

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT

Citizens Report:
FY 2008 Summary of Performance
and Financial Results

Working for America



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Message from the Acting Director¹

Introduction—I am pleased to present the U. S. Office of Personnel Management (OPM) Fiscal Year (FY) 2008 Citizens Report (CR). This year, OPM has chosen to produce this CR pursuant to OMB Circular A-136.² This CR is one in a series of reports to convey our budget, performance, and financial information in a way that we hope is more useful to our constituents.

Ensuring Merit System Accountability—In FY 2008, OPM continued to implement human capital accountability systems in agencies and to carry out statutory oversight responsibility. All President's Management Agenda (PMA) agencies have now implemented a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards.

Recruiting and Hiring a New Generation of Federal Employees—On September 10, 2008, we unveiled our new End-to-End Hiring Roadmap that integrates five key components of the hiring process, including Workforce Planning; Recruitment; Hiring; Security and Suitability; and, Orientation. When fully implemented, the entire hiring process—from the date a hiring manager signs a request to fill a position to the date the employee reports for duty, will not exceed 80 calendar (55 business) days.

RetireEZ—The goal of RetireEZ is to provide retired Federal employees accurate and timely annuity payments. Since FY 2006, three significant contracts have been awarded for this effort: one for an automated pension calculator, a second for business transformation and information technology, and a third for hard-copy records conversion. Because of problems with the pension calculator, OPM terminated the contract with the vendor responsible. Our contracts for the other phases of the program will continue as we assess our next steps toward fulfilling the RetireEZ vision.

Providing Investigative Services—OPM performs 90 percent of all background investigation services for the Federal Government—over 2.1 million investigations per year.³ OPM is now working diligently to position itself to meet the new FY 2010 Intelligence Reform and Terrorism Prevention Act goal of completing 90 percent of initial clearance cases in an average of 40 days.

Financial Management—OPM received an unqualified audit opinion on its FY 2008 consolidated financial statements by the independent public accounting firm of KPMG LLP. OPM had no material weakness in internal control over financial reporting for FY 2008 and received an unqualified audit opinion on the FY 2008 individual combined financial statements of the Retirement, Health Benefits and Life Insurance Programs.

Conclusion—In my short time at OPM, I have been pleased to find dedicated and talented employees working to meet the human capital challenges of the Federal Government. I am certain OPM will continue energetically in the years ahead to fulfill our vital mission of ensuring the Federal Government has an effective civilian workforce—for Federal employees, agency partners, and most importantly the American people whom we serve.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael W. Hager". The signature is stylized and somewhat cursive.

Michael W. Hager
Acting Director
January 15, 2009

¹ For a more detailed perspective from the Acting Director on OPM's FY 2008 results, please see the Acting Director's message on page 1 of OPM's Agency Financial Report (AFR) at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>

² OMB Circular A-136 is available at www.whitehouse.gov/omb/circulars/.

³ The number of investigations reported has been revised since the publication of the AFR on November 17, 2008. Updated information has increased the number of investigations conducted from the previously reported 1.8 million to 2.1 million.

Introduction

The U.S. Office of Personnel Management (OPM) is the central human resources agency for the Federal Government. OPM's mission is to ensure the Federal Government has an effective civilian workforce. To carry out this mission, OPM provides human capital advice and leadership to Federal agencies, supports these with human resources policies, and holds agencies accountable for their human capital practices and upholding the merit system principles. In addition, OPM delivers human resources products and services to agencies on a reimbursable basis, including personnel investigations, leadership development and training, examining, staffing, recruiting, 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.

About This Report

This year, OPM has chosen to produce this Citizens Report (CR) as an alternative to the consolidated Performance and Accountability Report, and elected to participate in the Office of Management and Budget's (OMB) fiscal year (FY) 2008 pilot, pursuant to OMB Circular A-136. This CR is one in a series of reports to convey OPM's budget, performance, and financial information in a way that is more useful to our constituents. Since the CR is designed to be a high-level executive summary of OPM's performance and financial results, hyperlinks are included so the reader can easily access OPM's Annual Performance Report (APR), Agency Financial Report (AFR) and other external web links for more detailed information.

OPM Budget, Performance and Financial Snapshot

The OPM FY 2008 Budget, Performance, and Financial Snapshot (Snapshot)⁴ on the following two pages provides a quick picture of OPM's mission, organization, performance and financial results. In addition, OMB has assembled the Snapshots prepared by all 24 Federal agencies subject to the Chief Financial Officers (CFO) Act, and integrated them into a Governmentwide performance results report. The *FY 2008 Performance Report of the Federal Government* can be found at <http://www.whitehouse.gov/omb/expectmore/2008performance.pdf>.

⁴ Inclusion of the Snapshot in the Citizens Report is required by OMB Circular A-136, page 149 therein.



Office of Personnel Management

Budget, Performance and Financial Snapshot Fiscal Year 2008

Who We Are

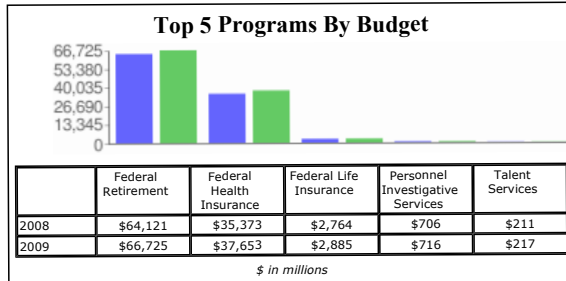
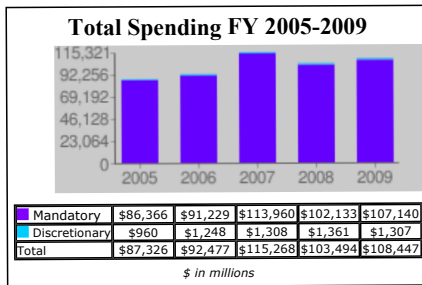
Mission: The mission of the Office of Personnel Management (OPM) is to ensure the Federal Government has an effective civilian workforce. (see our Strategic Plan at <http://www.opm.gov/strategicplan/>)

Organization: OPM's organizational structure reflects the primary business lines through which OPM carries out its programs and implements its strategic objectives and operational goals: developing Federal human resources management policy, supporting agencies in the implementation of that policy through best practices in human capital management while adhering to Merit System Principles, and supporting these with human resources products and services. OPM also administers benefits for employees, safeguards employee trust funds, and provides security clearance investigations for the Federal Government. (see how we are organized at <http://apps.opm.gov/opmorgchart/>)

Personnel: OPM has approximately 5000 Civil Service employees operating from its headquarters in the Theodore Roosevelt Federal Office Building in Washington, D.C., 16 field offices across the country, and operating centers in Pittsburgh and Boyers, PA; Ft. Meade, MD; and, Macon, GA. (see more information about federal employment at http://www.opm.gov/job_seekers/)

Budgetary Resources: OPM's budgetary resources for FY 2008 totaled \$103.5 billion, which includes mandatory health insurance, life insurance and retirement benefits for Federal employees. This equates to \$343 per person in the United States. However, when evaluating OPM's discretionary budget used to oversee Federal human resources policy, ensure merit system accountability, and develop programs to improve the Federal workforce, the cost is only \$4.51 per United States citizen. (see more budget information at http://www.opm.gov/about_opm/)

Budget Snapshot



Performance Snapshot

Accomplishments: To improve the hiring process across the Federal Government, OPM unveiled our new End-to-End Hiring roadmap that integrates five key components of the hiring process, including Workforce Planning; Recruitment; Hiring; Security and Suitability; and Orientation. When fully implemented, the hiring process itself is expected to take no more than 25 business days from the date a job announcement closes, to the date a tentative job offer is made - a twenty-day improvement over previous OPM goals. To ease the process for job applicants, the Roadmap calls for shorter job announcements, written in plain language, and the elimination of the cumbersome Knowledge, Skills, and Abilities (KSA) narratives typically required along with a resume (<https://www.opm.gov/publications/EndToEnd-HiringInitiative.pdf>). Also, OPM's consolidated financial statements have received an unqualified, or clean, audit opinion from our independent public accountants for the ninth consecutive year.

Challenges: OPM's retirement modernization effort, called RetireEZ, presented significant challenges in 2008. The goal of RetireEZ is to provide retired Federal employees accurate and timely annuity payments. Under the current paper-based system, 88 percent of retirees receive interim pension payments that have averaged 20 percent less than what they are entitled to. During FY 2008, the average time to fully process a case was 42 days from the time OPM received the records from the employing agency. Since FY 2006, three significant contracts have been awarded for this effort: one for an automated pension calculator, a second for business transformation and information technology, and a third for converting paper copies of records to electronic format. Because of problems with the pension calculator, OPM terminated the contract with the vendor responsible. Our contracts for other phases of the program will continue as we assess the next steps to develop a fully functioning pension calculator.

Financial Snapshot

Clean Opinion on Financial Statements			Yes
Timely Financial Reporting	Yes	Material Weaknesses	0
Improper Payment Rate	0.33%	Total Assets	\$826,379
Total Liabilities	\$1,767,146	Net Cost of Operations	\$102,418

\$ in millions

Footnote: For additional information, see OPM's Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>

Summary of Office of Personnel Management Ratings for Fiscal Year 2008

FY 2008 Performance Results per Strategic Goal

■ Met/Exceeded ■ Not met but improved over prior years
■ Not met target ■ Data not yet available

Budget per Strategic Goal (\$ in millions)

Strategic Goal: The Federal civilian workforce will be focused on achieving agency goals.

Establish a results-oriented performance culture, including performance-oriented planning, appraisals, and pay systems.



2008 Actual = \$9

Performance Measure(s)*	2006 Results	2007 Results	2008 Target	2008 Results	2009 Target
Percentage of agencies with effective performance management systems: Senior Executive Service	3%	33%	35%	78%	60%

Strategic Goal: The Federal civilian workforce will have career opportunities, benefits, and service delivery that compete successfully with other employers.

To compete with employment opportunities in other sectors, the Federal Government must offer competitive benefits options.



2008 Actual = \$210

Performance Measure(s)*	2006 Results	2007 Results	2008 Target	2008 Results	2009 Target
Percent of customers satisfied (employees and retirees) with overall retirement services	83%	87%	88%	83%	90%
Federal Employees Health Benefit Plan (FEHBP) overall enrollee satisfaction scores vs. health care industry standard (percent)	FEHBP 73% - Ind. 65%	FEHBP 79% - Ind. 63%	FEHBP > Industry	FEHBP 78% - Ind. 60%	FEHBP > Industry

Strategic Goal: Federal agencies will be employers of choice.

For Federal agencies to compete, they must design and implement effective recruitment and retention strategies, making use of available tools, authorities and flexibilities.



2008 Actual = \$218

Performance Measure(s)*	2006 Results	2007 Results	2008 Target	2008 Results	2009 Target
Percent of hires in each agency hired within the 45-day time frame, as described in OPM's hiring time frame model	64%	78%	60%	81%	70%

Strategic Goal: Federal agencies will be recognized as leaders in having exemplary human resources practices

In addition to the outcomes expressed in Strategic Objectives above, OPM supports other exemplary human resources practices – chief among these are adherence to the nine merit system principles.



2008 Actual = \$717

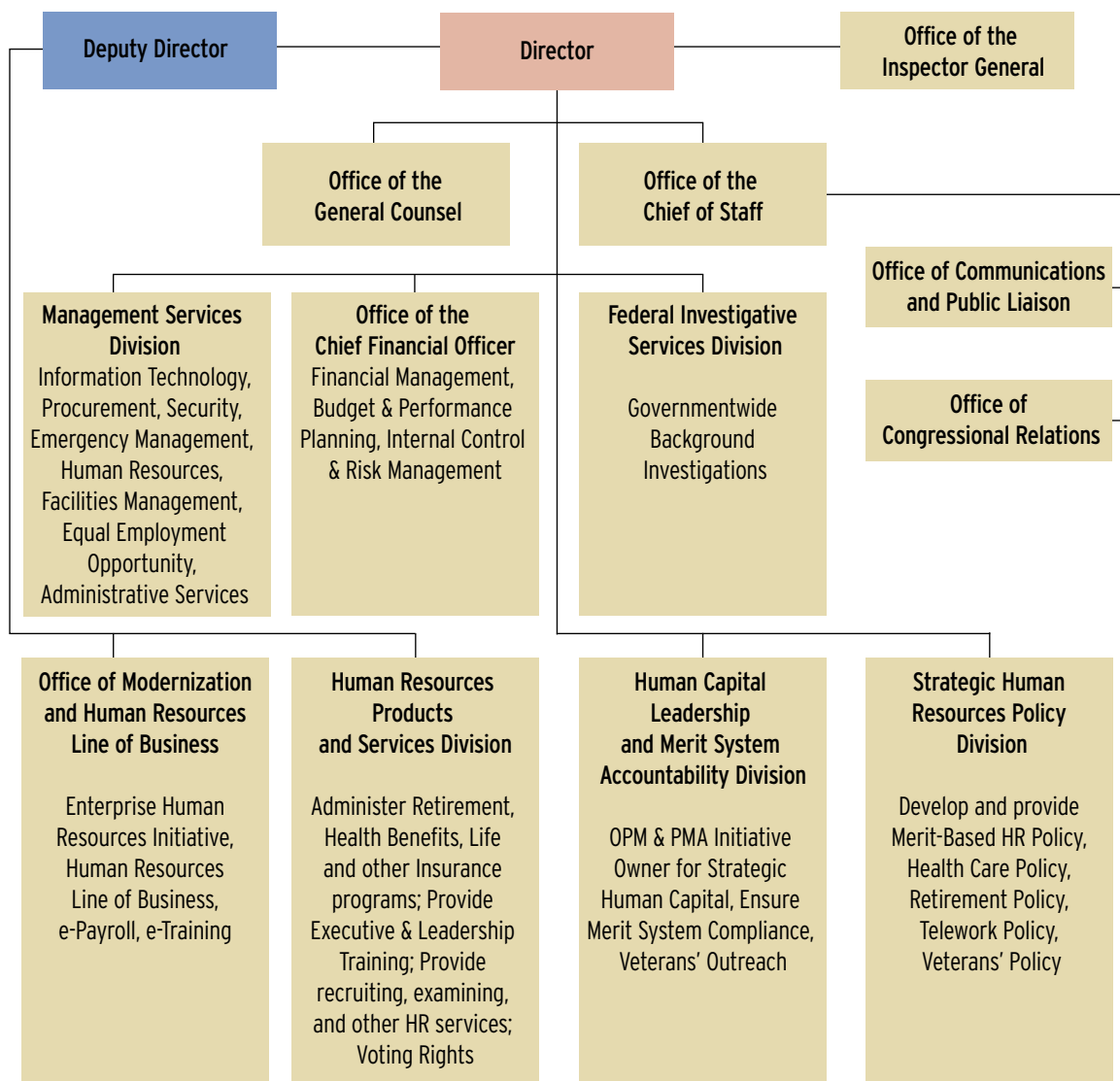
Performance Measure(s)*	2006 Results	2007 Results	2008 Target	2008 Results	2009 Target
Number of agencies that fully implement a system of internal compliance with fair hiring practices, Merit System Principles, and laws, rules and regulations in accordance with OPM standards. (http://www.opm.gov/ovrsight/mspidx.asp)	20	25	25 (out of 25)	25 (out of 25)	25 (out of 25)
Average number of days within which 80% of initial security clearance investigations are closed.	116	67	90	53	90

* This measure was selected from a number of performance measures aimed at the specific strategic goal

Organizational Structure

OPM's organizational structure⁵ reflects the primary business lines through which OPM carries out its programs and implements its strategic objectives: developing Federal human resources management policy; supporting agencies in the implementation of that policy through best practices in human capital management, while adhering to the merit system principles; and, supporting these with human resources products and services. This structure positions OPM to respond to and meet the responsibilities the Agency has been given. As shown in Figure 1, OPM comprises the following organizational components.

FIGURE 1—OPM ORGANIZATIONAL STRUCTURE



⁵ Additional information on OPM's organizational structure can be found at <http://apps.opm.gov/opmorgchart/>.

The President’s Management Agenda Scorecard

The PMA, in its seventh year of implementation, is the Administration’s strategy to improve the management and performance of the Federal Government by holding agencies accountable for delivering results and allocating resources efficiently and effectively to serve the American people. OPM is participating in the following seven PMA initiatives:

1. Strategic Management of Human Capital
2. Commercial Services
3. Improving Financial Performance
4. Expanding Electronic Government
5. Performance Improvement
6. Eliminating Improper Payments
7. Health Information Technology (IT)

OMB oversees the PMA, and each fiscal quarter releases an executive scorecard that rates agencies’ progress and overall status on PMA initiatives. OMB uses a traffic light scoring approach, wherein a “green” score represent success, “yellow” denotes mixed results, and “red” indicates unsatisfactory. A complete description of the PMA, the initiatives, their respective standards of success, and OMB scoring can be found at www.whitehouse.gov/results/.

As shown in Table 1, all seven PMA initiatives are green in progress, showing advancements toward the standards for these initiatives. Six of seven PMA initiatives are green in status.⁶ OPM continues to work to achieve the green standard for Electronic Government. A more detailed description of OPM’s FY 2008 PMA results can be found in OPM’s Annual Performance Report at <http://www.opm.gov/gpra/opmgpra>.

TABLE 1—OPM’S 2008 PROGRESS ON THE PRESIDENT’S MANAGEMENT AGENDA

Initiative	Status	Progress	Purpose
Human Capital	●	●	Workforce planning and restructuring will be defined in terms of each agency’s mission, goals, and objectives.
Commercial Services	●	●	Competition between public and private sources becomes a standard management tool to promote innovation, efficiency, and effectiveness.
Financial Performance	●	●	Financial services support strategic decision making by Federal program managers and appropriate use of Federal financial resources.
Electronic Government	●	●	Expand the Federal Government’s use of electronic technologies to provide better services at a lower cost that are easier for citizens to obtain.
Performance Improvement	●	●	Integrate more completely information about cost and program performance to provide a greater focus on performance, better control over resources used, and accountability for results by program managers.
Improper Payments	●	●	Reduce the incidence of improper payments in the Federal employee earned benefit programs (retirement and insurance).
Health IT	●	●	Ensure that health care programs administered or sponsored by the Federal Government promote quality and efficient delivery of health care through the use of health information technology (IT).

⁶ The PMA scorecard ratings have been on updated since the publication of OPM’s Agency Financial Report (AFR) on November 17, 2008. The AFR reported five PMA initiatives with a “green” status rating and two initiatives with a “yellow” status rating. Since the publication date of the AFR, OPM’s Improper Payments initiative has improved from “yellow” to “green” status.

Program Assessment Rating Tool (PART)

OPM uses PART assessments as a key component of its program performance improvement process. The PART was developed to assess and improve program performance so that the Federal government can achieve better results. A PART review helps identify a program’s strengths and weaknesses to inform funding and management decisions aimed at making the program more effective. The PART therefore looks at all factors that affect and reflect program performance including program purpose and design; performance measurement, evaluations, and strategic planning; program management; and program results. Because the PART includes a consistent series of analytical questions, it allows programs to show improvements over time, and allows comparisons between similar programs.

Since 2002, OPM has completed PART assessments for the nine programs shown in Table 2.

TABLE 2 – OPM PARTed PROGRAMS

Program Name	Year of Last PART Assessment	Rating
Inspector General Oversight of Federal Health Benefits Program	2003	Effective
Federal Employees Group Life Insurance	2004	Adequate
Federal Employees Health Benefits	2004	Adequate
Center for Talent Services – HR Products and Services for Federal Agencies	2005	Moderately Effective
Merit System Compliance	2005	Adequate
Federal Personnel Background Investigations	2006	Adequate
Human Capital Program	2006	Adequate
Center for Leadership Capacity Services	2006	Results Not Demonstrated
Federal Employees Retirement	2007	Adequate

The following rating system has been established for PART assessments:

- **Effective**—This is the highest rating a program can achieve. Programs rated Effective set ambitious goals, achieve results, are well-managed and improve efficiency.
- **Moderately Effective**—In general, a program rated Moderately Effective has set ambitious goals and is well-managed. Moderately Effective programs likely need to improve their efficiency or address other problems in the programs’ design or management in order to achieve better results.
- **Adequate**—This rating describes a program that needs to set more ambitious goals, achieve better results, improve accountability or strengthen its management practices.
- **Ineffective**—Programs receiving this rating are not using tax dollars effectively. Ineffective programs have been unable to achieve results due to a lack of clarity regarding the program’s purpose or goals, poor management, or some other significant weakness.
- **Results Not Demonstrated**—A rating of Results Not Demonstrated indicates that a program has not been able to develop acceptable performance goals or collect data to determine whether it is performing.

Stemming from the PART assessments, OPM has implemented aggressive performance improvement plans. Detailed results of OPM’s PART assessments and updated FY 2008 improvement plans can be found at <http://www.whitehouse.gov/omb/expectmore/agency/027.html>.

OPM Top Management Challenges

On October 29, 2008, OPM's Office of the Inspector General (OIG) released a report (see link on next page) on the Top Management Challenges facing OPM in FY 2009. The report categorized the challenges as follows:

Environmental Challenges

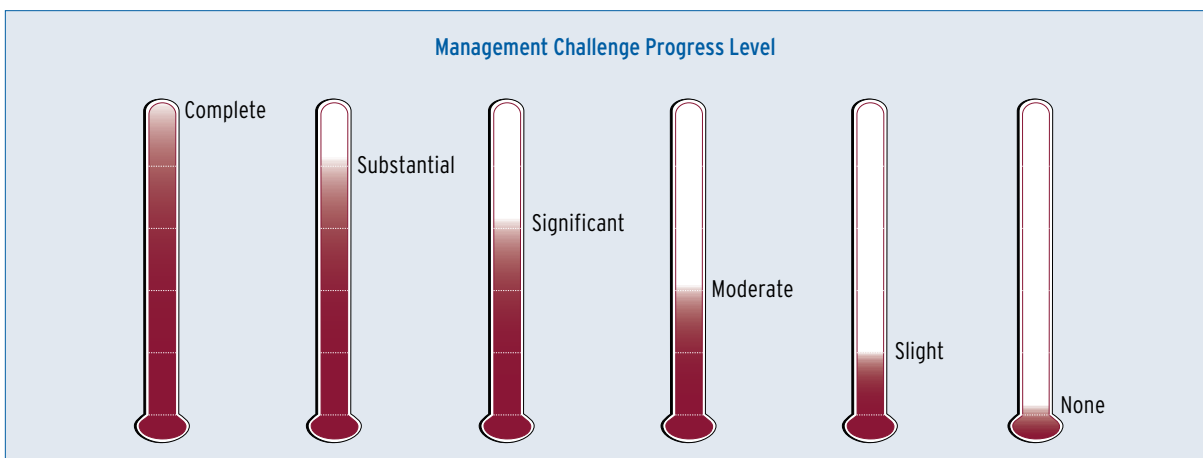
- Strategic Human Capital
- Federal Employees Health Benefits Program
- Background Investigations
- Information Technology (IT) Security
 - Protection of Personally Identifiable Information
 - Homeland Security Presidential Directive 12-Personal Identification Verification II

Internal Challenges

- Retirement Systems Modernization
- Financial Management System and Internal Controls for the Revolving Fund and Salaries and Expenses Accounts

Environmental challenges result mainly from factors external to OPM and which may be long-term or even permanent. Internal challenges are likely short-term, temporary challenges, which OPM has more control over.

OPM's FY 2008 Agency Financial Report (AFR) included a management response to the OIG report. This response included a summation of the actions taken in FY 2008 to address these challenges, a synopsis of the agency's next steps, and a self-assessment of the progress to date. The progress level for each challenge was represented graphically in the AFR by a temperature meter using the following scale:



In order to provide perspective on the Agency’s progress in addressing each management challenge, the AFR identified the following OPM progress levels:

CHALLENGE	PROGRESS
Strategic Human Capital	Significant
Federal Employees Health Benefits Program	Moderate
Background Investigations	Significant
Protection of Personally Identifiable Information	Moderate
Homeland Security Presidential Directive 12-Personal Identification Verification II	Moderate
Retirement Systems Modernization (RetireEZ)	Moderate
Financial Management System and Internal Controls for the Revolving Fund and Salaries and Expenses Accounts	Significant

The OIG’s complete Top Management Challenges Report and OPM’s response can be found on pages 101–124 of OPM’s AFR at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>

OPM’s Mission and Strategic Objectives

OPM’s mission is simple and direct: to ensure the Federal Government has an effective civilian workforce. This mission is accomplished by achieving seven strategic objectives. Objectives A and B focus on the outcomes OPM is achieving for the Federal workforce; Objectives C and D focus on what OPM needs to achieve through Federal agencies; and the last three objectives E, F, and G describe OPM’s aspirations for its performance internally, and its reputation among its partners and stakeholders.

TABLE 3—OPM MISSION AND STRATEGIC OBJECTIVES

OPM’s Mission		
<i>Our mission is to ensure the Federal Government has an effective civilian workforce.</i>		
Strategic Objective A	The Federal civilian workforce will be focused on achieving agency goals	<ul style="list-style-type: none"> • Budgetary Resources: \$8.6 Million • Full Time Equivalent Personnel: 69.9
Strategic Objective B	The Federal civilian workforce will have career opportunities, benefits and service delivery that compete successfully with other employers	<ul style="list-style-type: none"> • Budgetary Resources: \$210.0 Million • Full Time Equivalent Personnel 1,003.7
Strategic Objective C	Federal agencies will be employers of choice	<ul style="list-style-type: none"> • Budgetary Resources: \$218.1 Million • Full Time Equivalent Personnel: 688.8
Strategic Objective D	Federal agencies will be recognized as leaders in having exemplary human resources practices	<ul style="list-style-type: none"> • Budgetary Resources: \$716.7 Million • Full Time Equivalent Personnel: 2,541.4
Strategic Objective E	OPM will be a model of performance for other Federal agencies	<ul style="list-style-type: none"> • Budgetary Resources: \$95.0 Million • Full Time Equivalent Personnel: 482.7
Strategic Objective F	OPM will be a leader in the human resources professional community and have positive name recognition outside the Federal Government	<ul style="list-style-type: none"> • Budgetary Resources: \$5.2 Million • Full Time Equivalent Personnel: 32.0
Strategic Objective G	OPM will have constructive and productive relationships with external stakeholders	<ul style="list-style-type: none"> • Budgetary Resources: \$2.8 million • Full Time Equivalent Personnel: 24.1

OPM’s Strategic Management Process

OPM’s strategic management process draws from two sources:

- The *Strategic and Operational Plan 2006–2010*⁷ and subsequent Addendums to it
- Program assessments using the Program Assessment Rating Tool (PART)⁸

The seven strategic objectives described in OPM’s Strategic and Operational Plan 2006–2010 establish the overarching framework for how OPM fulfills its mission. Within this framework, OPM has used the PART process to define and assess nine overarching programs through which it achieves these objectives. OPM has aligned these program outcomes with its strategic objectives described in OPM’s Strategic and Operational Plan, and uses the resulting strategic management process to develop operational goals to drive program improvements. Thus OPM has strategically aligned all the elements of its management process, from the most granular element—operational goals—to OPM’s mission, as shown in Figure 2.

FIGURE 2—STRATEGIC MANAGEMENT FRAMEWORK



FY 2008 Performance Results

OPM’s FY 2008 performance results are presented in two sections. First, an overall performance summary is presented that shows an aggregate total of performance targets met along with summary performance measure tables grouped by strategic objective. Detailed results for each performance measure presented can be found in OPM’s Annual Performance Report at: <http://www.opm.gov/gpra/opmgpra>. Second, the Programs in Focus section highlights five specific programs which influenced OPM’s FY 2008 efforts to achieve its mission.

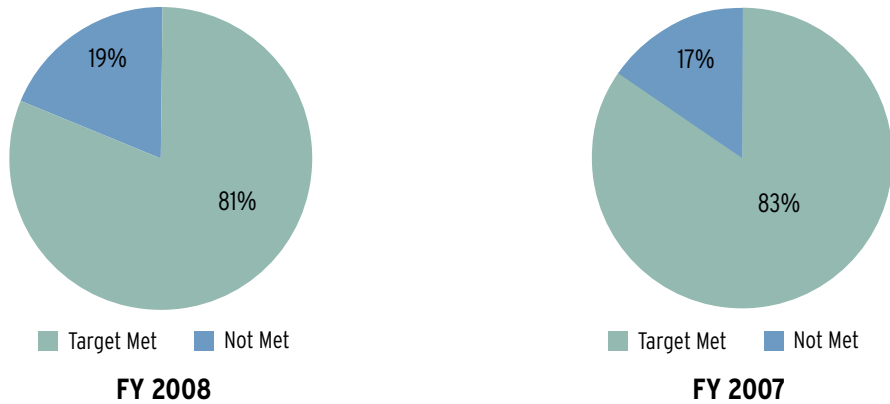
OPM’s overall performance results are shown in Figure 3. Summary performance tables by strategic objective are presented thereafter.

⁷ The *Strategic Plan and Operational Plan 2006–2010* is available on the OPM Website at www.opm.gov/strategicplan.

⁸ OPM program PARTs are available at <http://www.whitehouse.gov/omb/expectmore/agency/027.html>.

FIGURE 3—OVERALL PERFORMANCE SUMMARY

Percentage of Reported Targets Met/Not Met⁹



Summary Performance Tables by Strategic Objective¹⁰

STRATEGIC OBJECTIVE A: THE FEDERAL CIVILIAN WORKFORCE WILL BE FOCUSED ON ACHIEVING AGENCY GOALS

Performance Measure	FY 2004 Results	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2008 Target	Met/Not Met
Percent of agencies with effective performance management systems: Senior Executive Service (SES)	5%	4%	3%	33%	78%	35%	✓
Percent of all non-SES performance appraisal systems scoring at least 80 points out of 100 on the Performance Appraisal Assessment Tool (PAAT)	n/a	n/a	8%	20%	33%	25%	✓

✓ Met × Not Met

⁹ The overall percentage of FY 2008 measures “Met” has been revised since the publication of OPM’s Agency Financial Report (AFR) on November 17, 2008. The AFR reported OPM met 67 percent (18 of 27) of its FY 2008 measures. Since the publication date of the AFR, updated information has changed the outcome of four measures from “Not Met” to “Met” resulting in an overall 81 percent (22 of 27) of FY 2008 measures “Met.”

¹⁰ For detailed results on all 27 OPM performance measures shown in the summary tables, please see OPM’s Annual Performance Report at <http://www.opm.gov/gpra/opmgpra>.

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STRATEGIC OBJECTIVE B: THE FEDERAL CIVILIAN WORKFORCE WILL HAVE CAREER OPPORTUNITIES, BENEFITS AND SERVICE DELIVERY THAT COMPETE SUCCESSFULLY WITH OTHER EMPLOYERS

Performance Measure	FY 2004 Results	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2008 Target	Met/Not Met
Percent of initial claims processed within 30 days	n/a	14%	61%	67%	41%	90%	✗
Average unit cost for processing retirement claims	\$91.92	\$86.32	\$91.95	\$80.03	\$74.28	\$77.76	✓
Percent of customers satisfied with overall retirement services	94%	87%	83%	87%	83%	88%	✗
Health benefits claims processing timeliness (percent processed within 30 working days)	95%	98%	97%	97%	99%	95%	✓
Federal Employee Health Benefit Program (FEHBP) overall enrollee satisfaction scores vs. health care industry standard (percent)	FEHBP: 70%; industry: 62%	FEHBP: 73%; industry: 64%	FEHBP: 73%; industry: 65%	FEHBP: 79%; industry: 63%	FEHBP: 78%; industry: 60	FEHBP: >Industry	✓
Federal Employees' Group Life Insurance (FEGLI) paid claims timeliness (days)	6.4	6.5	6.9	6.7	6.3	<10 days Industry standard	✓
Percent of Federal Long-term Care Insurance Program customers overall satisfied with customer service	95%	98%	97%	97%	98%	90%	✓
Number of GoLearn courses completed annually (all Learning Management Systems)	178,207	136,878	2,009,267	2,278,513	3,827,638	2,300,000	✓
Overall customer satisfaction with Center for Leadership Capacity delivered training	4.70	4.61	4.68	4.60	4.51	4.50	✓
Percentage increase in perceived learning of Center for Leadership Capacity students	41%	40%	40%	52%	60%	43%	✓
Number of 26 PMA agencies that meet their annual targets for closing leadership competency gaps	n/a	n/a	13	20	22	22	✓
Percent of 26 large agency leadership development program graduates placed into positions of higher responsibility	n/a	n/a	53%	65%	44%	67%	✗

✓ Met ✗ Not Met

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STRATEGIC OBJECTIVE C: FEDERAL AGENCIES WILL BE EMPLOYERS OF CHOICE

Performance Measure	FY 2004 Results	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2008 Target	Met/Not Met
Number of 26 PMA agencies that meet their annual targets for closing mission-critical occupation/competency gaps	10	14	21	21	20	20	✔
Percent of hires in each Federal agency hired within the 45-day time frame, as described in OPM's hiring time frame model	n/a	n/a	64%	78%	81%	60%	✔
Overall customer satisfaction with Center for Talent Services' (CTS) products and services (ACSI Equivalent Index)	84	85	85	84	84	80	✔
Percent of customers agreeing that CTS products and services contribute to Government effectiveness	95%	98%	93%	94%	94%	≥90%	✔
Percent of Chief Human Capital Officer (CHCO) agencies using the USAJOBS® resume format and integrating online applications with their assessment systems	n/a	n/a	35%	78%	84%	75%	✔
Percent of CHCO agencies using USAJOBS® position announcement template	n/a	n/a	86%	98%	100%	92%	✔

✔ Met ✘ Not Met

STRATEGIC OBJECTIVE D: FEDERAL AGENCIES WILL BE RECOGNIZED AS LEADERS IN HAVING EXEMPLARY HUMAN RESOURCES PRACTICES

Performance Measure	FY 2004 Results	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2008 Target	Met/Not Met
Percent of agencies with violations of veterans' preference laws, rules and regulations	40%	18%	21%	25%	33%	30%	✘
Number of agencies that fully implement a system of internal compliance with Merit System Principles and laws, rules and regulations in accordance with OPM standards	0	2	20	25	25	25	✔
Percent of agencies that meet all 4 requirements of an effective strategic alignment system	42%	65%	88%	92%	57%	92%	✘
Number of agencies migrated to Human Resource Lines of Business (HRLOB) Shared Service Centers (including the migration of additional human resources functions)	n/a	n/a	5	4	3	3	✔
Average number of days within which 80 percent of initial security clearance investigations are closed	556	213	116	67	54*	90	✔

* based on 80 percent of initial clearances completed during FY 2008.

✔ Met ✘ Not Met

STRATEGIC OBJECTIVE E: THE OFFICE OF PERSONNEL MANAGEMENT WILL BE A MODEL OF PERFORMANCE FOR OTHER FEDERAL AGENCIES

Performance Measure	FY 2004 Results	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2008 Target	Met/Not Met
Percent of internal OPM hires within the 45-day timeframe, as described in OPM's hiring timeframe model	60%	60%	81%	89%	86%	85%	✓
Percent of payments within Prompt Pay Act guidelines	99.0%	99.9%	99.9%	99.9%	99.9%	98%	✓

✓ Met × Not Met

Programs In Focus

ENTERPRISE HUMAN RESOURCES INTEGRATION INITIATIVE

Enterprise Human Resources Integration (EHRI)¹¹ is one of five OPM-led e-Government initiatives designed to leverage the benefits of information technology in line with the President's Management Agenda (PMA). In support of the PMA, the Office of Management and Budget (OMB) has mandated that all Executive Branch agencies eliminate paper Official Personnel Folders (OPFs) by October 2010. To achieve this goal, EHRI offers proven, cost-effective solutions to ease an agency's transition to electronic OPFs and improve workforce planning with insightful analysis and reporting capabilities. All EHRI solutions are fully compliant with OPM and federally mandated HR employee record management regulations.

Moreover, EHRI is an all-inclusive electronic personnel recordkeeping and analysis system, which supports human resources management across the Federal Government and is used to track the careers of 1.8 million Federal employees—from hiring to retiring.

Key government-wide benefits of EHRI:

- Eliminates the need for more than 1.8 million paper employee records, saving almost \$800 million over the next 10 years
- Streamlines HR processes and improves policy formulation and impact analysis
- Enables access to pay and benefits data from agency payroll providers
- Provides economies of scale for the entire government

EHRI has been critical to helping human resources specialists seek greater efficiency, flexibility, and security in managing HR records. EHRI's eOPF solution increases productivity and efficiency, and frees HR staff to work directly with Federal employees to resolve issues and answer questions. Specifically, EHRI eOPF and Analysis & Reporting help Federal agencies:

- Reduce re-work caused by inaccurate or missing personnel data/folders
- Enable more efficient, accurate workforce planning and human capital management
- Eliminate oversight of employee review of personnel folders
- Enhance accuracy, portability and security of personnel records
- Provide immediate access to employee data for a geographically dispersed workforce

¹¹ For additional information about the EHRI initiative, see <http://www.opm.gov/egov/e-gov/EHRI/index.asp>.

By the end of FY 2008, 65 percent of Federal agencies were using eOPF compared to 46 percent the prior year. Additionally, nearly 1 million paper Official Personnel Folders have been converted to electronic format. This includes official personnel records of approximately 55.5 percent of Federal employees. It is also important to note agencies may provide eOPF access to special investigators, which helps speed the investigation process and save agency resources.

With more than 40 eOPF implementations underway or completed, EHRI offers a standard approach for HR record conversion, storage, access, sharing, and archiving. Solutions can be customized to meet the needs of agencies of all sizes. EHRI also serves as a center of excellence for paper OPF conversion and eOPF hosting, and provides comprehensive support to guide agencies throughout the eOPF process.

An agency may grant access to eOPF for all employees to view their personnel data, which increases employee awareness and accountability. Additionally, eOPF facilitates the electronic filing of personnel data and automates employee notification of actions through email alerts. Highly innovative and specialized software enables eOPF to move beyond a document management tool, to an asset for process automation. Several agencies have leveraged eOPF underlying technology to automate approval processes and document removal, further improving HR specialists' ability to perform job functions quickly and effectively.

FEDERAL INVESTIGATIVE SERVICES DIVISION

Part of the Office of Personnel Management's (OPM) mission is to protect merit system hiring principles; ensure the suitability of Federal applicants, employees, and appointees; and conduct National Security Investigations on individuals who work in positions that require access to classified information.

During FY 2008, OPM sent almost 300,000 completed background investigations electronically¹² to the participating agencies including: Department of the Army, Department of Transportation, Department of Commerce, and the Department of Energy. Future development and expansion of electronic delivery will support the initiatives to further automate adjudication.

Moreover, OPM provides background investigation services for more than 100 Federal agencies for suitability and security purposes. The investigations are conducted on Federal applicants, employees, military members, and contractor personnel. Approximately 90 percent of all Federal background investigations—ranging from non-sensitive to top secret—are provided by OPM. This translates to approximately 2.1 million investigations annually.¹³ Even while performing this large percentage of investigations, OPM continuously exceeded the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 timeliness goals for initial clearances while maintaining the quality and integrity of investigations. IRTPA established a goal that by the end of FY 2006, 80 percent of background investigations conducted for initial security clearances would be completed within an average of 90 days. OPM is exceeding this statutory goal for all investigations initiated after October 1, 2006. OPM is currently preparing for new timeliness goals that will begin in FY 2010 and require 90 percent of initial security background investigations be completed in an average of 40 days.

While OPM previously experienced a backlog of pending investigations, this issue has been resolved. In October 2006, there were over 137,000 pending clearance investigations over 180 days in process. As of September 30, 2008, OPM reduced this number to 1,443 pending clearance investigations over 180 days.

¹² The number of completed background investigations electronically sent by OPM has been revised since the publication of the AFR on November 17, 2008. Updated information has revised the number of investigations sent from 305,000 to almost 300,000.

¹³ The number of investigations reported has been revised since the publication of the AFR on November 17, 2008. Updated information has increased the number of investigations conducted from the previously reported 1.8 million to 2.1 million.

Those now delayed in process are primarily due to the nature of issues developed that require resolution and/or OPM's ability to obtain required third party information in a timely manner. OPM continues to work with agencies to reduce the time it takes to deliver completed investigations as well as document the agencies' adjudication actions.

RETIREEZ

The RetireEZ vision is to support benefit planning and management throughout a participant's lifecycle through an enhanced Federal Retirement Program. This will be achieved by:

Improving Customer Service

- Provide timely and accurate benefit payments
- Provide easy access to accurate and timely information for all employees and retirees
- Provide comprehensive customer service to include call center support—both from agency benefits officers and OPM throughout the customer's lifecycle

More Efficient Retirement Processing

- Industry-standard technology utilizing electronic data
- Meaningful performance metrics that measure progress towards achieving program goals; provide transparency; and underscore OPM's commitment

Under the current paper-based system, 88 percent of retirees receive interim annuity payments that have averaged 20 percent less than that to which they are entitled. Recent steps have been taken to increase the average to over 90 percent of the payment due. During FY 2008, the average time to fully process a case was 42 days from the time OPM received the records from the employing agency. Since FY 2006, three significant contracts have been awarded for this effort: one for an automated pension calculator, a second for business transformation and information technology, and a third for converting paper copies of records to electronic format. Because of problems with the pension calculator, OPM terminated the contract to develop the calculator.

In FY 2009, OPM will continue RetireEZ. These activities include continuing to scan and convert paper copies of records to electronic format (both existing and new) and transitioning to the Enterprise Human Resources Initiative for data storage and cleansing. Other planned activities include conducting an IV&V (Independent Verification and Validation) and performing a thorough review of retirement program requirements, including pension calculator requirements.

OPM's executive leadership has taken an active role in RetireEZ and holds meetings with internal stakeholders, as well as routine meetings with OMB, GAO, and other Federal agencies in order to continue to develop a solution and process that serves OPM, other agencies, and ultimately, Federal retirees.

PMA STRATEGIC HUMAN CAPITAL MANAGEMENT INITIATIVE

Since the 2001 launch of the President's Management Agenda, OPM has led the effort to transform human capital management across the Federal Government. OPM defined the Human Capital Assessment and Accountability Framework (HCAAF) by which agencies are held accountable for the results of their Human

Capital Programs. This framework includes results that can serve as standards for success. These results include:

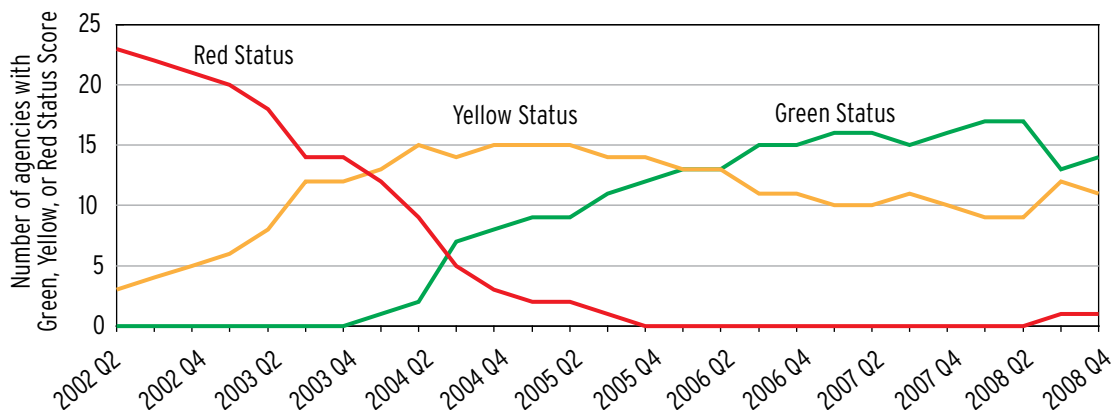
- Agencies’ human capital strategies clearly support organizational mission and goals
- Agencies’ succession planning and knowledge management assure leadership continuity
- Agencies use data-driven workforce planning to create effective strategies for recruiting, retaining and developing employees with mission critical competencies
- Agencies recognize and reward high performance, and address poor performance, in individual employees
- Agencies measure the outcomes of their human capital efforts, and incorporate the results into their human capital, program and budgetary decision making

To support agencies in meeting these standards, OPM implemented a number of inter-governmental initiatives, including training for Chief Human Capital Officers and their staff, and dissemination of web-based tools such as the Hiring Toolkit and the Federal Competency Assessment Tool (FCAT). OPM’s Human Capital Officers provided intensive, onsite technical assistance and consulting to each scored agency to assure agencies built capacity to plan, implement and assess their human capital systems.

OPM’s rigorous standards for success in human capital management were enforced through quarterly scoring of agencies’ progress and results. In FY 2002, 23 of 26 Federal agencies were scored as “red,” and 3 of 26 as “yellow.” No agencies met the criteria for a “green” rating (see Figure 4). It was almost two years before the first Federal agency achieved a green rating in FY 2004, and in FY 2006, a majority of 15 agencies achieved a green rating for their Human Capital efforts.

In FY 2008, OPM conducted a rigorous revalidation of agencies’ scorecards to ensure that effective human capital practices had been fully institutionalized and integrated into agencies’ broader programmatic and budgetary management. Several agencies were found to have slipped from previous demonstrated practices, primarily due to high attrition among Human Resources (HR) staff. While these agencies were downgraded in status, the revalidation process provided renewed focus to their human capital transformation. By the end of FY 2008, 25 of 26 Federal agencies had improved from their original ratings from 2002, and had achieved a “green” or “yellow” status rating from OPM for their human capital efforts.

**FIGURE 4: PMA STRATEGIC HUMAN CAPITAL MANAGEMENT INITIATIVE
AGENCY STATUS SCORE BY FISCAL YEAR AND QUARTER**



Looking ahead, OPM will continue to lead the effort to transform human capital practices across the government in order to meet the current and emerging needs of government and its citizens. The Chief Human Capital Officers (CHCO) Act of 2002 requires agencies to report annually to OPM on their progress and results in implementing the HCAAF. Based on analysis of Governmentwide challenges and results as evidenced in the Human Capital Management Reports (HCMRs) and other information sources, OPM will continue to develop standards and provide tools, training and technical assistance services that meet agencies' emerging human capital needs.

FEDERAL EXECUTIVE BOARDS

During FY 2008, OPM took steps to significantly strengthen the Federal Executive Board (FEB) program.¹⁴ The FEBs are mechanisms for interagency collaboration and coordination in 28 U.S. locations with high Federal populations. Increasingly, FEBs are recognized as a vital resource for effective emergency preparedness and human capital management of agencies' field operations—where 88 percent of Federal employees work and live. To assure the FEBs are positioned to fulfill their key role in supporting Federal agencies and employees in the field, OPM completed four major initiatives: (1) created a model for assuring all FEBs have stable funding; (2) designed, tested and implemented a consistent performance management system for all staff across the FEB network; (3) helped all 28 FEBs conduct tabletop exercises for emergency preparedness; and (4) created a common set of program measures based on the FEB network's strategic plan, and trained all FEB staff on data collection and analysis of program results.

The third initiative increased the preparedness of local Federal offices outside of Washington, D.C., by providing the opportunity to test and improve agency Continuity of Operations Plans (COOP). An excellent example is the pandemic-based, full-scale interagency exercise sponsored by the Greater Kansas City Federal Executive Board. Local regional administrators from the Federal Emergency Management Agency (FEMA) and the General Services Administration, worked with members of the FEB Interagency Continuity of Operations Working Group, to develop and coordinate the exercise with the assistance of representatives from the U.S. Department of Health and Human Services.

Twenty-six local agencies with over 2,000 regional Federal employees participated in the exercise. During the six hours of exercise play, participating agencies activated their respective Pandemic Flu Plans in response to a mock National Biological Disease Outbreak in the United States that affected the Kansas City metropolitan area. Participating agencies conducted the exercise in their own facilities, at alternate work locations, and through telework. The FEB successfully tested its communications system as part of the exercise. Agency internal reviews were held immediately following the exercise, and a full after action review session was held at FEMA. Evaluations and After Action Reports reported the majority of respondents rated the exercise as exceeding their expectations and had a very positive effect on their understanding of Pandemic and COOP.

FY 2008 Financial Report

In accordance with the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994, OPM prepares consolidated financial statements for OPM, which include OPM operations, as well as the individual financial statements of the Retirement, Health Benefits, and Life Insurance Programs. These statements are audited by an independent certified public accountant, KPMG LLP. For the ninth consecutive year, OPM has received an unqualified, or clean, audit report on its consolidated financial

¹⁴ Additional information about the Federal Executive Boards can be found at <http://www.feb.gov/>.

statements and on the individual combined financial statements of the Retirement, Health Benefits, and Life Insurance Programs.

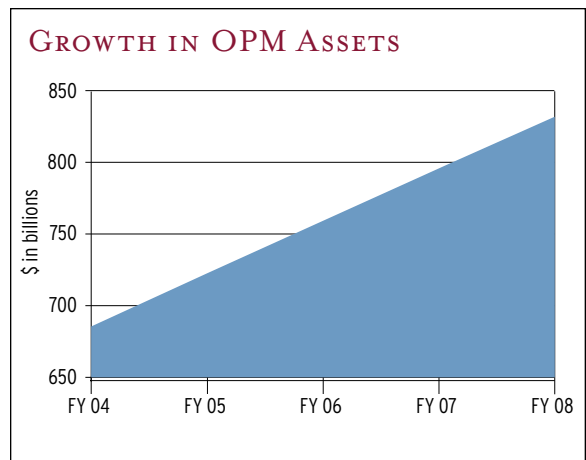
BALANCE SHEET

The Balance Sheet¹⁵ is a representation of OPM’s financial condition at the end of the fiscal year (see page 22). It shows the resources OPM holds to meet its statutory requirements (Assets) and the amounts it owes that will require payment from these resources (*Liabilities*).

Assets

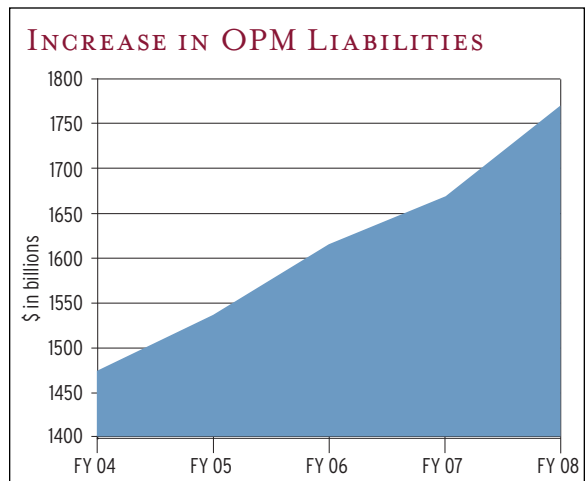
At the end of FY 2008, OPM held \$826.4 billion in assets, an increase of 4.6 percent from \$790.1 billion at the end of FY 2007. The majority of OPM’s assets are intragovernmental, representing claims against other Federal entities. The Balance Sheet separately identifies intragovernmental assets from all other assets.

The largest category of assets is investments at \$820.9 billion, which represents 99.3 percent of all OPM assets. OPM invests all Retirement, Health Benefits, and Life Insurance Program collections not needed immediately for payment in special securities issued by the U.S. Treasury. As OPM routinely collects more money than it pays out, its investment portfolio (and consequently, its total assets) continues to grow. In FY 2008, the investment portfolio grew by 4.5 percent, with the largest increase for investments occurring in the Retirement Program.



Liabilities

At the end of FY 2008, OPM’s total liabilities were \$1,767.1 billion, an increase of 5.9 percent from \$1,668.4 billion at the end of FY 2007. Three line items—the Pension, Post-Retirement Health Benefits, and the Actuarial Life Insurance Liabilities—account for 99.3 percent of OPM’s liabilities. The Pension Liability, which represents an estimate of the future cost to provide CSRS and FERS benefits to current employees and annuitants, is \$1,387.2 billion at the end of FY 2008, an increase of over \$67.3 billion, or 5.1 percent from the end of the previous year. The Post-Retirement Health Benefits Liability, which represents the future cost to provide health benefits to active



¹⁵ For a more complete discussion on OPM’s balance sheet, including assets and liabilities, please see pages 19–25 and 51–99 of OPM’s Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>.

employees after they retire, is \$331.4 billion at the end of FY 2008. This reflects an increase of approximately \$29.3 billion from the amount at the end of FY 2007, or 9.7 percent. The Actuarial Life Insurance Liability is different from the Pension and Post-Retirement Health Benefits Liabilities. Whereas the other two are liabilities for “post-retirement” benefits only, the Actuarial Life Insurance Liability is an estimate of the future cost of life insurance benefits for both deceased annuitants and for employees who die in service. The Actuarial Life Insurance Liability increased by approximately \$1.6 billion in FY 2008 to \$36.8 billion, or 4.5 percent from the end of the previous year. These liabilities reflect estimates by professional actuaries of the future cost, expressed in today’s dollars, of providing benefits to participants in the future.

STATEMENT OF NET COST

The Statement of Net Cost¹⁶ is similar to a private-sector income statement (see page 23). However, unlike an income statement, which reports revenues less expenses incurred to arrive at net income, the Statement of Net Cost reverses this. It reports expenses first and then subtracts the revenues that financed those expenses.

OPM’s Statement of Net Cost presents its cost of providing four major categories of benefits and services: Civil Service Retirement and Disability Benefits, Health Benefits, and Life Insurance Benefits, as well as Human Resources Services. OPM derives its Net Cost by subtracting the revenues it earned from the gross costs it incurred in providing each of these benefits and services. OPM’s total FY 2008 Net Cost of Operations was \$102.4 billion, as compared with \$50.9 billion in FY 2007. The primary reason for the increase is due to changes in the actuarial estimates, which are further discussed in OPM’s Agency Financial Report (see hyperlink in footnote number 14 below).

STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources¹⁷ presents the sources of OPM’s budgetary resources, their status at the end of the year, and the relationship between its budgetary resources and the outlays it made against them (see page 24).

As presented in the Statement of Budgetary Resources, a total of \$191.1 billion in budgetary resources was available to OPM for FY 2008. OPM’s budgetary resources in FY 2008 include \$46.1 billion (24.1 percent) carried over from FY 2007, plus three major additional sources:

- Appropriations Received = \$39.8 billion (20.8 percent)
- Trust Fund receipts of \$97.7 billion, less \$33.8 billion¹⁸ not available = \$63.9 billion (33.4 percent)
- Spending authority from offsetting collections (SAOC) = \$41.3 billion (21.6 percent)

¹⁶ For a more complete discussion on OPM’s Statement of Net Cost, please see pages 19–25 and 51–99 of OPM’s Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>.

¹⁷ For a more complete discussion on OPM’s Statement of Budgetary Resources, please see pages 19–25 and 51–99 of OPM’s Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>.

¹⁸ Total budgetary resources do not include \$27.0 billion of Trust Fund receipts for the Retirement obligations pursuant to public law. In addition, in accordance with Public Law 109-435, contributions for the Postal Service Retirement Health Benefits (PSRHB) Fund of the Health Benefits Program are precluded from obligations totaling \$6.8 billion and therefore temporarily not available.

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

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

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

Consolidated Financial Statements

**U.S. OFFICE OF PERSONNEL MANAGEMENT
CONSOLIDATED BALANCE SHEET ¹⁷
As of September 30, 2008 and 2007
(In Millions)**

	2008	2007
ASSETS		
Intragovernmental:		
Fund Balance with Treasury [Note 2]	\$1,731	\$1,471
Investments [Note 3]	820,907	785,396
Accounts Receivable [Note 4]	1,747	1,383
Total Intragovernmental	824,385	788,250
Accounts Receivable from the Public, Net [Note 4]	1,170	1,037
General Property and Equipment, Net	10	11
Other [Note 1L]	814	811
TOTAL ASSETS	\$826,379	\$790,109
LIABILITIES		
Intragovernmental	\$702	\$679
Federal Employee Benefits:		
Benefits Due and Payable	9,903	9,357
Pension Liability [Note 5A]	1,387,200	1,319,900
Post-retirement Health Benefits Liability [Note 5B]	331,417	302,114
Actuarial Life Insurance Liability [Note 5C]	36,757	35,164
Total Federal Employee Benefits	1,765,277	1,666,535
Other [Notes 6 and 11]	1,167	1,138
Total Liabilities	1,767,146	1,668,352
NET POSITION		
Unexpended Appropriations – Other Funds	75	84
Cumulative Results of Operations – Earmarked Funds [Note 12]	(941,122)	(878,479)
Cumulative Results of Operations – Other Funds	280	152
Total Net Position	(940,767)	(878,243)
TOTAL LIABILITIES AND NET POSITION	\$826,379	\$790,109

¹⁷ All Notes referenced in the Consolidated Balance Sheet can be found on pages 55–85 of OPM’s Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>

FY 2008 CITIZENS REPORT

U.S. OFFICE OF PERSONNEL MANAGEMENT
 CONSOLIDATED STATEMENTS OF NET COST ¹⁸
 For the Years Ended September 30, 2008 and 2007
 (In Millions)

		2008	2007
Provide CSRS Benefits	Gross Costs	\$88,681	\$64,665
	Less: Earned Revenue	26,320	28,106
	Net Cost [Notes 10 and 14]	\$62,361	\$36,559
Provide FERS Benefits	Gross Costs	\$42,122	\$29,594
	Less: Earned Revenue	33,509	30,324
	Net Cost [Notes 10 and 14]	\$8,613	(\$730)
Provide Health Benefits	Gross Costs	\$65,198	\$49,708
	Less: Earned Revenue	33,718	34,781
	Net Cost [Notes 10 and 14]	\$31,480	\$14,927
Provide Life Insurance Benefits	Gross Costs	\$4,128	\$4,021
	Less: Earned Revenue	4,181	3,925
	Net Cost [Notes 10 and 14]	(\$53)	\$96
Provide Human Resource Services	Gross Costs	\$1,457	\$1,102
	Less: Earned Revenue	1,440	1,086
	Net Cost [Notes 10 and 14]	\$17	\$16
Total Net Cost of Operations	Gross Costs	\$201,586	\$149,090
	Less: Earned Revenue	99,168	98,222
	Net Cost [Notes 10 and 14]	\$102,418	\$50,868

¹⁸ All Notes referenced in the Consolidated Statement of Net Cost can be found on pages 55–85 of OPM's Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>

FY 2008 CITIZENS REPORT

U.S. OFFICE OF PERSONNEL MANAGEMENT
 COMBINED STATEMENTS OF BUDGETARY RESOURCES ¹⁹
 For the Years Ended September 30, 2008 and 2007
 (In Millions)

	2008	2007
BUDGETARY RESOURCES		
Unobligated Balance — Brought Forward, October 1:	\$46,063	\$43,478
Recoveries of Prior-Year Unpaid Obligations	46	18
Budget Authority:		
Appropriations:		
Received	40,241	39,770
Other	(422)	(35)
Trust Fund Receipts:		
Appropriated	97,694	115,350
Spending Authority from Offsetting Collections:		
Collected	40,978	40,105
Change in Receivables from Federal Sources and Unfilled Customer Orders	300	9
<i>Subtotal</i>	41,278	40,114
Temporarily Not Available Pursuant to Public Law	(33,781)	(36,882)
Permanently Not Available	-	(3)
<i>Total Budgetary Resources</i>	<u>\$191,119</u>	<u>\$201,810</u>
STATUS OF BUDGETARY RESOURCES		
Obligations Incurred: [Note 9]		
Direct	\$142,398	\$154,739
Reimbursable	1,492	1,008
<i>Subtotal</i>	143,890	155,747
Unobligated Balance:		
Apportioned	464	260
Unobligated Balance Not Available	46,765	45,803
<i>Total Status of Budgetary Resources</i>	<u>\$191,119</u>	<u>\$201,810</u>
CHANGE IN OBLIGATED BALANCE		
Obligated Balance, Net		
Unpaid Obligations, Brought Forward, October 1	\$11,460	\$10,818
Less: Uncollected Customer Payments from Federal Sources, Brought Forward, October 1	2,387	2,376
Total Unpaid Obligated Balance, Net	9,073	8,442
Obligations Incurred, Net	143,890	155,747
Less: Gross Outlays	143,133	155,089
Less: Recoveries of Prior-Year Unpaid Obligations, Actual	46	18
Change in Uncollected Customer Payments from Federal Sources	300	9
Obligated Balance, Net, End of Period		
Unpaid Obligations	12,170	11,460
Less: Uncollected Customer Payments from Federal Sources	2,686	2,387
Total Unpaid Obligated Balance, Net, End of Period	9,484	9,073
NET OUTLAYS		
Net Outlays:		
Gross Outlays	143,133	155,089
Less: Offsetting Collections	40,978	40,105
Less: Distributed Offsetting Receipts [Note 17]	37,778	31,034
Net Outlays	<u>\$64,377</u>	<u>\$83,950</u>

¹⁹ All Notes referenced in the Combined Statements of Budgetary Resources can be found on pages 55–85 of OPM's Agency Financial Report at <http://www.opm.gov/gpra/opmgpra/par2008/par2008.pdf>



UNITED STATES OFFICE OF
PERSONNEL MANAGEMENT

1900 E Street, NW

Washington, DC 20415

202-606-1000

www.opm.gov