>
<b>Provide FERS Benefits</b>	Gross Costs	\$40,112	\$37,279
	Less: Earned Revenue	38,248	36,297
	Net Cost	<u>1,864</u>	<u>982</u>
	(Gain)/Loss on Pension, ORB, or OPEB		
	Assumption Changes [Note 5A]	<u>29,902</u>	<u>—</u>
	Net Cost of Operations [Notes 9 and 10]	<u>\$31,766</u>	<u>\$982</u>
<b>Provide Health Benefits</b>	Gross Costs	\$41,966	\$45,599
	Less: Earned Revenue	37,608	31,214
	Net Cost	<u>4,358</u>	<u>14,385</u>
	(Gain)/Loss on Pension, ORB, or OPEB		
	Assumption Changes [Note 5B]	<u>(1,272)</u>	<u>—</u>
	Net Cost of Operations [Notes 9 and 10]	<u>\$3,086</u>	<u>\$14,385</u>
<b>Provide Life Insurance Benefits</b>	Gross Costs	\$4,399	\$4,668
	Less: Earned Revenue	4,386	4,338
	Net Cost	<u>13</u>	<u>330</u>
	(Gain)/Loss on Pension, ORB, or OPEB		
	Assumption Changes [Note 5C]	<u>2,477</u>	<u>—</u>
	Net Cost of Operations [Notes 9 and 10]	<u>\$2,490</u>	<u>\$330</u>
<b>Provide Human Resource Services</b>	Gross Costs	\$1,651	\$1,553
	Less: Earned Revenue	1,617	1,487
	Net Cost of Operations [Notes 9 and 10]	<u>\$34</u>	<u>\$66</u>
<b>Total Net Cost of Operations</b>	Gross Costs	\$127,421	\$186,969
	Less: Earned Revenue	105,649	98,320
	Net Cost	<u>21,772</u>	<u>88,649</u>
	(Gain)/Loss on Pension, ORB, or OPEB		
	Assumption Changes [Notes 5A, 5B, and 5C]	<u>86,588</u>	<u>—</u>
	Net Cost of Operations [Notes 9 and 10]	<u>\$108,360</u>	<u>\$88,649</u>

**Note:** All Notes referenced in the Consolidated Statements of Net Cost can be found in OPM's FY 2010 Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/>.



FY 2010 SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

U.S. OFFICE OF PERSONNEL MANAGEMENT  
 CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION  
 For the Years Ended September 30, 2010 and 2009  
 (In Millions)

	2010			2009		
	Earmarked Funds	All Other Funds	Consolidated Total	Earmarked Funds	All Other Funds	Consolidated Total
<i>CUMULATIVE RESULTS OF OPERATIONS</i>						
Beginning Balances	(\$989,134)	\$325	(\$988,809)	(\$941,122)	\$280	(\$940,842)
Budgetary Financing Sources:						
Appropriations Used	42,862	86	42,948	40,579	79	40,658
Other Financing Sources	(5)	34	29	(8)	32	24
Total Financing Sources	42,857	120	42,977	40,571	111	40,682
Net Cost of Operations	108,326	34	108,360	88,583	66	88,649
Net Change	(65,469)	86	(65,383)	(48,012)	45	(47,967)
Cumulative Results of Operations – Ending Balance	(\$1,054,603)	\$411	(\$1,054,192)	(\$989,134)	\$325	(\$988,809)
<i>UNEXPENDED APPROPRIATIONS</i>						
Beginning Balance	–	\$84	\$84	–	\$75	\$75
Budgetary Financing Sources:						
Appropriations Received	\$43,308	106	43,414	\$41,063	95	41,158
Appropriations Used	(42,862)	(86)	(42,948)	(40,579)	(79)	(40,658)
Other Budgetary Financing Sources	(446)	(7)	(453)	(484)	(7)	(491)
Total Budgetary Financing Sources	–	13	13	–	9	9
Total Unexpended Appropriations – Ending Balance	–	97	97	–	84	84
Net Position	(\$1,054,603)	\$508	(\$1,054,095)	(\$989,134)	\$409	(\$988,725)

**Note:** All Notes referenced in the Consolidated Statements of Changes in Net Position can be found in OPM's FY 2010 Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/>.

FY 2010 SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

U.S. OFFICE OF PERSONNEL MANAGEMENT  
 COMBINED STATEMENTS OF BUDGETARY RESOURCES  
 For the Years Ended September 30, 2010 and 2009  
 (In Millions)

	2010	2009
<b>BUDGETARY RESOURCES</b>		
Unobligated Balance — Brought Forward, October 1:	\$49,337	\$47,229
Recoveries of Prior-Year Unpaid Obligations	13	134
Budget Authority:		
Appropriations:		
Received	43,414	41,158
Other	(446)	(483)
Appropriated Trust Fund Receipts	102,662	95,883
Spending Authority from Offsetting Collections:		
Collected	45,776	43,327
Change in Receivables from Federal Sources and Unfilled Customer Orders	774	234
<i>Subtotal</i>	<u>46,550</u>	<u>43,561</u>
Temporarily Not Available Pursuant to Public Law	(32,964)	(27,823)
Permanently Not Available	(7)	(11)
<i>Total Budgetary Resources</i>	<u><u>\$208,559</u></u>	<u><u>\$199,648</u></u>
<b>STATUS OF BUDGETARY RESOURCES</b>		
Obligations Incurred: [Note 12]		
Direct	\$154,588	\$148,503
Reimbursable	2,320	1,808
<i>Subtotal</i>	<u>156,908</u>	<u>150,311</u>
Unobligated Balance:		
Apportioned	667	497
Unobligated Balance Not Available	50,984	48,840
<i>Total Status of Budgetary Resources</i>	<u><u>\$208,559</u></u>	<u><u>\$199,648</u></u>
<b>CHANGE IN OBLIGATED BALANCE</b>		
Obligated Balance, Net		
Unpaid Obligations, Brought Forward, October 1	\$12,423	\$12,170
Less: Uncollected Customer Payments from Federal Sources, Brought Forward, October 1	2,924	2,686
Total Unpaid Obligated Balance, Net	9,499	9,484
Obligations Incurred, Net	156,908	150,311
Less: Gross Outlays	155,925	149,928
Less: Recoveries of Prior-Year Unpaid Obligations, Actual	13	134
Change in Uncollected Customer Payments from Federal Sources	774	234
Obligated Balance, Net, End of Period		
Unpaid Obligations	13,393	12,423
Less: Uncollected Customer Payments from Federal Sources	3,698	2,924
Total Unpaid Obligated Balance, Net, End of Period	<u>9,695</u>	<u>9,499</u>
<b>NET OUTLAYS</b>		
Net Outlays:		
Gross Outlays	155,925	149,928
Less: Offsetting Collections	45,776	43,327
Less: Distributed Offsetting Receipts	40,231	34,288
Net Outlays	<u><u>\$69,918</u></u>	<u><u>\$72,313</u></u>

**Note:** All Notes referenced in the Combined Statements of Budgetary Resources can be found in OPM's FY 2010 Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/>.





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