

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



**Fiscal Year 2010  
Annual Performance Report**





United States  
of America



UNITED STATES OFFICE  
*of* PERSONNEL MANAGEMENT

---

ANNUAL PERFORMANCE REPORT  
FISCAL YEAR 2010



## TABLE OF CONTENTS

<b>Message from OPM’s Performance Improvement Officer (PIO)</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>5</b>
<b>About This Report</b> .....	<b>5</b>
<b>OPM Federal Human Resources Initiatives</b> .....	<b>6</b>
<b>OPM’s FY 2010 Mission and Strategic Goals</b> .....	<b>12</b>
<b>FY 2010 Organizational Structure</b> .....	<b>12</b>
<i>Executive Offices</i> .....	13
<i>Program Divisions</i> .....	14
<i>Common Services</i> .....	15
<i>Other Offices</i> .....	16
<b>FY 2010 Performance Results</b> .....	<b>17</b>
<i>Overall Performance Summary</i> .....	17
<b>Summary Performance Tables by Strategic Goal</b> .....	<b>18</b>
<b>Detailed Performance Results</b> .....	<b>20</b>
<i>Hire the Best/ Reform the Federal hiring process</i> .....	20
<i>Hire the Best/ Assist Veterans to find a place in the Federal workforce</i> .....	22
<i>Hire the Best/ Ensure agencies have sufficient information to make decisions such as credentialing, suitability, and/or security clearance determinations</i> .....	25
<i>Respect the Workforce/ Ensure that available benefits align with best practices and employees’ needs</i> .....	27
<i>Expect the Best/ Help agencies become high-performing organizations</i> .....	30
<i>Expect the Best/ Hold agencies to account for improvements in strategic human resource management</i> .....	31
<i>Expect the Best/ Provide leadership and direction to government-wide HR programs</i> .....	33
<i>Expect the Best/ OPM will lead by example to implement human resource reforms and achieve results</i> .....	35
<i>Honor Service/ Improve Federal pay and reward systems</i> .....	36
<i>Honor Service/ Develop a 21st century customer focused retirement processing system that adjudicates claims in a timely and accurate manner</i> .....	37
<b>FY 2010 Program Evaluations</b> .....	<b>41</b>
<b>Completeness and Reliability of Performance Data</b> .....	<b>42</b>
<b>Data Sources of OPM Performance Measures</b> .....	<b>44</b>
<b>Acronyms</b> .....	<b>56</b>





## Message from OPM's Performance Improvement Officer (PIO)

### *Introduction*

I am pleased to submit the United States Office of Personnel Management (OPM) Fiscal Year (FY) 2010 Annual Performance Report (APR). OPM has chosen to produce the APR as an alternative to the consolidated Performance and Accountability Report pursuant to OMB Circular A-136. This FY 2010 APR is one in a series of reports used to convey budget, performance, and financial information to constituents.

### *FY 2010 Results*

OPM is reporting on 24 performance measures in this FY 2010 APR. The Agency achieved 75 percent of its performance targets in FY 2010, a slight decrease from the 88 percent achieved in FY 2009. OPM is fulfilling its mission to “Recruit, Retain and Honor a World-Class Workforce to Serve the American People.” Effective programs not only accomplish performance goals, but strive to improve efficiency by achieving or accomplishing more benefits with a limited amount of resources.

### *High Priority Performance Goals*

The following High Priority Performance goals are measurable commitments to deliver specific results for the American people. 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 agencies key mission areas, and will produce significant results. Each of the five goals is related to OPM's major performance improvement initiatives.

### **HIRING REFORM**

Hiring Reform encompasses sweeping changes to streamline the Federal hiring process. OPM leads the effort to ensure Federal agencies acquire, assess, and retain employees with the specific experience and skills necessary to achieve agencies' goals and missions. By using effective recruitment, hiring, assessment and retention strategies, OPM helps agencies compete successfully with other employers. OPM develops and makes use of available recruiting, hiring, assessment and retention methods, tools, authorities and flexibilities. Some indicators of progress include the following:

- Reduce the time to hire (T2H)—End-to-End 80 day model
- An increase in applicant/manager satisfaction as reported in surveys
- An increase in hiring manager involvement in the process
- Diversity is valued and recognized in Federal agencies, as demonstrated by increased employee and manager satisfaction scores as reported in employee surveys

## SECURITY CLEARANCE REFORM

OPM provides background investigations for more than one-hundred Federal agencies. These background investigations are used as a basis for making security clearance, suitability or fitness determinations. To support high-volume investigative requirements, OPM manages a complex suite of automated systems. Key components of OPM security clearance reform include:

- Making electronic files available for agencies equipped to receive files electronically
- Establishing a single access point to search relevant clearance and investigative data via OPM's enhanced Clearance Verification System (CVS) to increase reciprocity of investigations as well as hiring and clearing decisions
- Implementing revised e-QIP and SF-86 to collect user information earlier in the process and improve quality of the data entered

## WELLNESS

OPM started the Wellness Pilot in an effort to help the Federal Government compete with other employers to attract and retain the best talent. Best management practices show producing outcomes that increase employee satisfaction will drive employee engagement. Moreover, research indicates employee satisfaction and engagement are positively linked to building high-performing organizations. The elements of a comprehensive worksite wellness program are:

- Health education
- Supportive social and physical environments
- Integration of worksite wellness program into organizational structure
- Screening programs
- Linkages with related benefits programs (FEHB, FSA, EAP, Flexible schedules, Telework etc.)

## TELEWORK

Telework is a key component in OPM's improved work-life strategy. Best practices in work-life issues focus on producing outcomes that improve the effectiveness of agencies, including increased employee satisfaction and employee engagement. Organizations striving to become employers of choice must focus attention on employee work-life issues. The following are the key components of the Federal Telework implementation strategy:

- Convene an advisory group of telework program managers to draw on their knowledge and expertise in formulating standards for telework policies
- Direct agencies to submit telework policies for review against a set of standards crafted by the advisory group; OPM would provide technical assistance to help agencies meet the standards; OPM also would review the standards every three years to ensure continued adherence to the standards
- Encourage each agency to establish the position of Telework Managing Officer, who would ensure telework policies are applied fairly and supported by agency managers



- Encourage agencies to ensure they have an effective and transparent appeals process for employees whose requests for telework or other flexible work arrangements are denied
- Develop high-quality, broadly-accessible telework training
- Use Chief Human Capital Officer Council meeting sessions on emergency preparedness to emphasize the use of telework as a vital strategy for pandemic preparedness.

## RETIREMENT CLAIMS PROCESSING

OPM administers the Federal Retirement Program for more than 2.7 million active employees and 2.5 million annuitants. OPM's retirement modernization efforts are intended to improve the processes and technologies used to process Federal retirements and provide better customer service to annuitants and survivors. The Retirement Claims processing initiative addresses challenges such as:

- Legacy systems are at risk of failure and lack the functionality to address customer's needs
- Manual paper-based processes generate data that cannot be recovered in the event of a disaster
- Inaccurate data due to manual processes vulnerable to human error
- Customer service and processing delays due to a lack of real-time data and information because data is stored in inconsistent formats at multiple locations
- Incomplete retirement applications provided to OPM by agencies which frequently delay final annuity determination
- Delay of timely, accurate, full annuity payments

## Veterans Employment

On November 9, 2009, President Barack Obama signed Executive Order 13518, *Employment of Veterans in the Federal Government*, which established the Veterans Employment Initiative. The Initiative is a strategic, yet very straightforward, approach to helping the men and women who have served our country in the military find employment in the Federal Government. OPM leads the effort to ensure agencies align the talents of these individuals with key positions so the Government is better positioned to meet mission objectives and citizens are better served. Through the creation of the *Governmentwide Veterans Recruitment and Employment Strategic Plan for FY 2010–FY 2012*, OPM is helping agencies to meet the overarching goal to increase the percentage of Veterans hired in the Federal Executive Branch. Some indicators of progress include the following:

- Hired more Veterans in the 1st nine months of FY 2010 compared to the same period in FY 2009
- Established Government-wide hiring percentage goals
- Established Veteran Employment Program Offices in 24 Federal agencies
- Created a Government-wide Marketing campaign on the value of our Veterans
- Created the Feds Hire Vets Website
- Created OPM Veterans Services group to provide Government-wide leadership, direction, and support to the Initiative

### *Completeness and Reliability of Performance Information*

The performance information used by OPM in this APR for FY 2010 is complete and reliable, as defined by the Government Performance and Results Act (GPRA). If there are instances where full and complete data for a measure are not available, these instances are noted and final data will be updated in the following year's APR.

### *Conclusion*

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

Sincerely,



Daniel K. Marella  
Performance Improvement Officer  
January 19, 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 APR provides an overview of OPM’s program performance and results to help Congress, the President, and the public assess OPM’s stewardship over the financial resources entrusted to us. Under separate cover, OPM will submit a Summary of Performance and Financial Information (SPFI), formally known as OPM’s Citizens Report. The SPFI is designed to be an executive summary highlighting both financial and performance results. OPM believes this approach will improve reporting by making the information more meaningful and transparent to the public, and by providing a more succinct and understandable reporting of OPM’s use of its resources. Both documents are available on the OPM website at <http://www.opm.gov/gpra/opmgpra/>.

The FY 2010 APR meets a variety of reporting requirements stemming from numerous laws focusing on improved accountability among Federal agencies and guidance described in OMB Circulars A-11 and A-136. This FY 2010 APR provides an accurate and thorough accounting of OPM’s program performance accomplishments during FY 2010 in fulfilling its mission.

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

## OPM Federal 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.

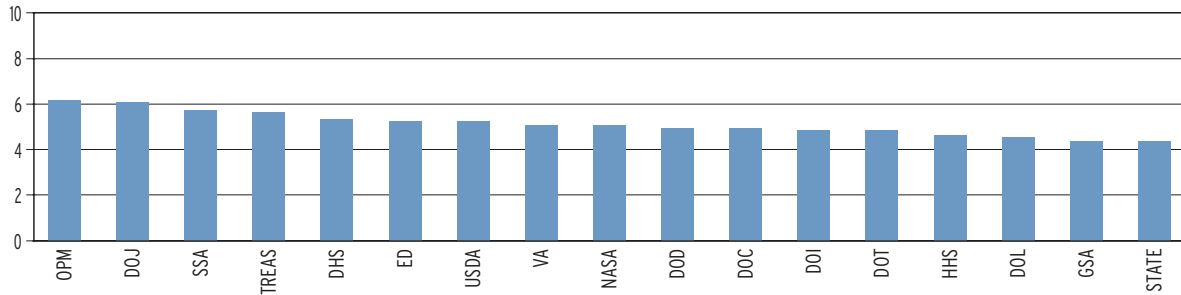
### *Hire the Best Talent*

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.

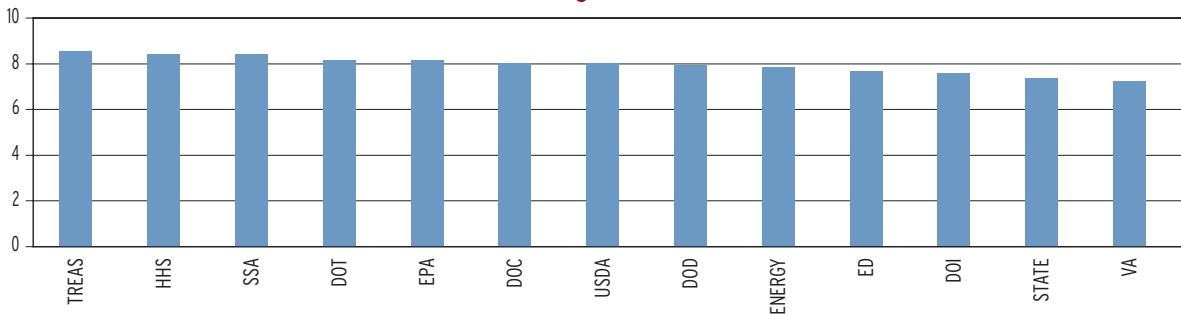
FIGURE 1. AVERAGE APPLICANT SATISFACTION IN Q4 FY 2010



### 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.

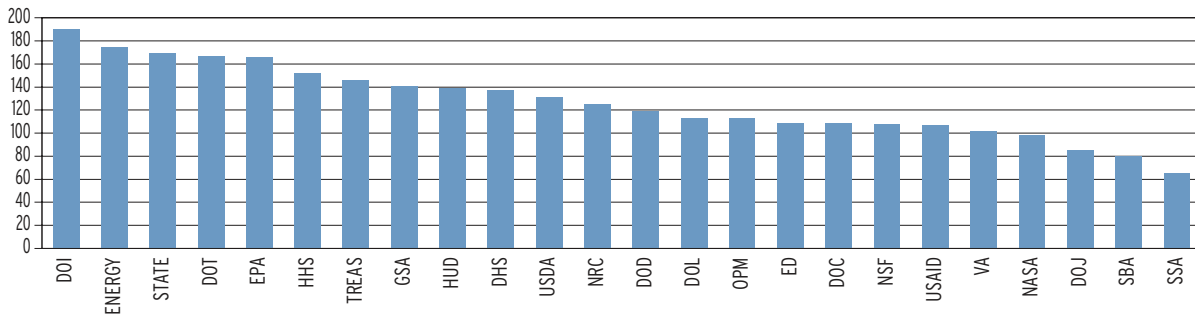
FIGURE 2. AVERAGE MANAGER SATISFACTION IN Q4 FY 2010



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 3. 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 3. TIME TO HIRE—FY 2009 BASELINE DATA



*Respect and Engage the Workforce*

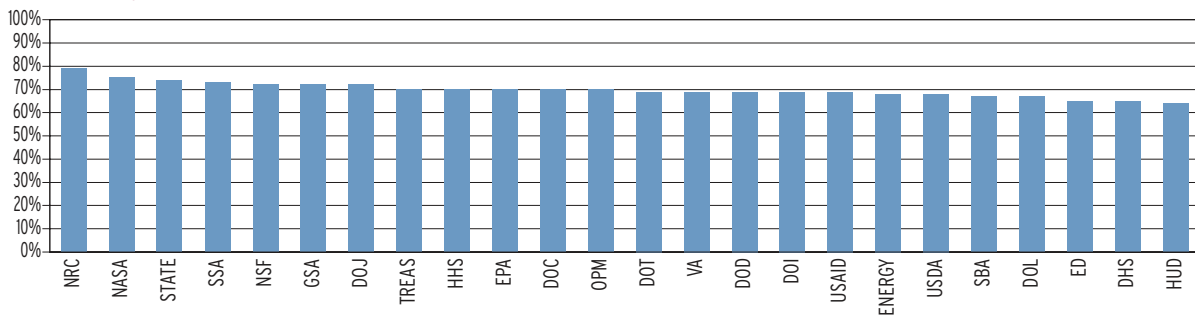
Attracting people to government service is only the beginning – agencies also must treat employees well in order to engage and retain talented individuals. To that end, agencies are continuing to work on promoting a healthy work-life balance and creating development opportunities to engage the workforce, 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 4 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.

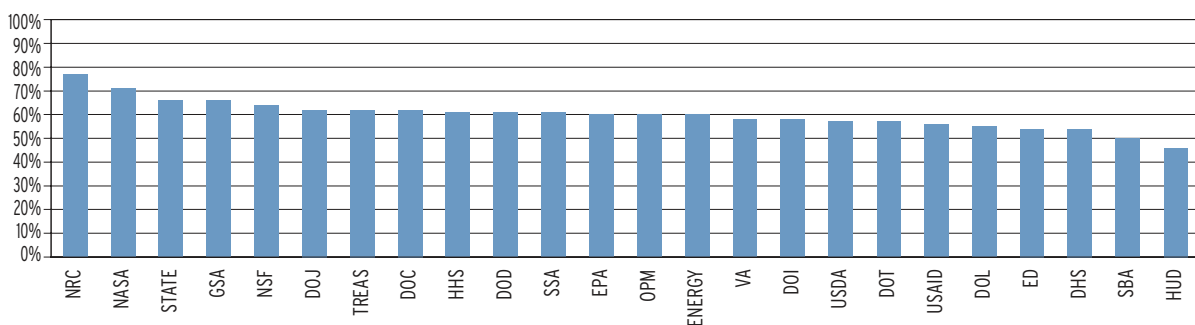
FIGURE 4. JOB SATISFACTION POSITIVE RESPONSES BASED ON EVS 2010



## TALENT MANAGEMENT

Figure 5 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.

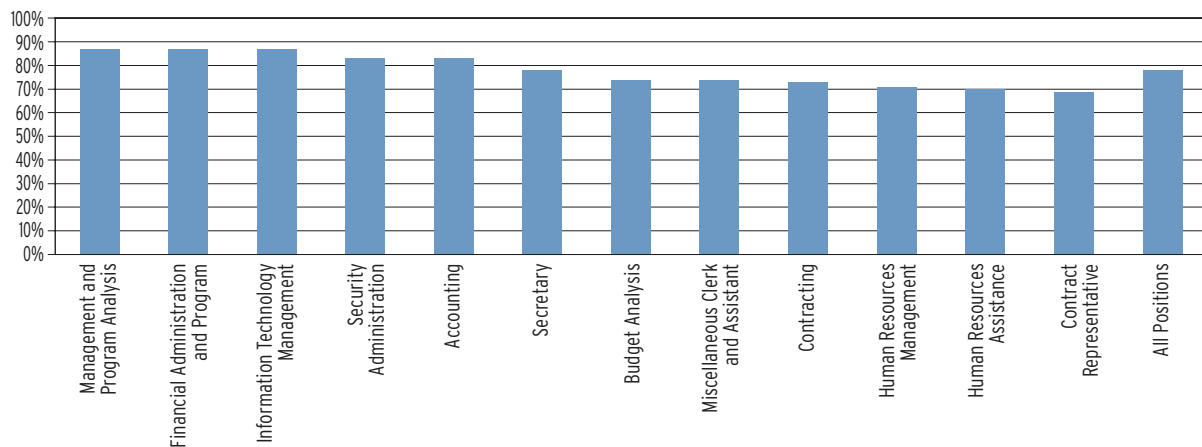
FIGURE 5. TALENT MANAGEMENT POSITIVE RESPONSES BASED ON EVS 2010



## 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 6 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 6 represents baseline data.

FIGURE 6. TWO-YEAR RETENTION RATE FOR COMMONLY FILLED POSITIONS



### *Expect the Best from Employees*

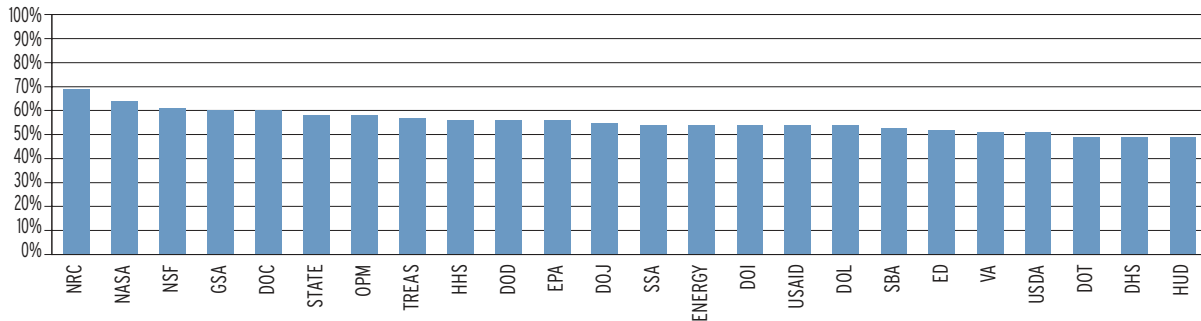
Once talented individuals become attracted to public service, the Federal Government must work hard to position them effectively. This requires inspiring leadership, continuous learning, results-oriented performance culture, recognition of excellence, and a personnel performance management system that 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 7 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.

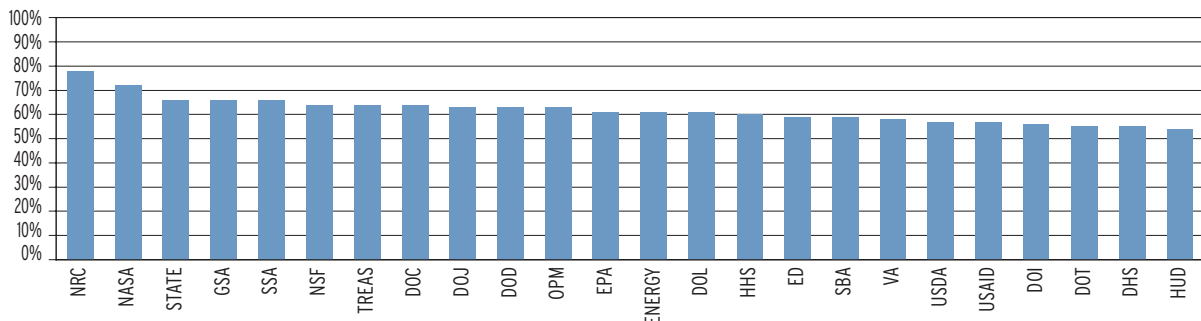
FIGURE 7. RESULTS-ORIENTED PERFORMANCE CULTURE POSITIVE RESPONSES BASED ON EVS 2010



### LEADERSHIP AND KNOWLEDGE MANAGEMENT

Figure 8 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 8. LEADERSHIP AND KNOWLEDGE MANAGEMENT POSITIVE RESPONSES BASED ON EVS 2010



## 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*

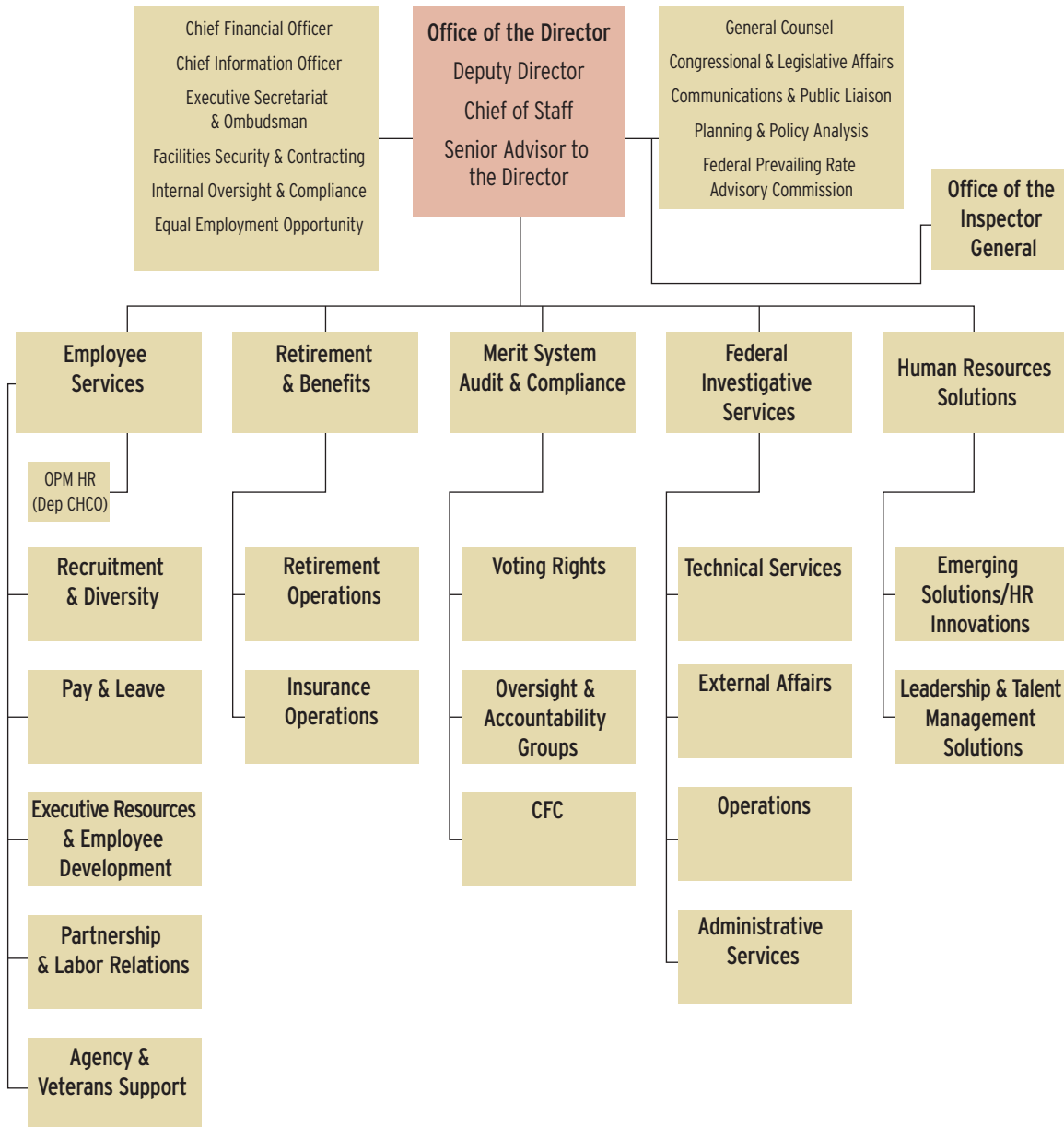
Strategic Goal:	Goal Statement:
<i>Hire the Best</i>	<b>Recruit and hire the most talented and diverse Federal workforce possible to serve the American people</b>
<i>Respect the Workforce</i>	<b>Provide the training, benefits, and work-life balance necessary for Federal employees to succeed, prosper, 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>

The driving force behind the OPM Strategic Plan is the implementation strategies. The strategies are the performance drivers and include the specific actions OPM undertakes and the deliverables produced to enhance program performance, achieve program outcomes, and enable the Agency to meet its strategic goals and fulfill the mission. Each strategy is assigned an executive champion who manages a strategic implementation plan, which consists of specific tasks, deliverables and milestones. Under the FY 2010 Senior Executive Service (SES) performance-based pay system, executive compensation is directly linked to successful execution of strategies. When OPM successfully completes its strategies, program performance improves and the evidence of this improvement is reflected in the measures used to assess and gauge program performance.

## Organizational Structure

OPM’s organizational structure reflects primary business lines through which OPM carries out its programs and implements its strategic goals and related implementation strategies. As shown in Figure 9, Organizational Chart, OPM is comprised of the following components:

FIGURE 9. ORGANIZATIONAL CHART



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

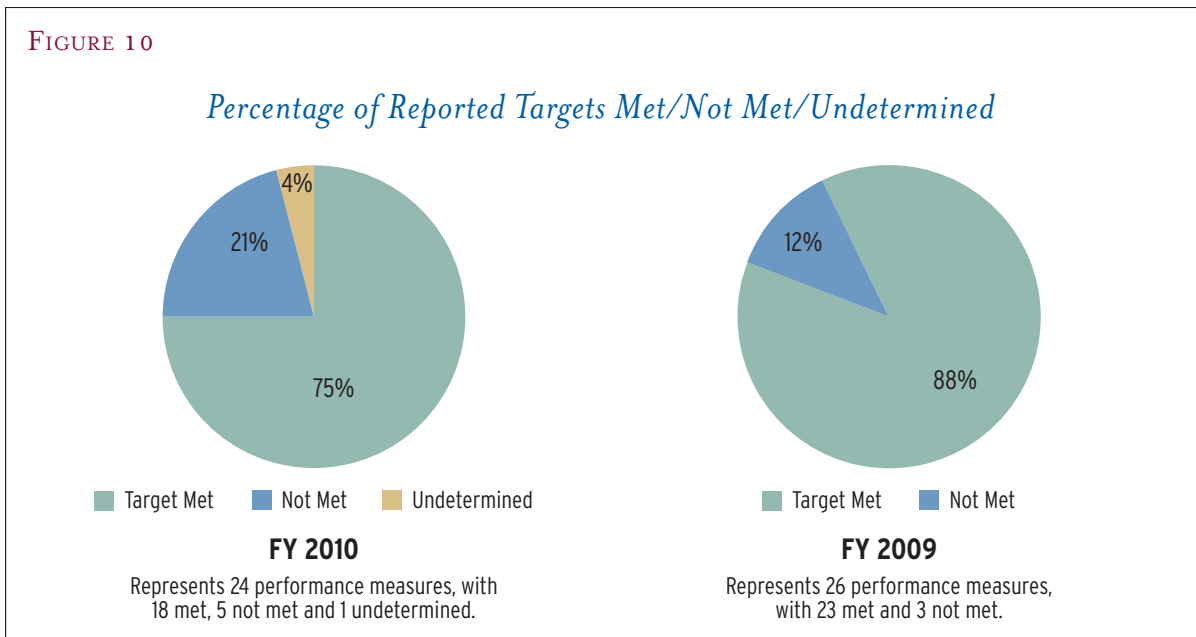
*The Office of the Inspector General (OIG)* conducts comprehensive and independent audits, investigations, and evaluations relating to OPM programs and operations. It is responsible for administrative actions against health care providers that commit sanctionable offenses with respect to the FEHBP or 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.

## FY 2010 Performance Results

OPM’s FY 2010 performance results are presented in two sections. The first section presents an overall performance summary that shows an aggregate total of performance targets met along with summary performance tables grouped by strategic goal. The second section consists of a detailed performance results analysis, recounting OPM’s actions during FY 2010 to achieve specific performance targets.

### 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 ANNUAL PERFORMANCE REPORT

### 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

## Detailed Performance Results

### Strategic Goal: Hire *the Best*

*Strategy: Reform the Federal hiring process*

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

**Activity:** Improving USAJOBS and integrating other components of the on-line hiring system to create a world-class experience for job seekers and agency recruiters

**Performance Indicator:** Federal agencies institute an effective hiring process as demonstrated by:

- A decrease in the end-to-end hiring time frame for job applicants
- An increase in applicant satisfaction as reported in surveys
- An increase in manager satisfaction as reported in surveys

Performance Measure	FY 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%	✓

✓ Met × Not Met

### FY 2010 RESULTS:

OPM met the performance target. Prior to FY 2009, Chief Human Capital Officer (CHCO) agencies were given credit for achieving this performance measure solely by demonstrating the agency’s capability to use the OPM online resume builder. The Office of Management and Budget (OMB) identified new requirements for system integration and agencies must now post vacancies on USAJOBS.® OPM developed, in concert with various Chief Human Capital Officers across government, an End-to-End Hiring Roadmap that focused on reducing the time it takes to hire and making the application process easier and more readily understood by potential applicants. The significant progress that has been made in hiring has been in four areas—timeliness, plain language and streamlined announcements, communication with applicants, and involvement of hiring managers.

## FY 2010 ANNUAL PERFORMANCE REPORT

---

<b>Activity:</b> Streamlining the end-to-end hiring process to create a positive experience for applicants, managers, and HR specialists							
<b>Performance Indicator:</b> Federal agencies institute an effective hiring process as demonstrated by: -A decrease in the end-to-end hiring time frame for job applicants -An increase in applicant satisfaction as reported in surveys -An increase in manager satisfaction as reported in surveys							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
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

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

✔ Met ✘ Not Met

### FY 2010 RESULTS

Data associated with tracking time to hire are derived from the agency Human Capital Management Report (HCMR) submissions due in December of each calendar year. While the formal/official data for FY 2010 are not yet available, the impetus of the president's May 2010 memo on hiring reform has certainly accelerated agency efforts to improve time to hire as well as quality of hires.

The Hiring Reform Initiatives outlined in the president's memo are already showing positive movement in this area. Some information made available through the agency action planning initiative shows agencies streamlining their hiring process and procedures in a manner where some have realized a significant improvement in their time to hire. Engagement of hiring managers and collaboration between and among hiring managers and HR professionals has improved significantly. We know this is occurring by inspecting the agency hiring reform action plans and the direct discussions between OPM/OMB and the agency senior accountable officials.

Other indicators that time-to-hire improved significantly between 2009 and 2010 include but are not limited to: improved applicant satisfaction; more streamlined Job Opportunity Announcements (JOAs); removal of Knowledge Skills and Abilities (KSA) from JOAs for the initial applications step; and the vastly increased use of resumes and cover letters among agencies.

### RELATED ACCOMPLISHMENTS

During the FY 2010 hiring reform implementation, OPM has provided in excess of 300 training sessions or assistance visits at a cost of more than \$2M—at no cost to the agencies. OPM has made available to agencies, all training modules developed to date—though a number of different sources. Furthermore, OPM has developed integrated assistance teams that include OPM Human Capital Officers (HCOs) and senior evaluators as well as Office of Management and Budget (OMB) examiners to support and assist agencies as they move forward to implement the President's Hiring Reform Directives.

## Strategic Goal: Hire *the Best*

*Strategy: Assist veterans to find a place in the Federal workplace*

**Background:** Over half million (512,671) Veterans are employed today in agencies across the country and around the world. Veterans comprise more than one out of every four Federal workers. FY 2009 hiring data for agencies identified in Executive Order 13518, on Veterans Employment, which represent 97.8 percent of all Federal workers.

Executive Order 13518 established Veterans Employment Program Offices in 24 agencies, directed OPM to develop and issue a Government-wide Strategic Plan for Veterans Employment, directed agencies to develop operational plans for Veterans employment tied to the Government-wide Strategic Plan and agency strategic human capital management plans, and directed agencies to build training and development programs to support preparing Veterans for high demand occupations in the Federal Government.

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

Activity: Assuring veterans' preference							
Performance Indicator: Improved employment opportunities for veterans in the Federal Government							
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 agencies with violations of veterans preference laws, rules and regulations	21%	25%	33%	18%	33%	25%	×

✓ Met × Not Met

## FY 2010 RESULTS

At the end of FY 2010, 33 percent of the agencies assessed through Merit System Audit & Compliance's (MSAC) human capital management evaluations were found to have systemic violations of veterans' preference laws, rules and regulations. As a result, MSAC did not meet the established target by 8 percent. There are two key factors that contributed to MSAC not meeting the established target. First, OPM's compliance and oversight program has changed significantly since FY 2005 when this performance measure was established. With the full implementation of the Strengthening Agency Accountability initiative in FY 2007, the number of agency-led human capital evaluations has increased dramatically while the number of OPM-led evaluations has decreased 76 percent. As a result, the denominator used to calculate the percentage of agencies with systemic veterans' preference violations has been reduced from approximately 25 (the number of OPM-led evaluations conducted in FY 2005) to six (the number of OPM-led evaluations conducted in FY 2010). With a much smaller sample size, an increase in even one agency with veterans' preference violations meant the difference between exceeding the 25 percent target with 16 percent (1 of 6 agencies) or missing the target with 33 percent (2 of 6 agencies).

Second, the focus of OPM-led Human Capital Management Evaluations has shifted from the large, Cabinet-level agencies to much smaller agencies that typically do not have the kind of internal accountability systems now required by government-wide regulations. And unlike the large agencies, which typically have several HR support offices, the small agencies usually have a single HR support office or delegated examining unit. As a result, if MSAC finds legal or regulatory violations in a small agency's single HR support office or Delegated Examining operation, they are treated as systemic violations since the infractions impact the entire agency.

In addition, when agencies commit veterans' preferences violations, it is outside the control of MSAC and does not actually reflect the work performed by the organization. Measuring the time it takes to correct systemic veterans preference violations is more an indicator of MSAC's efforts to resolve serious problems. MSAC intends to replace this single performance metric in FY 2011 with the following: *Percentage of delegated examining units with systemic veterans' preference violations that take corrective action within 60 business days of agency notification*. Having 85 percent of the DEUs take corrective action with 60 business days of receiving the OPM report is an aggressive target, and it is the minimum amount of time required to develop adequate corrective action plans and/or appropriate corrective action.

## RELATED ACCOMPLISHMENTS

The Federal Government hired more Veterans in the 1st nine months of FY 2010 compared to the same period in FY 2009. For the 1st nine months of FY 2010, the Government hired 50,546 Veterans, while it hired 48,554 Veterans in FY 2009 (same period). Veterans were 24.6 percent of total new hires during this period in FY 2010 compared to 22.7 percent in FY 2009. This increase is in spite of a decrease of eight thousand new hires during the same comparison period. These numbers show that 20 of the 24 Federal agencies covered under EO 13518 increased their veterans hiring.

In FY 2010, MSAC developed the Human Capital Assessment and Accountability Framework (HCAAF) Accountability System Assessment Tool (ASAT) that will be utilized in FY 2011. The ASAT will be used to conduct an in-depth analysis of Chief Human Capital Officer agencies and evaluate the quality of their human capital programs, policies, and practices, including an assessment of how agencies support the public policy of hiring veterans. MSAC will also use the results of this analysis to determine whether agencies' accountability systems are operating effectively. The criteria contained in the ASAT are tied to the United States Code and/or Code of Federal Regulations, and cover each of the five HCAAF systems. MSAC's decision making will be data driven and based primarily on how agencies measure up against the established criteria. After the accountability system assessment process is complete, the agency will be categorized as effective, somewhat effective, or ineffective. The rating determination will affect the level of MSAC engagement in agency led audits, and the level of MSAC independent audit activity.

In FY 2010, MSAC was involved in evaluating agency hiring reform initiatives to ensure that agencies complied with merit system principles and veterans' preference requirements. MSAC integrated hiring reform oversight into the three core components of its oversight activity: Delegated Examining Unit evaluations; OPM-led HR evaluations; and agency-led HR evaluations carried out under an OPM-approved accountability system. A status report was drafted in September 2010 that included an assessment of how or if hiring reform activities impacted veterans' hiring and preference.

## FY 2010 ANNUAL PERFORMANCE REPORT

---

Activity: Assuring veterans' preference							
Performance Indicator: Improved employment opportunities for veterans in the Federal Government							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Number of agencies that establish Veterans Program Employment Offices	n/a	n/a	n/a	n/a	24	24	✔

✔ Met ✘ Not Met

### FY 2010 RESULTS

In response to Executive Order (EO) 13518, all 24 agencies covered under the EO established a Veterans Employment Program Office (VEPO), or designated an agency officer or employee with full-time responsibility for its Veterans Employment Program. These VEPOs, officers, or employees are responsible for enhancing employment opportunities for veterans within the agency, consistent with law and merit system principles. Such responsibility includes developing and implementing the agency's operational plan, veterans' recruitment programs, training programs for veterans with disabilities, and for coordinating employment counseling to help match the career aspirations of veterans to the needs of the agency.

### RELATED ACCOMPLISHMENTS

OPM established a veteran's employment office this year to service military personal and their families. In addition, we have assisted other government agencies in initiating their veteran's employment offices. The initiative is a strategic, yet very straightforward, approach to helping the men and women who have served our country in the military find employment in the Federal Government. It also underscores the importance of aligning the talents of these individuals with key positions so the Government is better positioned to meet mission objectives and citizens are better served.

Additionally, OPM created an agency directory of these offices on its *FedsHireVets* website (<http://www.fedshirevets.gov/>) to provide veterans easy and open access to the services these offices provide. The agency directory consists of a biography of the program manager, e-mail address, phone number, agency mission and website, and a list of critical occupations under recruitment by that agency.

Activity: Assist veterans to find a place in the Federal workplace							
Performance Indicator: Improved employment opportunities for veterans in the Federal Government							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Number of agencies that incorporate Government-wide veterans employment training materials within their strategies	n/a	n/a	n/a	n/a	24	24	✔

✔ Met ✘ Not Met

### FY 2010 RESULTS

OPM conducted a Veterans Employment Program Managers Symposium July 28–30, 2010. The primary goal of the symposium was to provide a forum for discussing strategies and issues affecting the

employment of veterans. This symposium provided key training to ensure agency Veterans Employment Program Offices and Managers had a firm foundation of knowledge, information, resources, and best practices to enhance veteran’s employment.

OPM hosted the event in Washington, D.C. assisted by speakers from our agency as well as the Department of Defense, Department of Homeland Security, Department of Veteran Affairs, Department of Labor, Department of Energy, Iraq & Afghanistan Veterans of America, Paralyzed Veterans of America, Student Veterans of America, and the White House. Approximately 250 Federal employees participated during this 3-day event.

**RELATED ACCOMPLISHMENTS**

OPM also conducted training sessions around the country to reach Federal agencies and their employees at the headquarters and component levels. OPM conducted training sessions at numerous Federal Executive Boards (i.e., Boston, Dallas, Denver, and Chicago), and also conducted training at several conferences targeting Federal employees including the League of United Latin American Citizens, Federal Employed Women, and Blacks in Government. Through quarterly meetings with agency Veteran Employment Program Managers, OPM continuously provided agencies with training materials and resources for incorporation into their operational plans.

Finally, OPM is one of the lead agencies developing a proof of concept training program for veterans that was adopted by all 24 members of the Council on Veterans Employment. Each agency is currently identifying the number of vacancies they have available to sponsor veterans. The training programs will prepare veterans for careers in the acquisition/contracting field.

**Strategic Goal: Hire *the Best***

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

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

<b>Activity:</b> Achieving a quality standard in investigations that meets Federal investigative standards to ensure agency protection and satisfaction							
<b>Performance Indicator:</b> Increased percentage of security and suitability investigations and adjudications that meet quality and timeliness standards							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/ Not Met
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	✓

✓ Met ✗ Not Met

## FY 2010 RESULTS

At the end of FY 2010, OPM completed 90 percent of initial clearance investigations in an average of 39 days, exceeding the target of completing 90 percent in an average of 40 days. Completing 90 percent of initial clearance investigations in an average of 40 days is a key element in the Intelligence Reform and Terrorism Prevention Act of 2004, which mandated OPM to reduce the average time it takes to conduct initial clearance investigations. OPM has begun procuring the hardware and software needed to upgrade Federal Investigation Services core IT system infrastructure in preparation for continued improvements in timeliness.

## RELATED ACCOMPLISHMENTS

OPM continues to perform approximately 90 percent of all Federal background investigations and completed over 2 million investigations in FY 2010, with over 635,000 investigations conducted to support initial security clearance determinations. There is no backlog in OPM's investigation program and FIS continues to maintain the lowest inventory of pending cases since February 2005 when OPM assumed responsibility for the Department of Defense case backlog.

<b>Activity:</b> Achieving a quality standard in investigations that meets Federal investigative standards to ensure agency protection and satisfaction							
<b>Performance Indicator:</b> Increased percentage of security and suitability investigations and adjudications that meet quality and timeliness standards							
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 investigative case returns	n/a	0.115%	0.1%	0.08%	0.16%	<1%	✓
✓ Met × Not Met							

## FY 2010 RESULTS

During FY 2010, OPM met its target by achieving a case return rate of 0.16 percent. These results indicate that there were very few background investigation cases returned to OPM for an amendment to the original findings of our investigation. Additionally, these results illustrate that we are carrying out accurate and thorough investigations with minimal error. OPM's obligation is to maintain a case return rate of less than 1 percent. While OPM has been aggressive in its efforts to meet the timeliness goals set forth by the Intelligence Reform Act, OPM remains equally dedicated to providing quality products to its customer agencies. In FY 2010, OPM implemented a Quality Hotline to allow agency adjudicators to discuss their questions or concerns with experienced case analysts within Federal Investigation Services. In addition to the quality hotline, OPM has implemented the Quality Assessment Tool (QAT). The QAT is a web based survey that provides agencies a simple and easy way to report their case specific assessment of the format, content, and overall quality of a completed investigation. OPM will use the information collected through the feedback and QAT submissions to identify training opportunities for investigative and adjudicative staff.



## Strategic Goal: Respect the Workforce

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

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

<b>Activity:</b> Evaluating benefit survey results of both public and private sector organizations							
<b>Performance Indicator:</b> Increased percentage of employees satisfied with their benefits package							
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	✓

✓ Met × Not Met

### FY 2010 RESULTS

In 2010, FEHB enrollees were provided 232 healthcare plan choices from which to select their healthcare coverage. The FEHB Program uses private market competition and consumer choice to provide comprehensive benefits at an affordable cost to enrollees and the Government. Each year, OPM considers a number of variables that contribute to FEHB premium increases and determines the average percentage increase for program participants. Private sector healthcare industry consultants predicted that healthcare premium increases for 2010 would range from 8.0 percent to 11.8 percent. OPM met the target by providing FEHB enrollees a premium that was less than the industry consultant prediction for 2010. The average overall premium increase for 2010 was 7.4 percent for the enrollees' share of the premium. Despite nationwide premiums for health insurance rising for a number of years, OPM negotiates with health plans to preserve benefits and choice, while keeping rates below industry predictions.

## FY 2010 ANNUAL PERFORMANCE REPORT

Activity: Evaluating benefit survey results of both public and private sector organizations							
Performance Indicator: Increased percentage of employees satisfied with their benefits package							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percent of FEHBP enrollees satisfied vs. health industry standard	FEHBP 73% Industry 65%	FEHBP 79% Industry 63%	FEHBP 78% Industry 60%	FEHBP 77% Industry 62%	FEHBP 77% Industry 63%	≥ FEHBP Industry standard	✔

✔ Met × Not Met

### FY 2010 RESULTS

For FY 2010, OPM achieved a 77 percent satisfaction rate, exceeding the industry standard of 63 percent. The industry standard result is extracted from the Quality Compass, a product of the National Committee for Quality Assurance (NCQA). The Quality Compass is the nation's leading database of comparable information on clinical performance and patient experience for more than 400 commercial health plan products serving more than 90 million enrollees. OPM consistently exceeds the industry standard and strives to improve customer satisfaction by offering a variety of health plans with comprehensive services and excellent value.

The collection and availability of member ratings of FEHBP health plans is an important tool to help Federal employees and annuitants make informed decisions. The ratings also contribute to the overall quality and efficiency of health plans participating in FEHBP.

Activity: Evaluating benefit survey results of both public and private sector organizations							
Performance Indicator: Increased efficiencies in processing claims							
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 health benefits claims processed within 30 working days	97%	97%	99%	98%	99%	95%	✔

✔ Met × Not Met

### FY 2010 RESULTS

FEHBP carriers processed 99 percent of their claims within 30 days, exceeding FEHBP's target by four percent. OPM achieved this goal because health plans continue to build and leverage information technology allowing them to have all the information necessary to pay claims in a timely manner. This technology also gives participants the ability to quickly determine the dollar amount of insurance benefits coverage for each treatment so they can promptly determine and remit the portion of claims costs for which they are responsible.

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

## FY 2010 ANNUAL PERFORMANCE REPORT

---

Activity: Evaluating benefit survey results of both public and private sector organizations							
Performance Indicator: Increased efficiencies of in processing claims							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
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	✔

✔ Met ✘ Not Met

### FY 2010 RESULTS

OPM made further strides in exceeding the 10 day industry standard by reducing the average number of days to pay a FEGLI claim to 4.3 days. Fully processed claims for life insurance beneficiaries remain substantially below the industry average. OPM contracts with MetLife and uses data from the FEGLI Automated Certification of Life Insurance function to certify insurance electronically for deceased annuitants. Automating the process has improved life insurance claim processing times as well as eliminated errors typical of manual certification. The FEGLI paid claims accuracy rate is consistently greater than 99.9 percent.

Activity: Using performance measures to ensure quality customer service							
Performance Indicator: Increased customer satisfaction							
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 Federal Long-Term Care Insurance Program customers satisfied with overall customer service	97%	97%	98%	99%	93%	90%	✔

✔ Met ✘ Not Met

### FY 2010 RESULTS

During FY 2010, OPM exceeded its target by three percent for overall customer service satisfaction. The rating illustrates that Federal Long Term Care Insurance Program (FLTCIP) provides timely and efficient customer service to enrollees. OPM continues to provide a high-quality, efficient and competitively-valued program. Claims are processed quickly, and payments are sent, received and processed in a timely manner. In addition, FLTCIP monitor contracts monthly for quality which include calls answered, responses given, and claims paid. During FY 2011, the computer systems will be upgraded to offer faster response times and claim payments.

## Strategic Goal: Expect the Best

*Strategy: Help agencies become high-performing organizations*

**Background:** OPM collaborates with agencies on advancing effective performance management systems that meet the standard established in OPM’s Performance Appraisal Assessment Tool (PAAT). OPM conducts PAAT evaluations and reviews agency Human Capital Management Reports (HCMRs) to provide feedback for continuous improvement of performance management systems. Also, OPM designs, develops and implements new and/or improves existing tools to evaluate human resource programs such as the Chief Human Capital Officer (CHCO) Applicant and Manager Satisfaction Surveys, Federal Competency Assessment Tool (FCAT) /Human Resources Management (HR-M) assessment, Systems/Standards/Metrics (SSM) and End-to-End hiring process protocols; and designs and manages the HR Dashboard. In addition, we provide technical assistance through coordination and collaboration to meet workforce planning challenges such as the multi-sector workforce and government-wide mission critical or vulnerable positions such as veterinarians or nurses.

<b>Activity:</b> Creating fair and credible standards for individual performance appraisal and accountability							
<b>Performance Indicator:</b> Federal agency HR systems and practices improve, as demonstrated by performance metrics reported in agencies’ annual Human Capital Management Reports							
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%	×

✔ Met × Not Met

### FY 2010 RESULTS

In 2006, OPM began using the Performance Appraisal Assessment Tool (PAAT) to evaluate agency non-SES appraisal programs. A score of 80 points out of 100 indicates the agency’s appraisal program meets the standard OPM has set in the PAAT for the design, implementation, and results of an appraisal program. Over the last 5 years, OPM has seen steady improvement in agency appraisal programs, but improvement is slow and requires significant efforts from agencies. Several of the largest agencies, such as the Departments of Defense, Homeland Security, Justice, Agriculture, Treasury, and Veterans Affairs, have not yet made the improvements necessary to their programs, and this is keeping the percentage of employees covered by systems scoring at least 80 points on the PAAT low. As a result, OPM did not meet the FY 2010 goal of 30 percent of employees covered by appraisal systems meeting OPM standards.

### RELATED ACCOMPLISHMENTS

Every other month, OPM conducts its Performance Management Forum, which provides agency program managers the ability to network and discuss lessons learned and best practices for performance management. OPM conducted four workshops on using the PAAT with an overall attendance of 120 agency representatives. Attendees responded that the workshop helped them develop the skills they need to use the PAAT to evaluate their appraisal programs.

<b>Activity:</b> Creating fair and credible standards for individual performance appraisal and accountability							
<b>Performance Indicator:</b> Federal agency HR systems and practices improve, as demonstrated by performance metrics reported in agencies' annual Human Capital Management Reports							
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 CHCO agencies having a Performance Culture Index (PCI) of 55 or more	n/a	n/a	n/a	n/a	52%	35%	✓

✓ Met × Not Met

## FY 2010 RESULTS

The Performance Culture Index (PCI) is an overall indicator of OPM and agency efforts to improve performance management programs and practices. Several survey questions used to develop the PCI showed significant positive increases in the number of employees responding favorably when comparing 2008 to 2010 responses. The most notable improvements include:

- Discussions with my supervisor/team leader about my performance are worthwhile: +5 percentage points improvement (62 percent positive)
- My performance appraisal is a fair reflection of my performance: +3 percentage points improvement (68 percent positive)
- In my work unit, differences in performance are recognized in a meaningful way: +3 percentage points improvement (36 percent positive)
- Employees have a feeling of personal empowerment with respect to work processes: +3 percentage points improvement (48 percent positive)

## RELATED ACCOMPLISHMENTS

At its Performance Management Forum held September 1, 2010, OPM reviewed the PCI results with agency representatives and discussed possibilities for improvement in specific areas. OPM provides daily advice and guidance to agencies for improving their performance culture in a variety of ways, such as through its web site at <http://www.opm.gov/perform/>, through its Forums, and through individual discussions and presentations to agencies.

## Strategic Goal: Expect the Best

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

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

## FY 2010 ANNUAL PERFORMANCE REPORT

---

<b>Activity:</b> Monitoring compliance with civil service laws and regulations and appropriate use of flexibilities/authorities							
<b>Performance Indicator:</b> Federal agency HR systems and practices improve, as demonstrated by performance metrics reported in agencies' annual Human Capital Management Reports							
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 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%	✓

✓ Met × Not Met

### FY 2010 RESULTS

Merit System Audit Compliance (MSAC) closely monitored the 16 Delegated Examining Units (DEUs) identified as having severe problems during compliance audits conducted in FY 2009. Fifteen of them (93.8 percent) were able to demonstrate improvement in FY 2010 and were removed from the severe category. MSAC exceeded the target as 9 of the 10 agencies (90 percent) with severe problems in one or more of their DEUs showed significant improvement.

MSAC will replace the current metric with a metric that measures the various agencies performance at the individual DEU level beginning in FY 2011. Measuring at the DEU level will engage DEUs individually, and allow sanctions (decertification) to be administered at the DEU level when necessary.

### RELATED ACCOMPLISHMENTS

Merit System Audit Compliance (MSAC) utilized the compliance database to analyze trends and identify those DEUs potentially at risk for being rated in the “severe” category. This information was used to develop our audit schedules to ensure the effective use of our resources.

The administration’s top human capital priority for FY 2010 was hiring reform. Hiring reform initiatives have the greatest impact on delegated examining activities. As part of our delegated examining oversight responsibility, MSAC evaluated agency hiring reform initiatives to assess agencies’ progress in meeting the President’s reform objectives. A Hiring Reform Coverage Guide was developed, and training was designed and delivered to field staff. A comprehensive status report describing the affects of hiring reform on delegated examining operations and other human resources programs was drafted.

MSAC also developed an Accountability System Assessment Tool that will be used to conduct analyses of agencies’ human capital policies and programs, including delegated examining. The “effectiveness level” of agencies’ accountability systems will help determine our level of engagement in future agency-led DEU audits.

## FY 2010 ANNUAL PERFORMANCE REPORT

<b>Activity:</b> Monitoring compliance with civil service laws and regulations and appropriate use of flexibilities/authorities							
<b>Performance Indicator:</b> Federal agency HR systems and practices improve, as demonstrated by performance metrics reports in agencies' annual Human Capital Management Reports							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percentage of classification and job-grading appeal decisions that exceed timeliness standard	n/a	2%	3%	9%	0%	8%	✓

✓ Met × Not Met

### FY 2010 RESULTS

OPM met the performance target. Due process depends on timely decisions (“justice delayed is justice denied”); the appellate function measure focuses on OPM’s goal to quickly resolve employee appeals of certain agency personnel decisions. The appellate activity attempts to complete an employee’s appeal within 60 workdays after the receipt of the appeal administrative report. Receipt of the administrative report means that all relevant documentation from both the agency and the appellant has been received and the case is adjudicated. Completion is when the classification appeals officer submits a completed decision to the appeals program manager. The target was met due in part to a decrease in the number of cases both received and adjudicated. Future performance may be affected by the retirement of more seasoned staff and the difficulty in attracting candidate with aptitude for appellate work.

### Strategic Goal: Expect the Best

*Strategy: Provide Leadership and direction to government-wide HR programs*

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

<b>Activity:</b> Providing agencies with tools, resources, guidance, education, and evaluation to improve human resource operation							
<b>Performance Indicator:</b> Federal HR systems and practices improve, as demonstrated by performance metrics reporting in agencies' annual Human Capital Management Reports							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Index score of customer satisfaction with human resource products and services (ACSI Equivalent Index)	85%	84%	84%	84%	80%	80%	✓

✓ Met × Not Met

## FY 2010 RESULTS

OPM's HR Solutions organization continues to achieve high customer satisfaction as evidenced by our FY 2010 ACSI (American Customer Satisfaction Index) equivalent score. In 2010, HR Solutions achieved a score of 80, once again rating several points higher than the combined public and private sector industry standard of 76. HR Solutions delivered a wide range of human resources products and services to various Federal agencies including, but not limited to automated staffing solutions; individual and organizational assessments; recruitment, selection, and retention strategies; workforce and succession planning services; classification services; performance management services; development, implementation, support, integration, and hosting of complex human resources information technology systems; and pre-qualified commercial vendors providing custom training, learning, and knowledge management solutions and human capital solutions.

## RELATED ACCOMPLISHMENTS

HR Solutions' customers reported very high satisfaction with our products and services, but our customers also acknowledged HR Solutions' excellent customer service in a number of other ways. In 2010, 97 percent of responding customers indicated that they would continue to use HR Solutions' products and services. In addition, 96 percent of responding customers reported that they would recommend HR Solutions' products and services to other Government organizations. By providing exceptional human resources products and services to Federal agencies, HR Solutions continues to be a steadily growing organization focused on meeting the personnel needs of the Government.

Activity: Providing agencies with tools, resources, guidance, education, and evaluation to improve human resource operation							
Performance Indicator: Federal HR systems and practices improve, as demonstrated by performance metrics reporting in agencies' annual Human Capital Management Reports							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	93%	94%	94%	99%	93%	90%	✓

✓ Met × Not Met

## FY 2010 RESULTS

HR Solutions continues to exceed its goals for improving the organizational effectiveness of its Federal agency customers despite the dynamic and ever-changing nature of their varying organizational needs. In FY 2010, 93 percent of responding customers agreed that HR Solutions' products and services contributed to improving their agency's organizational effectiveness. In addition, according to our customers, HR Solutions remains the driving force behind providing Federal agencies with the effective and efficient staffing, training, assessment, and other exceptional human resources services they need, ensuring that Government agencies have the tools to become successful, high-performing organizations.



**RELATED ACCOMPLISHMENTS**

HR Solutions’ strives to improve our customers’ organizational effectiveness, but customers were also pleased with many additional features of our products and services. In FY 2010, 96 percent of responding customers indicated that HR Solutions delivered good or very good value for their money. Additionally, 95 percent of responding customers indicated that the quality of our products and services was good or very good. Our products and services also helped our customers becomes more efficient Government organizations, as 90 percent of responding customers indicated that HR Solutions’ products and services contributed to time savings.

**Strategic Goal: Expect the Best**

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

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

<b>Activity:</b> Making better use of financial resources to meet program needs							
<b>Performance Indicator:</b> Continued stewardship over OPM’s financial resources by maintaining the agency’s clean audit opinion							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Percentage of payments within Prompt Pay Act guidelines*	99.9%	99.9%	99.9%	92.9%(r)	85.3%	98.0%	✗

(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% as reported in the FY 2009 AFR as the Agency performance for vendor invoices.

\* 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

**FY 2010 RESULTS**

OPM transitioned to a new agency financial system in FY 2010. OPM experienced some transition issues with processing vendor invoices as to be expected with any new system. Additionally, the new system contains additional controls to ensure that invoices more closely match purchasing documents; those additional controls reduce the risk of improper payments but caused delays in some cases. Additionally, processing of many invoices at the end of FY 2009 was delayed due to the need to transition to the new financial system; therefore when those invoices were paid in the new system in FY 2010, they were considered late under Prompt Pay Act guidelines. OPM is currently working to improve its business processes and procedures and expects to make considerable improvement; the FY 2011 target will be adjusted as appropriate.

## RELATED ACCOMPLISHMENTS

OPM achieved a significant reduction in its improper payment rates for the Background Investigations program, from 6.0 percent in FY 2009 to 1.4 percent in FY 2010. This was achieved through improved processes and procedures in both the program office (Federal Investigative Services) and in the Office of the Chief Financial Officer.

### Strategic Goal: Expect the Best

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

Activity: Making better use of financial resources to meet program needs							
Performance Indicator: Continued stewardship over OPM's financial resources by maintaining the agency's clean audit opinion							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Number of financial material weaknesses	0	0	0	0	0	0	✓

✓ Met × Not Met

## FY 2010 RESULTS

OPM received an unqualified opinion on its consolidated financial statements from the Office of Inspector General and its independent public accountant (KPMG LLP). OIG and KPMG also reported no material weaknesses related to the CFO organization. The auditors did report a material weakness related to the CIO's general information technology control environment as described in the FY 2010 OPM Agency Financial Report. The CFO will work closely with the CIO to ensure that progress is made to remove that material weakness in FY 2011.

### Strategic Goal: Honor Service

*Strategy: Improve Federal pay and reward systems*

**Background:** OPM evaluates and certifies agency Senior Employee pay and performance systems. Members of the Senior Executive Service (SES) are covered by a pay-for-performance system established in law and regulated jointly by OPM and OMB. For agencies to be able to pay their executives above Executive level III, up to level II, and up to the higher aggregate pay level, agencies first must have their appraisal systems certified by OPM, with concurrence by OMB.

Activity: Evaluating, improving and certifying agency (SES) pay and performance systems							
Performance Indicator: Federal agencies meet certification requirements for their leadership performance management systems							
Performance Measure	FY 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%	✓

✓ Met × Not Met

## FY 2010 RESULTS

During FY 2010, OPM certified 64 SES performance management systems. During this time-frame, the Agency certified 61 SES appraisal systems using the SES Performance Appraisal Assessment Tool (SES-PAAT), with 39 of those systems receiving full certification. Additionally, this was the first year OPM required all agencies to use the SES-PAAT to request system certification. The SES-PAAT was developed as a streamlined and consistent method for certifying agency SES appraisal systems.

## RELATED ACCOMPLISHMENTS

Agencies cover their Senior Level (SL) and Scientific or Professional (ST) employees under performance appraisal systems established in accordance with law, and regulations by OPM. For agencies to be able to pay their SL/ST employees above Executive level III, up to level II, and up to the higher aggregate pay limit, agencies first must have their appraisal systems certified by OPM, with concurrence by OMB. As of September 30, 2010, OPM certified 10 SL/ST appraisal systems, with two of those systems warranting full certification. OPM developed an SL/ST-PAAT (similar to the SES-PAAT) and provided workshops on using the tool. Not all agencies with SL/ST employees are planning for system certification because some agencies want to limit their SL/ST employee pay to Executive level III.

## Strategic Goal: Honor Service

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

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

<b>Activity:</b> Delivering optimal customer service experiences by improving processes							
<b>Performance Indicator:</b> Increased efficiencies in retirement processing							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Retirement claims processing timeliness (days)	41	30	42	41	108	45	✗

✔ Met ✗ Not Met

## FY 2010 RESULTS

OPM's average claims processing time was 108 days during FY 2010, which did not meet the target of processing retirement claims in 45 days. The 108 day average processing time is a result, in part, of shifting the Retirement and Benefits' (R&B) organizational focus towards accuracy. This change in focus was a conscious decision made by R&B management that took effect at the beginning of FY 2010. As expected, this shift improved accuracy rates for retirement claims processing to 94 percent in FY 2010 compared to 91 percent in FY 2009.

The FY 2010 number includes all non-disability cases in the pending claims balance. In prior years, OPM's senior management had excluded certain types of non-disability cases from the average claims processing time because those cases required extensive development which needed information outside of OPM. R&B management re-assessed this approach, and changed the methodology to now include all non-disability cases.

The increase in total number of claims and processing timeliness is partially a result of the unexpected early retirements of 18,000 U.S. Postal Service workers. OPM received the majority of the USPS claims, which represented 19 percent of all employee annuitant claims for FY 2010, in November, which contributed to an increase in processing times for the remainder of the fiscal year. Based on the average number of claims received per week, OPM received nine weeks' worth of these non-disability retirement claims during only a two week period in late November.

The average number of pending non-disability claims on-hand for FY 2010, prior to the surge in November, was 10,700. Within two months, this backlog grew to over 36,400 cases as OPM worked to process early retirements in addition to its regular workload. OPM reduced this balance down to approximately 25,500 non-disability, CSRS and FERS claims by the end of FY 2010.

In FY 2010, claims processing timeliness was further exacerbated by an eight percent reduction in Legal Administrative Specialists. Due to staff reductions and the 4.5 percent increase in number of claims received, there were approximately 12 percent more retirement claims per Legal Administrative Specialist in FY 2010 than in FY 2009. To help remediate, we have made process improvements, such as establishing a project team to focus on USPS early-out retirement claims, assigning senior staff coaches to assist with case processing, and detailing employees to expedite review.

For FY 2011, OPM is addressing the timeliness of retirement claims processing by hiring 40 additional full-time Legal Administrative Specialists. The additional staff will help OPM address the increased workloads and will lead to improvements in processing time and accuracy, as well as customer service. However, the new Legal Administrative Specialists will require an initial four months of training, and OPM does not expect to realize the full benefits of these new hires until FY 2012.

In addition to hiring the 40 full-time Legal Administrative Specialists, OPM is redeploying additional staff, from other parts of the agency, to assist with the backlog of cases. These additional employees will help with claims processing in the short term. This latter step is one element of our new plan, which includes a top to bottom review of our retirement processes to put into place more manageable changes and reforms on a more frequent basis.

Lastly, OPM is piloting Results Only Work Environment (ROWE). ROWE emphasizes results and performance while providing flexibility not found in traditional work schedules. OPM hopes to see increased productivity from implementing ROWE. The program was implemented in July 2010 and recently extended to the end of FY 2011, and a final report evaluating the pilot groups will be submitted by an independent contractor in 2011.

## RELATED ACCOMPLISHMENTS

OPM has set a High Priority Performance Goal (and incorporated in the 2010–2015 Strategic Plan) to reduce the number of incomplete retirement applications submitted by agencies. When agencies submit incomplete or inaccurate retirement packages, OPM is required to spend additional time and resources developing the claim before it can be processed.

## FY 2010 ANNUAL PERFORMANCE REPORT

---

To meet its goal, OPM is providing training and workshops to other agencies' benefits officers that will improve the quality of their retirement application submissions. OPM's target for FY 2010 was to reduce the number of incomplete retirement submissions to less than 30 percent. OPM met this goal: only 23 percent of applications were incomplete and required development. This is a substantial improvement over the rate of 32 percent incomplete in FY 2009. With fewer incomplete applications, OPM will spend less time contacting agencies and annuitants to develop claims, which should contribute to lower average unit costs.

Activity: Using performance measures to ensure quality customer service							
Performance Indicator: Increased efficiencies of retirement reporting							
Performance Measure	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2010 Target	Met/Not Met
Average unit cost for processing retirement claims	\$91.95	\$80.03	\$74.28	\$81.97	\$105.94	\$106.83	✔
✔ Met ✘ Not Met							

### FY 2010 RESULTS

OPM met its goal of processing retirement claims below a unit cost of \$106.83. OPM exceeded the target by processing claims at a cost of \$105.94, nearly \$1 per claim processed better than targeted.

The unit cost calculation was revised and documented for FY 2010, based on a new reassessment of the factors behind the calculation. Under the old methodology, while the calculations were accurate, there was insufficient documentation to recreate the numbers for FY 2010. This revised calculation factors in the U.S. Postal Service surge, staff reduction, and the impact of shifting our focus away from expediency to accuracy.

Activity: Delivering optimal customer service experiences by improving processes							
Performance Indicator: Increased customer satisfaction							
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 customers satisfied with overall retirement services	83%	87%	83%	85%	81%	88%	✘
✔ Met ✘ Not Met							

### FY 2010 RESULTS

Although OPM did not meet its goal of 88 percent of customers indicating satisfaction with overall retirement services, OPM continues to strive to provide the best possible customer service given our limited resources.

Every year, OPM's Retirement & Benefits (R&B) provides direct customer service to new retirees and our current retirees, through making maintenance changes to their account, answering telephone calls or responding to letters and emails. To measure satisfaction with retirement services, the Retirement Services Program (RSP) conducts the annual Customer Satisfaction Survey based on a random sample of 720 annuitants who had a customer service transaction with RSP during the fiscal year.

In FY 2010, overall satisfaction with R&B service was 81 percent satisfied or very satisfied. Only 7 percent of respondents marked that they were overall dissatisfied/very dissatisfied with retirement services.

Since the end of FY 2009, the OPM retirement call center has lost 9 total customer service specialists. Regression analysis shows that for every decrease of 1 call center staff, hold times increase by 1 minute. In FY 2009, OPM was able to transfer 440,000 overflow calls to our contractor; however, due to budget constraints, OPM only transferred 340,000 calls in FY 2010. Longer hold times may have contributed to customer dissatisfaction regardless of how well OPM eventually served their needs.

The surge in retirement claims received during November of FY 2010 also put a strain on OPM's operations and ability to provide excellent customer service. Annuitants seeking assistance from OPM during that busy period may have experienced abnormal hold times due to call volume.

To improve our telephone customer service, OPM is focused on resolving customer inquiries during the first call; adjusting staffing schedules to cover the busiest call times; and providing employee training. OPM also continues to promote awareness of our Services Online web page, on which annuitants can perform many retirement transactions 24 hours a day, 7 days a week.

OPM has also expanded its video library to provide our customers with important retirement information on what to do when various life events occur after retirement, such as moving to a new address, getting remarried or the unfortunate death of a spouse or retiree. The videos provide essential information to our customer. The video library can be viewed at: [http://www.opm.gov/video\\_Library/retire/lifeevents.asp](http://www.opm.gov/video_Library/retire/lifeevents.asp). There are plans to create more videos that will focus on other areas of retirement.

Internally, during FY 2010, we replaced contractor staff with customer service staff, which should enhance our ability to address customer inquiries. We also conducted training workshops for customer service specialists to enhance their skills, and also offered refresher courses to claims staff personnel on reading on-line skills to assist them in providing information to callers.

### RELATED ACCOMPLISHMENTS

Consistent with the White House issued Open Government Directive, OPM is committed to fostering an environment that values openness—openness is inherent in our organizational values and strategic plan. As a result, OPM has made 16 retirement data sets available this year through [data.gov](http://data.gov) and [opm.gov/data](http://opm.gov/data). This data includes information on the distribution of employee and survivor annuitants as well as numbers of annuitants on the FERS or CSRS retirement rolls.

OPM has also addressed the issue of customer service by providing our customer service specialists with additional training through a series of ongoing workshops. These workshops have covered topics including telephone etiquette, helpful hints, dealing with angry callers, reading and interpreting Master Record Print-Out (MRPO) and Annuity Roll Processing System (ARPS) screens and taking simple actions.

## Program Evaluations

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

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

An output of the 2009 evaluation study, OPM had identified program evaluations for inclusion in the FY 2010 and FY 2011 budget submissions. Given fiscal constraints, all OPM program evaluations would have been spread over a six year period. However, OPM program evaluation funds were cut during budget deliberations due to higher priority needs.

Moving forward, OPM will execute research and evaluation efforts commensurate with available funding. OPM priorities for program evaluation are now aligned with our recently published Strategic Plan (2010–2015) and High Priority Goals. OPM maintains significant history of performance data related to our priority goals for retirement and investigations and that data is used to make resource decisions. However, OPM's priority goals for Wellness, Hiring Reform, and Telework do not similarly have available direct program data for budget decision-making data; rather these programs rely on more contextual and ad-hoc data sources. Because OPM has begun collecting systematic government-wide telework data, OPM is in a position to propose developing more rigorous research approaches, beginning with telework. OPM will then rigorously evaluate wellness and hiring reform in future efforts. OPM recently submitted a proposal to OMB for funding an evaluation of the telework program. In addition to evaluating telework in the short-term, OPM recommends evaluating the impact of Wellness and Hiring reform as key government-wide issues impacting the Federal employee.

## Completeness and Reliability of Performance Data

The performance information used by OPM in this APR for FY 2010 is reasonably complete and reliable, as defined by the Government Performance and Results Act of 1993. OPM has chosen an approach to data collection and analysis that provides sufficient accuracy and timeliness to be useful to program managers and policy makers within reasonable cost constraints.

### *Completeness of Data*

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

### *Reliability of Data*

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

Assessing and eliminating sources of errors in data collection systems continues to be an important task for program managers. As a part of this ongoing task, program managers use quality control techniques to identify where errors can be introduced into the collection system. They use automated edit checks to minimize data entry errors and follow-up with reasonableness checks before the data are entered in the APR. These include verification of data collection techniques and coding, response and non-response rates, and computation of margins of error. OPM has established a three-tiered approach to ensure the completeness and reliability of performance information. Data quality standards are established by the agency's CFO; data sources, collection and reporting procedures are documented by program managers; and this documentation is reviewed by the CFO and is available for testing. Collectively, these tools verify that the data presented in this document is complete and reliable, and accurately reflects actual performance during FY 2010.



FY 2010 ANNUAL PERFORMANCE REPORT

---

## Data Sources of OPM Performance Measures

Program or Office	Performance Measures	Definition	Data Source
Employee Services	Percent of Chief Human Capital Officer (CHCO) agencies using the USAJOBS® resume format and integrating online applications with their assessment systems	Number of CHCO agencies using the USAJOBS® resume format and while integrating online applications with their assessment systems divided by the total number of CHCO agencies	The USAJOBS® system ad-hoc reporting tool.
Employee Services	Percent of hires in each agency hired within the 80-day time frame, as described in OPM's hiring time frame model	To continue to reduce the time it takes to hire and to make the application process easier and more readily understood by potential applicants	Data associated with tracking time to hire are derived from the agency Human Capital Management Report (HCMR) submissions due in December of each calendar year.
Merit System Audit and Compliance	Percent of agencies with violations of veterans preference laws, rules and regulations	By law, veterans who are disabled or who served on active duty in the Armed Forces during specified time periods or in military campaigns are entitled to preference over others in hiring from competitive lists of eligible employees and during reductions in force.	OPM carries out part of its statutory oversight responsibility by conducting audits of agency personnel operations and DEUs. Through these audits, OPM determines if agencies are properly adjudicating veterans' preference, that preference eligible persons receive the consideration to which they are entitled, and that no improper appointments occur. It records violations and maintains this data.
Employee Services	Number of agencies that establish Veterans Program Employment Offices	Per Executive Order (EO) 13518, the 24 CHCO/EO agencies would establish an office within 120 days of the EO issuance date	EO 13518 and CHCO/EO Agencies
Employee Services	Number of agencies that incorporate Government-wide veterans employment training materials within their strategies	Per EO 13518, the 24 CHCO/EO agencies would provide mandatory training to their hiring managers and HR staff on veterans' employment, Veterans' Preference, and appointing authorities	EO 13518 and CHCO/EO Agencies

FY 2010 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure Validation
Monthly	Reoccurring reports are processed and reported monthly	USAJOBS® is the Federal Government's cost effective job clearinghouse where citizens can go on-line at one site and consider applying for a Federal job. The Federal hiring process is more efficient and effective when there is greater system integration across government.
Data is tracked on an ongoing basis and reviewed monthly to determine if action points in the process are being accomplished. Action is reported annually in the agency's Human Capital Management Report.	Data is verified by the Talent Services Group Manager, team leaders and individual human resource specialists	Key points in the hiring process are identified in a recruitment contract between the manager and CHCMS. This contract specifies the allotted time for the various steps in the hiring process –some of which are the responsibility of CHCMS and some reflect the actions to be completed by the hiring manager. The database computes the steps in the process to determine if goals are being reached.
Annually	Merit System Audit and Compliance (MSAC) Managers will certify the accuracy and validity of violations cited in 'feeder reports' and in reports of agency/installation audits their field group conducts. The Compliance Manager will report annually on the internal control processes and certify as to the accuracy of processes in order to identify and report violations found during OPM audits to the MSAC Deputy Assistant Director. Further reporting may be to higher levels of MSAC, OPM, and/or to OMB.	OPM human resource evaluation teams collaborate with agency representatives during agency audits; OPM coordinates with agencies to develop consensus with developing recommended improvement areas; and OPM disseminates best practices among the system certification team and across agencies.
Once	OPM verification in January 2010	Offices annotated on FedsHireVets.gov
Annually	Online training modules are being created under contract by OPM for use by all agencies in FY 2011	Delivery of modules to agencies; reporting of training at end of year.

FY 2010 ANNUAL PERFORMANCE REPORT

Program or Office	Performance Measures	Definition	Data Source
Federal Investigative Services	Timely Investigations– Average number of days within which 90 percent of initial clearance investigations are closed [80 percent from FY 2007 through FY 2009]	The average number of days to complete an initial background investigation; the process begins the day a package is received by FIS and ends the day the completed investigation is delivered to the customer.	The Personnel Investigations Processing System (PIPS) is an automated system which houses the Security/Suitability Investigations Index (SII) and is used by OPM for the automated entry, scheduling, case control and closing of background investigations. The system is operated by a combination of OPM and contractor staff, including USIS and CIO contractors. The natures of the information collected include subject identification and background information to conduct security and/or suitability investigations. The information collected is extracted directly from the person whom the information pertains, from other people, other sources such as databases, websites, etc. The report shows cases closed and average timeliness for these cases for a specified timeframe.
Federal Investigative Services	Percent of investigative case returns	The percent of investigations determined to be deficient due to errors in investigations processing.	OPM measures the “percent of investigations” returned from three sources: the Central Adjudication Facility (CAF) cases identified for rework; investigations deficient for adjudication purposes as identified using OPM’s web based Quality Assessment Tool and Adjudicator calls to OPM’s quality hotline attributed to deficiencies in reports.
Planning and Policy Analysis	Percentage increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	FEHB rates reflect changes in the health care marketplace. The FEHB Program uses private market competition and consumer choice to provide comprehensive benefits at an affordable cost to enrollees and the Government. In addition, we use negotiations with health carriers to keep cost increases as reasonable as possible.	Open Season Roll-Out Materials

## FY 2010 ANNUAL PERFORMANCE REPORT

---

Frequency	Data Verification	Measure Validation
Quarterly	A PIPS report was developed specifically to track this measure and was tested extensively for accuracy at that time. Data is transcribed directly from this report and is not manipulated in any way.	This measure is mandated by statute and reflects FIS' ability to deliver its initial clearance investigations in a timely manner. It is a key objective in the OPM Strategic Plan. For agencies to meet their human capital needs, particularly in sensitive positions, OPM must provide timely background investigations so that agencies can make timely adjudications decisions and permanently fill critical positions. Initial clearance investigations were cited by agencies as being especially important in this process, and therefore deserving of its own measure.
Quarterly	Analyze every agency reopen request, all quality hotlines calls, and Quality Assessment Tool (QAT) responses where agency believes rework is needed. Work with the Quality Management Group (QMG) to ensure accuracy of information.	These measures are mandated by the Security and Suitability process reform effort regarding quality performance measures. They provide data to inform targeted process improvements or adjustments needed to minimize investigative deficiencies. The trend data from these measures can also be used to demonstrate if the process improvements have had a beneficial effort on the overall quality demonstrated by diminishing percent of identified deficiencies.
Annually	Published reports of FEHB premiums.	Average premium increase, rates, government and enrollee contributions.

FY 2010 ANNUAL PERFORMANCE REPORT

Program or Office	Performance Measures	Definition	Data Source
Retirement and Benefits	Percent of FEHBP enrollees satisfied vs. health industry standard	The number of FEHB customers generally or very satisfied with FEHB program services divided by the total number of respondents, compared to same data reported for the larger health care industry. The industry standard is the Quality Compass released by the National Committee for Quality Assurance (NCQA). The Quality Compass is the nation's leading database of comparable information on clinical performance and patient experience for 415 commercial health plan products serving 94 million enrollees. The Quality Compass contains information drawn from audited data reported to NCQA through its Healthcare Effectiveness Data and Information Set (HEDIS) as well as the Consumer Assessment of Healthcare Providers and Systems (CAHPS).	Consumers' assessment of health care providers and systems
Retirement and Benefits	Percent of health benefits claims processed within 30 working days	Number of claims adjudicated (denied, paid or request for additional info) within 30 working days divided by total number of claims for the period.	Quality assurance reviews and reports filed by the HB Carriers
Retirement and Benefits	Average number of days to pay Federal Employees Group Life Insurance claims	Measures the average number of days from receipt of claim until payment is made for all claims paid during the period. Life insurance claims are submitted to MetLife Insurance Company for payment to beneficiaries.	FEGLI Average Claim Processing Report
Retirement and Benefits	Percent of Federal Long-Term Care Insurance Program (FLTCIP) customers satisfied with overall customer service	The percentage of FLTCIP customers generally or very satisfied with program services as measured by surveys.	Long term care partners report
Employee Services	Percent of employees in Chief Human Capital Officer (CHCO) agencies covered by appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	OPM evaluates agency non-SES appraisal systems using the Performance Appraisal Assessment Tool (PAAT). This tool establishes standards for 10 criteria that are necessary for effective employee appraisal programs. Eighty out 100 points is the minimum acceptable level OPM has established for agency appraisal programs.	Records are kept by the Employee Services Program

FY 2010 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure Validation
Annually	Independent HB Certifying Agency (NCQA)	High customer satisfaction with the government's health benefits programs aids in recruitment and retention, and is an indication of how well the program is functioning.
Annually	Reviews/Audits	The purpose of the FEHB Program is to provide Federal employees, retirees and their families with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs. Quickly processing claims helps families financially and aids in recruitment and retention.
Quarterly	Independent Audits	Validated by the Federal Employees' Group Life Insurance program.
Monthly	Independent Audits of Long Term Care Partners	Validated through audits.
PAATs are completed about every 3 years for agency programs.	Data is verified by Employee Services and Merit System Audit and Compliance Staff.	OPM staff determine the PAAT score.

## FY 2010 ANNUAL PERFORMANCE REPORT

---

Program or Office	Performance Measures	Definition	Data Source
Employee Services	Percent of CHCO agencies having a Performance Culture Index (PCI) of 55 or more	From responses to the Employee Viewpoint Survey, OPM calculates the Results Oriented Performance Culture Index, which indicates the strength of the responses to a set of EVS questions that address performance culture issues.	OPM's Employee Viewpoint Survey
Merit System Audit and Compliance	Percent of agencies with severe problems in one or more delegated examining units that demonstrate improvement within 1 year following completion of an audit	Percentage of agencies that take timely actions to correct legal and regulatory violations uncovered during MSAC evaluations.	OPM carries out part of its statutory oversight responsibility by conducting audits of agency delegated examining units. If an audit reveals significant problems, the lead oversight group lists that unit on the Severe Delegated Examining Unit log. A follow-up audit is scheduled 12 months later to determine if appropriate corrective action has been taken. If so, the unit is removed from the log. If not, the unit remains on the log until improvements have occurred.
Merit System Audit and Compliance	Percentage of classification and job-grading appeal decisions that exceed timeliness standard	OPM adjudicates classification appeals in accordance with established timelines.	The classification appeals program affords employees an independent third-party review of the classification of their decisions and provides evidence as to whether agencies are technically accurate in the use of delegated classification and job grading authority. OPM has established timelines for adjudicating classification appeals once they have been submitted. Timeliness is tracked in the Classification Appeals Information Management System database.



FY 2010 ANNUAL PERFORMANCE REPORT

---

Frequency	Data Verification	Measure Validation
Annually	OPM's Planning & Policy Analysis staff.	OPM's PPA staff validates the PCI results.
Quarterly	MSAC oversight managers certify that the corrective actions contained in the issued report have been taken and that improvements have occurred.	MSAC audits validates that corrective actions have been taken.
Monthly	Data accuracy is verified by the respective Classification Appeals Officer and the Classification Program Manager.	The Classification Appeals Officer for each oversight group is responsible for entering data into the Classification Appeals Management Information System database. Incidents affecting timeliness are annotated in the notes section of each electronic case file to permit complete case timeliness reconstruction.

FY 2010 ANNUAL PERFORMANCE REPORT

Program or Office	Performance Measures	Definition	Data Source
Human Resources Solutions	Index score of customer satisfaction with human resource products and services (ACSI Equivalent Index)	<p>A composite score is calculated using a 10-point scale for Items 14-16 on the Customer Satisfaction Survey (CSS) which ask the following three questions:</p> <p>14) Please consider all your experiences to date with OPM/HR Solutions products and services. How satisfied are you with these products and services?</p> <p>15) Considering all of your expectations, to what extent have OPM/HR Solutions' products and services fallen short of or exceeded your expectations?</p> <p>16) Imagine the ideal organization that provides HR products and services. How well would OPM/HR Solutions compare with that ideal organization?</p> <p>The composite score is the ACSI Equivalent Index</p>	The results are based on the HR Solutions Customer Satisfaction Survey (CSS), which is administered by all HR Solutions business lines on a bi-annual basis. OPM's Customer Satisfaction Survey, on which the HR Solutions CSS is based, was benchmarked by GAO in 1999 as a valid GPRA measure and assesses service quality on nine dimensions (General Accounting Office. July 1999. Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information. GAO/GGD-99-1309). The development of this research-based survey instrument was also described in Human Resource Management (Brigitte W. Schay et al. "Using Standard Outcome Measures in the Federal Government," Fall 2002, Volume 41, Number 3).
Human Resources Solutions	Percent of customers agreeing that HR Solutions products and services contribute to Government effectiveness	<p>The measure assesses the extent to which students perceive an advance skill. The percentage of positive responses (percent "yes" excluding don't know) are reported for Item #13a of the CSS:</p> <p>"Have our services contributed to your organization's effectiveness (yes, no, don't know)?"</p>	Combination of paper and online evaluation tools.
Chief Financial Officer	Percentage of payments made within Prompt Pay Act guidelines	The number of payments made to vendors within prompt payment guidelines divided by the total number of payments.	Monthly prompt pay reports run from OPM's financial management system.
Chief Financial Officer	Number of financial material weaknesses	A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.	Independent Auditors' Report

FY 2010 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure Validation
Semi-annually	Once the survey results are entered into the annual database, random checks are performed to compare the electronic data to the data from the original forms received. HR Solutions compares the total number of surveys sent to the number received to ensure high response rates.	The ASCI Equivalent Index can be used for comparisons with Federal Government and private industry. The ASCI Equivalent Index is used to show whether HR Solutions is meeting customer expectations and providing good value. Experience has proven increased customer satisfaction leads to increased repeat business. It also indicates HR Solutions is providing effective solutions to its customers.
Monthly	Data resides with and is verified by Knowledge Advisors. Once the survey results are entered into the annual database, random checks are performed to compare the electronic data to the data received from the original surveys forms.	While there is no strong correlation satisfied course participants increase their competencies, there is empirical evidence showing that dissatisfied participants do not learn as much. Higher customer satisfaction will also drive increased repeat customers. If HR Solutions customers agree that HR Solutions products and services increase organizational effectiveness, agencies are more likely to become high-performing.
Monthly	Internal records are used to verify the prompt payment reports	The Prompt Pay Act requires Federal agencies to meet certain guidelines with regard to paying accounts payable. OPM monitors its payment timeliness to comply with this Act and increase the satisfaction of its suppliers and contractors.
Annual	Annual Audit	The measure demonstrates that OPM has established and maintained sound internal control systems as a primary means of improving accountability, effectiveness and efficiency in achieving program goals and objectives, and in preventing fraud, waste, and mismanagement.

FY 2010 ANNUAL PERFORMANCE REPORT

Program or Office	Performance Measures	Definition	Data Source
Employee Services	Percent of applicant agency Senior Executive Service (SES) systems whose SES performance plans are fully certified	This metric represents the percentage of applicant agency SES appraisal systems with full certification; full certification covers 24 months. OPM certifies agency systems when those systems meet certification criteria as established in OPM regulation. System certification allows agencies to pay SES members above Executive III pay levels, up to Executive level II.	OPM's SES appraisal system certification team within Employee Services
Retirement and Benefits	Retirement claims processing timeliness (days)	The measure counts the number of calendar days between dates a CSRS or FERS non-disability retirement application is received at OPM and the date the full annuity payment is authorized and tracked.	Management Information Hypershow –combines data from the Annuity Roll Processing System (ARPS) and the Document Case Control System (DCCS)
Retirement and Benefits	Average unit cost for processing retirement claims	Costs are calculated from total labor hours, via the Employee Time and Attendance Management System (ETAMS), and are divided by the number of claims processed, which is derived from Hypershow via the Annuity Roll Processing System (ARPS).	Derived from Employee Time and Attendance Management System.
Retirement and Benefits	Percent of customers satisfied with overall retirement services	The number of annuitants (retirees and survivor annuitants) generally or very satisfied with retirement program services divided by the total number of respondents that had a retirement related transaction during the most recent fiscal year executed and completed. Customers can rate their satisfaction experience as: Satisfied/Very Satisfied; Neither Satisfied/Dissatisfied; or Dissatisfied/Very Dissatisfied.	Retirement & Benefits Customer Satisfaction Survey

FY 2010 ANNUAL PERFORMANCE REPORT

Frequency	Data Verification	Measure Validation
Data is collected as certification decisions are made.	With OMB concurrence, OPM reviews agency submissions and determines whether the appraisal systems meet full certification criteria; OPM maintains internal ad hoc desktop software data repository and analysis documents.	OPM collaborates with agency representatives during system reviews to develop consensus on recommended improvement areas and disseminates best practices among system certification team and across agencies; OPM reviews agency appraisal system submissions to determine whether systems meet certification criteria.
Weekly	Data collection and reporting procedures are verified, and data is tested to assess its accuracy. These tests include comparing data for a given fiscal year to similar data collected for previous years and researching any anomalies that are observed, and comparing data with similar information collected from other sources. Quality and management-control devices are built into these data collection mechanisms to ensure accuracy and reliability.	The Federal civilian retirement program is designed to meet two purposes. The first is to provide Federal employees options and tools for their retirement planning to secure their families' financial future. The second is to serve as an important component of employee compensation and therefore support Federal agencies' recruitment and retention needs. Quickly finalizing retirement payments helps families financially and aids in recruitment and retention.
Bi-weekly	Data collection and reporting procedures are verified, and data is tested to assess its accuracy. These tests include comparing data for a given fiscal year to similar data collected for previous years and researching any anomalies that are observed, and comparing data with similar information collected from other sources. Quality and management-control devices are built into these data collection mechanisms to ensure accuracy and reliability.	Processing claims at a lower unit cost provides a better value to the American taxpayer.
Annually	Inquisite Survey tabulation, analysis, and data tracking system	System validation

## Acronyms

ACSI	American Customer Satisfaction Index	FY	Fiscal Year
APR	Annual Performance Report	GPO	Government Printing Office
ARPS	Annuity Roll Processing System	HB	Health Benefits
ASAT	Accountability System Assessment Tool	HCAAF	Human Capital Assessment and Accountability Framework
CAHPS	Consumer Assessment of Healthcare Providers and Systems	HCMR	Human Capital Management Report
CBIS	Consolidated Business Information System	HCO	Human Capital Officer
CFC	Combined Federal Campaign	HEDIS	Health Plan Employer and Data Information Set
CFO	Chief Financial Officer	HIT	Health Information Technology
CHCO	Chief Human Capital Officers	HR	Human Resources
CIO	Chief Information Officer	HR-M	Human Resources–Management
CLA	Congressional and Legislative Affairs	HRS	Human Resources Solutions
CPL	Communications and Public Liaison	IT	Information Technology
CSRS	Civil Service Retirement System	LLP	Limited Liability Partnership
CSS	Customer Satisfaction Survey	MRPO	Master Record Print-Out
CVS	Clearance Verification System	MSAC	Merit System Audit and Compliance
CY	Calendar Year	NCQA	National Committee for Quality Assurance
DEU	Delegated Examining Unit	OGC	Office of General Counsel
EEO	Equal Employment Opportunity	OIG	Office of Inspector General
EO	Executive Order	OMB	Office of Management and Budget
ERED	Executive Resources and Employee Development	OPM	Office of Personnel Management
ESO	Executive Secretariat and Ombudsmen	PAAT	Performance Appraisal Assessment Tool
ES	Employee Services	PCI	Performance Culture Index
FCAT	Federal Competency Assessment Tool	PIO	Performance Improvement Officer
FEGLI	Federal Employees' Group Life Insurance	PPA	Planning and Policy Analysis
FEHBP	Federal Employees Health Benefits Program	QAT	Quality Assessment Tool
FERS	Federal Employees Retirement System	R&B	Retirement and Benefits
FIS	Federal Investigative Services	RSP	Retirement Services Program
FLTCIP	Federal Long Term Care Insurance Program	SES	Senior Executive Service
FPRAC	Federal Prevailing Rate Advisory Committee	SL	Senior Level
FSC	Facilities Services and Contracting	ST	Scientific or Professional
		SPFI	Summary Performance Financial Information
		SSM	Systems Standards Metrics
		USPS	United States Postal Service





UNITED STATES OFFICE OF  
PERSONNEL MANAGEMENT

1900 E Street, NW

Washington, DC 20415

202-606-1000

[www.opm.gov](http://www.opm.gov)