



U.S. Office of Personnel Management

# Congressional Budget Justification

This report is prepared in accordance with the requirements of Office of Management and Budget (OMB) Circular A-11, *Preparation, Submission, and Execution of Budget*; and OMB Circular A-136, *Financial Reporting Requirements*.

# Table of Contents

Executive Summary .....	3
Organizational Framework.....	17
Appropriations Language .....	33
Revolving Fund Activities .....	35
Earned Benefits Trust Funds.....	41
Office of the Inspector General .....	53
Appendix: GAO-IG Act Reporting for Budget Fiscal Year 2026 .....	63
List of Acronyms.....	129



# Executive Summary

## FY 2026 Budget Overview

The U.S. Office of Personnel Management (OPM) serves as the central human resources (HR) agency and personnel policy manager for the Federal Government, playing a strategic role in executing the President's vision for a streamlined, merit-based, and efficient civilian workforce. OPM leads the implementation of critical executive orders, providing guidance on executive actions since January 2025 to all Federal agencies. By leveraging its authority as the Federal Government's HR backbone, OPM drives enterprise-wide efficiencies through modernized HR systems, standardized policies, and innovative tools such as the newly launched online retirement system. OPM directs HR and employee management services, administers retirement benefits, manages healthcare and insurance programs, oversees merit-based hiring, and ensures secure vetting processes to achieve a trusted and effective workforce.

OPM's strategic leadership is pivotal in reforming the Federal civil service to meet the demands of a modern government focused on accountability and cost savings. The President's Budget prioritizes realigning the Federal workforce to core missions, restoring merit-based practices, and driving human capital reforms that enhance service delivery to the American people. OPM requests **\$382,140,000** in discretionary resources for Fiscal Year (FY) 2026, to support executive leadership, administrative operations, and services to Federal employees, retirees, and the public.

For FY 2026, OPM is laser-focused on developing and delivering a bold vision that aligns with the Administration's mission to build an enhanced, efficient, and productive Federal workforce including redefining the Federal hiring experience, slashing days-to-hire from 101 days to 80 days in line with Executive Order 14170 - *Reforming the Federal Hiring Process and Restoring Merit to Government Service*. As the Federal Government's human resources hub, OPM will attract the best and brightest to serve our nation by modernizing retirement services through digital platforms such as the Online Retirement Application (ORA), enhancing customer experience, and driving improvements in health insurance administration. These efforts will cement OPM's leadership in transforming Federal HR to deliver unparalleled value to agencies, employees, retirees, and the American public. Four key areas of focus for the agency in FY 2026 will center on:



- Transform hiring, pay, and benefits and strengthen employee performance across the Federal Government to attract and retain the best Federal workforce.
- Lead the modernization of human capital information technology and data management systems and solutions.
- Improve integration and communication of OPM services to Federal agencies to meet emerging needs and drive greater workforce accountability, and efficiencies across the Federal Government.
- Optimize agency performance.

OPM is fully committed to upholding the vision of the Administration by reforming the agency to drive accountability, efficiencies, and improvements across the whole of government. OPM is at the forefront of leading the charge of data management and integration into policy and decision-making. OPM is also resolved to raise the standards of the Federal workforce and the service delivery.

## FY 2026 Budget Request by Fund

For FY 2026 OPM projects a total operating budget, including the Office of the Inspector General (OIG) of **\$947,398,971**. OPM is funded by a variety of sources that include annual Salaries and Expenses appropriations, discretionary transfers from the Earned Benefit Trust Funds (noted in tables as Trust Fund Annual), multiple mandatory administrative authorities, a revolving fund, and other interagency transactions (Advances and Reimbursements). OPM's OIG receives a separate appropriation and separate transfer authority from the Trust Funds for their responsibilities.

### OPM Budget by Fund FY 2024 through FY 2026

OPM Budget Authority	FY 2024 Enacted	FY 2025 Enacted	FY 2026 CBJ
<b>Discretionary Appropriation</b>	<b>\$412,051,000</b>	<b>\$412,051,000</b>	<b>\$382,140,000</b>
<b>Salaries and Expenses Total</b>	<b>\$219,076,000</b>	<b>\$219,076,000</b>	<b>\$167,535,000</b>
Salaries & Expenses	\$203,260,000	\$219,076,000	\$167,535,000
IT Modernization S&E*	\$15,816,000	\$0	\$0
<b>Trust Fund Annual Total</b>	<b>\$192,975,000</b>	<b>\$192,975,000</b>	<b>\$214,605,000</b>
<b>Mandatory Administrative Authorities</b>	<b>\$101,503,423</b>	<b>\$101,006,310</b>	<b>\$95,579,139</b>
5 U.S.C. § 8348 (a)(1)(B) - Retirement	\$83,083,522	\$81,201,757	\$76,653,385
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) - Dental & Vision	\$15,924,869	\$16,178,250	\$15,472,858
5 U.S.C. § 9004(f)(B) - Long-Term Care	\$1,300,388	\$1,108,800	\$923,724
FERCCA (P.L. 106-265) - Retirement	\$1,194,644	\$2,517,503	\$2,529,172
<b>Revolving Fund</b>	<b>\$629,855,006</b>	<b>\$607,723,722</b>	<b>\$385,070,343</b>
<b>Advance and Reimbursements</b>	<b>\$70,163,299</b>	<b>\$53,682,352</b>	<b>\$49,200,290</b>
<b>OIG Discretionary Appropriation</b>	<b>\$36,031,000</b>	<b>\$36,031,000</b>	<b>\$35,409,200</b>
Salaries & Expenses - OIG	\$6,839,000	\$6,839,000	\$6,217,200
Trust Fund Annual - OIG	\$29,192,000	\$29,192,000	\$29,192,000
<b>OPM Total</b>	<b>\$1,249,603,729</b>	<b>\$1,210,494,384</b>	<b>\$947,398,971</b>

\*In the FY 2025 Enacted Budget, OPM is exercising its permissive authority to decline the reservation of appropriation for IT Modernization.

OPM's discretionary request consists of an appropriation for OPM's program and leadership activities, and a limitation on transfers from the Earned Benefits Trust Funds under OPM management. OPM's FY 2026 discretionary request is **\$382,140,000**.

OPM also manages mandatory source of funds that provide for the transfer of resources from the Government's general fund to the Earned Benefits Trust Funds for Federal employees' and annuitants' benefits. The Trust Funds and the associated mandatory sources are discussed in more detail in the Earned Benefit Trust Funds section of this budget. Each OPM fund is described below.

## Salaries and Expenses

OPM requests **\$167,535,000** in Salaries and Expenses (S&E) funds for personnel and non-personnel expenses. The S&E appropriation funds the agency's various program offices as they implement and perform OPM's core statutory roles, including providing direction and oversight to other Federal agencies' human resource functions.

## Trust Fund Transfers

For the administration of the Civil Service Retirement and Insurance Programs, OPM requests **\$214,605,000** in administrative transfers from the Earned Benefits Trust Funds. For FY 2026, this includes **\$45,738,000** in resources that OPM will use to administer the Postal Service Health Benefits (PSHB) Program. OPM is statutorily responsible for managing the Federal Government's health benefits under the Federal Employees Health Benefits (FEHB) Program and since January 1, 2025, the PSHB Program, within the FEHB, for Postal employees, annuitants, and their eligible family members. OPM also manages the Government's life insurance benefits via the Federal Employees' Group Life Insurance (FEGLI) Program. In addition, OPM administers the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), which are financed by the Civil Service Retirement and Disability Fund (CSRDF). The administrative Trust Fund transfers in part fund the following organizations: Retirement Services (RS), Healthcare and Insurance (HI), Office of the Chief Information Officer (OCIO), and Office of the Chief Financial Officer (OCFO).

These transfers are described as Trust Fund Annual in this request and come from the following Trust Funds subject to Congressional limitation:

- Civil Service Retirement and Disability Fund (CSRDF);
- Employees Health Benefits Fund (FEHBF); and
- Employees' Group Life Insurance Fund (FEGLI).

## Mandatory Administrative Authorities

Several provisions under Title 5 of the United States Code (U.S.C.) and the Federal Erroneous Retirement Coverage Corrections Act (FERCCA) authorize OPM to administer specific retirement program and insurance activities, and to transfer funds for the administrative cost of these activities from the Trust Funds. These authorities provide additional administrative transfers from the Trust Funds. Per 5 U.S.C. §8348 (a)(1)(B), OPM incurs expenses from the Civil Service Retirement and Disability Fund (CSRDF) for the following activities:

- Administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);
- Making discretionary allotments and assignments (§8345(h) or §8465(b)) and withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request;
- Administering Federal tax withholding pursuant to section 3405 of Title 26;
- Administering cost-of-living annuity adjustments (§8340 or §8462), and
- Administering fraud prevention (§8345, §8345a, §8466, and §8466a).

Within the CSRDF, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (P.L. 106-265, Title II, Sept. 19, 2000, 114 Stat. 762). OPM may incur expenses to administer the Federal Long Term Care Insurance Program (FLTCIP) from Federal Employees' Group Life Insurance (Id. at Title I, §1002(a), codified at 5 U.S.C. §9004(f)(B)). Within the FEHB Program, OPM may defray reasonable expenses to administer the Federal Employees Dental and Vision Insurance Program (FEDVIP) (5 U.S.C. §8958 (f)(2)(A) and §8988 (f)(2)(A)). Resources used to administer the FLTCIP and FEDVIP are reimbursed to the FLTCIP and FEDVIP funds by the participating insurance carriers from the respective Programs' premium income, which is comprised entirely of enrollee-paid contributions.



## Revolving Fund Activities

Business Line		FY 2025 Estimate	FY 2026 Estimate	Increase Decrease	Percent Change
Suitability Executive Agent	Revenue	\$11,486,228	\$9,505,966	(\$1,980,262)	(17%)
	Obligations	\$10,650,658	\$9,613,709	(\$1,036,949)	(10%)
Human Resources Solutions	Revenue	\$430,171,522	\$213,883,000	(\$216,288,522)	(50%)
	Obligations	\$363,307,156	\$218,207,895	(\$145,099,261)	(40%)
Enterprise Human Resources Integration	Revenue	\$22,176,980	\$22,176,980	\$0	0%
	Obligations	\$37,517,074	\$32,817,513	(\$4,699,561)	(13%)
HR Line of Business	Revenue	\$3,150,000	\$3,150,000	\$0	0%
	Obligations	\$3,246,261	\$0	(\$3,246,261)	(100%)
Human Resources Solutions Information Technology Program Management Office	Revenue	\$88,500,000	\$88,500,000	\$0	0%
	Obligations	\$131,108,095	\$102,397,203	(\$28,710,892)	(22%)
Credit Monitoring	Revenue	\$98,398,169	\$98,398,169	\$0	0%
	Obligations	\$61,894,478	\$22,034,023	(\$39,860,455)	(64%)
Federal Executive Boards **	Revenue	\$0	\$0	\$0	0%
	Obligations	\$0	\$0	\$0	0%
<b>Total Revenue</b>		<b>\$653,882,899</b>	<b>\$435,614,115</b>	<b>(\$218,268,784)</b>	<b>(33%)</b>
<b>Total Obligations*</b>		<b>\$607,723,722</b>	<b>\$385,070,343</b>	<b>(\$222,653,379)</b>	<b>(37%)</b>

\* When obligations exceed revenue, it is because business lines use unobligated balances from prior years (i.e., carryover).

\*\*Program closed in FY 2025 per Executive Order 14217 - *Commencing the Reduction of Federal Bureaucracy*

For FY 2026, OPM estimates **\$349,205,365** in Revolving Fund obligations. The agency's Revolving Fund was established by the Congress as a means of financing those activities that OPM is required or authorized to perform on a reimbursable basis. This also allows OPM to provide personnel management services to other Federal agencies via several well-established programs. Federal agencies pay OPM based on customer transactions, orders, fixed fees, or proportional contribution to cost. Broadly classified into six groups -- Suitability Executive Agent Programs (SuitEA), Human Resources Solutions (HRS), Enterprise Human Resources Integration (EHRI), HR Line of Business (HRLoB), Human Resources Solutions Information Technology Program Management Office (HRSITPMO), and Credit Monitoring Services and Identity Protection Services -- these activities are performed across several OPM organizations by Federal staff and contractors qualified for the service.

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FY 2025 & FY 2026 Comparison of FTE — All Resources

OPM Budget Authority	FY 2025 Enacted	FY 2026 CBJ
<b>Salaries and Expenses</b>	<b>794.8</b>	<b>434.5</b>
<b>Trust Fund Annual</b>	<b>698.7</b>	<b>665.8</b>
<b>Trust Fund Mandatory Authority</b>	<b>438.9</b>	<b>392.1</b>
5 U.S.C. § 8348 (a)(1)(B) - Retirement	408.2	365.9
5 U.S.C. § 8958(f)(2)(A) & 5 U.S.C. § 8988(f)(2)(A) – Dental & Vision	18.4	14.9
5 U.S.C. § 9004(f)(B) - Long-Term Care	4.3	3.3
FERCCA (P.L. 106-265) - Retirement	8.0	8.0
<b>Revolving Fund</b>	<b>887.0</b>	<b>439.5</b>
<b>Advances &amp; Reimbursements</b>	<b>33.7</b>	<b>20.8</b>
<b>OIG Discretionary Total</b>	<b>126.0</b>	<b>110.0</b>
Salaries & Expenses - OIG	20.0	18.0
Trust Fund Annual - OIG	106.0	92.0
<b>OPM Total</b>	<b>2,979.0</b>	<b>2,062.7</b>

OPM’s FY 2026 budget supports **2,062.7** full-time-equivalents (FTEs). Of this total, the discretionary appropriation and Mandatory Trust Fund transfers will fund **1,492.4** FTEs (the sum of the Salaries and Expenses, Trust Fund Limitations, and Mandatory Trust Fund Authority totals). These employees deliver OPM’s Government-wide responsibilities relating to human capital management leadership, benefits, and additional mission and mission support activities. An additional **570.3** FTEs are funded by the Revolving Fund, Advances and Reimbursements, and Office of the Inspector General (OIG)

## FY 2025 FTE by Organization and Fund — All Resources

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advance and Reimbursements	Revolving Fund	OPM Total
Equal Employment Opportunity	0.0	0.0	0.0	0.0	1.3	0.0	0.0	1.3
Facilities, Security & Emergency Management	3.6	0.0	0.0	0.0	59.3	13.7	0.0	76.6
Federal Prevailing Rate Advisory Committee	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Healthcare & Insurance	71.5	0.0	126.2	22.9	0.0	0.0	0.0	220.6
HR Solutions	0.0	0.0	0.0	0.0	0.0	0.0	526.1	526.1
Legislative Affairs	12.9	0.0	0.0	0.0	0.0	0.0	0.0	12.9
Merit System Accountability & Compliance	74.3	0.0	0.0	0.0	4.0	2.0	0.0	80.3
Office of the Chief Financial Officer	5.6	0.0	36.8	0.0	44.6	0.0	1.2	88.3
Office of the Chief Human Capital Officer	3.5	0.0	0.0	0.0	58.6	0.0	0.0	62.1
Office of the Chief Information Officer	65.1	0.0	17.6	1.1	42.2	5.7	257.6	389.2
Office of the Director	23.4	0.0	0.0	0.0	0.0	4.0	0.0	27.4
Office of the General Counsel	1.0	0.0	0.0	0.0	36.9	2.3	0.0	40.1
Retirement Services	28.3	0.0	518.0	415.0	0.0	0.0	0.0	961.3
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	0.0	6.0	0.0	6.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	0.0	49.0	49.0
White House Fellows	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Workforce Policy and Innovation	155.4	0.0	0.0	0.0	0.0	0.0	0.0	155.4

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advance and Reimbursements	Revolving Fund	OPM Total
Closed Offices	54.5	0.0	0.0	0.0	47.5	0.0	21.7	123.7
<b>OPM Total</b>	<b>500.5</b>	<b>0.0</b>	<b>698.7</b>	<b>438.9</b>	<b>294.3</b>	<b>33.7</b>	<b>855.6</b>	<b>2,821.6</b>

\* This table reflects estimated Full Time Equivalents (FTEs) which are measures of compensated employment over the fiscal year. FTEs are not parallel to headcount, which count the number of employees at a point in time.

\*The 2,821.6 FTE total shown in this table excludes the 126 Office of Inspector General (OIG) FTEs which appear in the table and narrative total on page 9.

#### FY 2026 FTE by Organization and Fund — All Resources

Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Chief Human Capital Officers Council	3.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Equal Employment Opportunity	0.0	0.0	0.0	0.0	8.0	0.0	0.0	8.0
Facilities, Security & Emergency Management	1.0	0.0	1.6	0.0	51.6	10.7	0.0	64.9
Federal Prevailing Rate Advisory Committee	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Healthcare & Insurance	0.0	0.0	146.6	18.7	0.0	0.0	0.0	165.3
HR Solutions	0.0	0.0	0.0	0.0	0.0	0.0	290.0	290.0
Legislative Affairs	8.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0
Merit System Accountability & Compliance	43.0	0.0	0.0	0.0	3.0	0.0	0.0	46.0
Office of the Chief Financial Officer	4.0	0.0	19.0	0.0	33.5	0.0	0.5	57.0
Office of the Chief Human Capital Officer	1.0	0.0	0.0	0.0	41.0	0.0	0.0	42.0
Office of the Chief Information Officer	26.2	0.0	13.9	1.1	23.7	4.2	101.0	170.0
Office of the Director	28.0	0.0	0.0	0.0	0.0	0.0	0.0	28.0
Office of the General Counsel	1.0	0.0	0.0	0.0	50.0	0.0	0.0	51.0



Organizations	Salaries & Expenses	IT Modernization S&E	Trust Fund Annual	Trust Fund Mandatory Authority	Common Services	Advances & Reimbursements	Revolving Fund	OPM Total
Retirement Services	0.0	0.0	484.7	372.3	0.0	0.0	0.0	857.0
Security, Suitability and Credentialing Line of Business (SSCLOB)	0.0	0.0	0.0	0.0	0.0	6.0	0.0	6.0
Suitability Executive Agent Programs	0.0	0.0	0.0	0.0	0.0	0.0	48.0	48.0
White House Fellows	3.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Workforce Policy and Innovation	105.0	0.0	0.0	0.0	0.0	0.0	0.0	105.0
<b>OPM Total</b>	<b>223.7</b>	<b>0.0</b>	<b>665.8</b>	<b>392.1</b>	<b>210.8</b>	<b>20.8</b>	<b>439.5</b>	<b>1,952.7</b>

*\*This table reflects estimated Full Time Equivalents (FTEs) which are measures of compensated employment over the fiscal year. FTEs are not parallel to headcount, which count the number of employees at a point in time*

*\*The 1,952.7 FTE total shown in this table excludes the 110 Office of Inspector General (OIG) FTEs which appear in the table and narrative total on page 9*

## FY 2026 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM intends to use its resources.

### Discretionary Appropriation Budget by Object Class

Object Class	FY 2025 Enacted	FY 2026 CBJ	Increase/Decrease	Percent Change
Personnel Compensation	\$191,521,436	\$157,910,013	(\$33,611,423)	(18%)
Personnel Benefits	\$53,180,170	\$39,225,918	(\$13,954,252)	(26%)
Benefits for Former Personnel	\$1,783,206	\$1,724,049	(\$59,157)	(3%)
Travel and Transportation of Person	\$561,782	\$747,344	\$185,561	33%
Transportation of Things	\$49,542	\$49,691	\$149	0%
Communications, Utilities, and Rent	\$46,030,696	\$49,145,204	\$3,114,508	7%
Printing and Reproduction	\$657,845	\$656,607	(\$1,238)	0%
Other Services	\$114,554,463	\$128,798,160	\$14,243,697	12%
Supplies and Materials	\$1,176,385	\$1,248,864	\$72,479	6%
Equipment	\$2,301,537	\$2,312,745	\$11,208	0%
Insurance claims and indemnities	\$233,938	\$321,406	\$87,468	37%
<b>Total Object Class</b>	<b>\$412,051,000</b>	<b>\$382,140,000</b>	<b>(\$29,911,000)</b>	<b>(7%)</b>
<b>FTE</b>	<b>1,493.5</b>	<b>1,100.3</b>	<b>(393.2)</b>	<b>(26%)</b>

### Salaries and Expenses Budget by Object Class

Object Class	FY 2025 Enacted	FY 2026 CBJ	Increase/Decrease	Percent Change
Personnel Compensation	\$90,358,487	\$69,117,587	(\$21,240,900)	(24%)
Personnel Benefits	\$25,496,972	\$12,619,154	(\$12,877,818)	(51%)
Benefits for Former Personnel	\$1,033,992	\$1,043,988	\$9,996	1%
Travel and Transportation of Person	\$223,700	\$381,271	\$157,571	70%
Transportation of Things	\$341	\$668	\$327	96%
Communications, Utilities, and Rent	\$22,136,863	\$24,446,973	\$2,310,110	10%
Printing and Reproduction	\$245,908	\$265,294	\$19,386	8%
Other Services	\$76,986,424	\$56,929,308	(\$20,057,116)	(26%)
Supplies and Materials	\$419,310	\$545,276	\$125,966	30%
Equipment	\$2,169,160	\$2,185,482	\$16,322	1%
Insurance claims and indemnities	\$4,844	\$0	(\$4,844)	(100%)
<b>Total Object Class</b>	<b>\$219,076,000</b>	<b>\$167,535,000</b>	<b>(\$51,541,000)</b>	<b>(24%)</b>
<b>FTE</b>	<b>794.8</b>	<b>434.5</b>	<b>(360.3)</b>	<b>(45%)</b>

The FY 2026 S&E request totals **\$167,535,000**, and the impacts are attributed to the following:

- Personnel Compensation and Benefits decrease by approximately \$33,971,000 reflecting the combined effects of an overall reduction in OPM's workforce during FY 2025 and the first quarter of FY 2026 in accordance with the President's directive to

reduce the size of the Federal workforce, and the funding realignment for the Postal Services Health Benefits (PSHB) Program from Salaries & Expenses to the Trust Fund Transfer limitation.

- Variances in Communications, Utilities, and Rent and Other Services to include contracts, are primarily related to the funding realignment of the PSHB Program noted above and increasing the overall share of financing OPM's common administrative services via the Salaries & Expenses appropriation.

#### Trust Fund Limitation – Budget by Object Class

Object Class	FY 2025 Enacted	FY 2026 CBJ	Increase/Decrease	Percent
Personnel Compensation	\$101,162,950	\$88,792,426	(\$12,370,524)	(12%)
Personnel Benefits	\$27,683,199	\$26,606,765	(\$1,076,434)	(4%)
Benefits for Former Personnel	\$749,214	\$680,061	(\$69,153)	(9%)
Travel and Transportation of Person	\$338,082	\$366,073	\$27,991	8%
Transportation of Things	\$49,201	\$49,023	(\$178)	0%
Communications, Utilities, and Rent	\$23,893,834	\$24,698,231	\$804,397	3%
Printing and Reproduction	\$411,937	\$391,313	(\$20,624)	(5%)
Other Services	\$37,568,039	\$71,868,852	\$34,300,813	91%
Supplies and Materials	\$757,075	\$703,588	(\$53,487)	(7%)
Equipment	\$132,376	\$127,262	(\$5,114)	(4%)
Insurance claims and indemnities	\$229,094	\$321,406	\$92,312	40%
<b>Total Object Class</b>	<b>\$192,975,000</b>	<b>\$214,605,000</b>	<b>\$21,630,000</b>	<b>11%</b>
<b>FTE</b>	<b>698.7</b>	<b>665.8</b>	<b>(32.9)</b>	<b>(5%)</b>

The FY 2026 Trust Fund Limitation fund request totals **\$214,605,000**. The funding increase of \$21,630,000 above the FY 2025 Enacted Budget level, primarily reflects the funding realignment for the Postal Services Health Benefits (PSHB) Program from Salaries & Expenses to the Trust Fund Transfer limitation. This realignment finances the PSHB Program within the same funding source as the FEHB Program and the Employees Health Benefits Fund. Other changes driving noted variance include the following:

- A Personnel Compensation and Benefits decrease by \$13,500,000 reflecting staffing level reductions in accordance with the President's directive to reduce the size of the Federal workforce.
- A decrease in the amount of Trust Fund contributions to the financing of OPM's common administrative services.

Other services increased by \$34,300,000 for OPM's program contract activities related to the funding realignment for the Postal Services Health Benefits (PSHB) Program from Salaries & Expenses to the Trust Fund Transfer Limitation.

OPM Budget FY 2025 Enacted & FY 2026 CBJ by Organization and Fund — Discretionary Resources

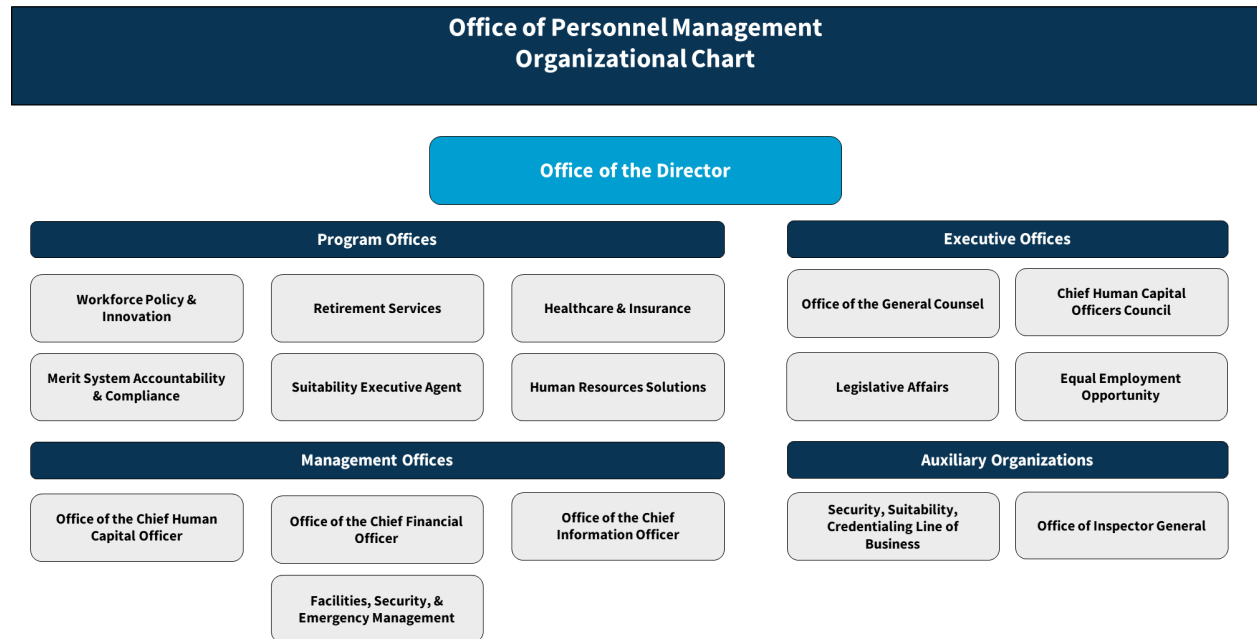
Organizations	FY 2025 Enacted				FY 2026 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Centrally Funded Items	\$2,138,512	\$171,000	\$0	<b>\$2,309,512</b>	\$2,638,512	\$671,000	\$0	<b>\$3,309,512</b>
Chief Human Capital Officers Council	\$0	\$0	\$0	<b>\$0</b>	\$845,000	\$0	\$0	<b>\$845,000</b>
Equal Employment Opportunity	\$0	\$0	\$243,860	<b>\$243,860</b>	\$0	\$0	\$1,595,087	<b>\$1,595,087</b>
Facilities, Security & Emergency Management	\$425,000	\$0	\$13,351,850	<b>\$13,776,850</b>	\$121,619	\$210,732	\$12,859,781	<b>\$13,192,132</b>
Federal Prevailing Rate Advisory Committee	\$35,966	\$0	\$0	<b>\$35,966</b>	\$113,606	\$0	\$0	<b>\$113,606</b>
Healthcare & Insurance	\$18,720,861	\$31,178,112	\$0	<b>\$49,898,973</b>	\$0	\$42,174,626	\$0	<b>\$42,174,626</b>
HR Solutions	\$0	\$0	\$0	<b>\$0</b>	\$7,208,733	\$0	\$0	<b>\$7,208,733</b>
Legislative Affairs	\$2,483,408	\$0	\$0	<b>\$2,483,408</b>	\$1,858,267	\$0	\$0	<b>\$1,858,267</b>
Merit System Accountability & Compliance	\$14,125,968	\$0	\$1,134,597	<b>\$15,260,565</b>	\$9,770,672	\$0	\$841,570	<b>\$10,612,242</b>
Office of the Chief Financial Officer	\$2,276,821	\$14,223,784	\$23,790,966	<b>\$40,291,571</b>	\$711,076	\$12,125,468	\$22,582,157	<b>\$35,418,701</b>
Office of the Chief Human Capital Officer	\$2,062,367	\$0	\$12,873,487	<b>\$14,935,854</b>	\$2,411,221	\$0	\$9,936,889	<b>\$12,348,110</b>
Office of the Chief Information Officer	\$68,472,833	\$8,950,500	\$34,343,422	<b>\$111,766,754</b>	\$49,943,748	\$35,620,426	\$30,035,727	<b>\$115,599,901</b>
Office of the Director	\$5,731,601	\$0	\$0	<b>\$5,731,601</b>	\$6,831,138	\$0	\$0	<b>\$6,831,138</b>
Office of the General Counsel	\$211,709	\$0	\$9,144,893	<b>\$9,356,602</b>	\$251,471	\$0	\$14,815,864	<b>\$15,067,335</b>
Rent	\$11,268,330	\$12,741,000	\$0	<b>\$24,009,330</b>	\$11,268,330	\$12,741,000	\$0	<b>\$24,009,330</b>
Retirement Services	\$6,885,000	\$74,938,018	\$0	<b>\$81,823,018</b>	\$0	\$78,213,730	\$0	<b>\$78,213,730</b>



Organizations	FY 2025 Enacted				FY 2026 CBJ			
	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total	Salaries and Expenses	Trust Fund Annual	Common Services	OPM Total
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$543,000	\$0	\$0	<b>\$543,000</b>	\$497,000	\$0	\$0	<b>\$497,000</b>
White House Fellows	\$323,462	\$0	\$0	<b>\$323,462</b>	\$742,206	\$0	\$0	<b>\$742,206</b>
Workforce Policy and Innovation	\$39,250,741	\$0	\$0	<b>\$39,250,741</b>	\$29,602,469	\$0	\$0	<b>\$29,602,469</b>
Closed Offices	\$19,407,553	\$0	\$13,830,749	<b>\$33,238,302</b>	\$744,846	\$0	\$1,570,834	<b>\$2,315,680</b>
<b>OPM Sub Total</b>	<b>\$194,363,132</b>	<b>\$142,202,414</b>	<b>\$108,713,824</b>	<b>\$445,279,369</b>	<b>\$125,559,914</b>	<b>\$181,756,982</b>	<b>\$94,237,910</b>	<b>\$401,554,806</b>
Appropriated Contribution to Common Services	\$24,712,868	\$50,772,586	\$0		\$41,975,086	\$32,848,018	\$0	
Non-Appropriated Contribution to Common Services				<b>(\$33,228,369)</b>				<b>(\$19,414,806)</b>
	<b>\$219,076,000</b>	<b>\$192,975,000</b>	<b>\$108,713,824</b>	<b>\$412,051,000</b>	<b>\$167,535,000</b>	<b>\$214,605,000</b>	<b>\$94,237,910</b>	<b>\$382,140,000</b>

# Organizational Framework

OPM’s divisions and offices implement the programs and deliver the services that enable the agency to support the Administrations priorities and fulfill its statutory mandates.



This budget proposal reflects organizational changes that increase the efficiency of agency functions and focus on mission-critical activities. This allows OPM to maintain necessary funding for several recently closed and reduced programs and offices to fulfill remaining financial obligations through FY 2026. These organizational components, the Office of Communications, the Office of Diversity, Equity, Inclusion, and Accessibility, Federal Executive Boards, Center for Leadership Development, the Federal Executive Institute, the Office of the Executive Secretariat and Privacy Information Management, Human Capital Data Management and Modernization, the Office of Strategy and Innovation, the Office of Small and Disadvantaged Business Utilization, and the Office of Procurement Operations, along with a reduced function in the Office of the Chief Information Officer. By maintaining these allocations, we ensure we meet our obligations while completing organizational changes that will improve efficiency and reduce costs for hardworking taxpayers in future years.

## OPM Budget FY 2025 Enacted & FY 2026 CBJ by Organization – All Funding Sources

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Centrally Funded Items	\$2,309,512	0.0	\$3,309,512	0.0	\$1,000,000	0.0
Chief Human Capital Officers Council	\$0	0.0	\$845,000	3.0	\$845,000	3.0
Equal Employment Opportunity	\$243,860	1.3	\$1,595,087	8.0	\$1,351,227	6.8
Facilities, Security & Emergency Management	\$16,700,096	76.6	\$15,707,992	64.9	(\$992,104)	(11.7)
Federal Prevailing Rate Advisory Committee	\$35,966	0.3	\$113,606	0.5	\$77,640	0.2
Healthcare & Insurance	\$66,209,780	220.6	\$57,680,949	165.3	(\$8,528,831)	(55.3)
HR Solutions	\$363,571,240	526.1	\$258,234,141	290.0	(\$105,337,099)	(236.1)
Legislative Affairs	\$2,483,408	12.9	\$1,858,267	8.0	(\$625,141)	(4.9)
Merit System Accountability & Compliance	\$17,760,565	80.3	\$12,770,917	46.0	(\$4,989,648)	(34.3)
Office of the Chief Financial Officer	\$101,967,982	88.3	\$58,584,324	57.0	(\$43,383,657)	(31.3)
Office of the Chief Human Capital Officer	\$14,935,854	62.1	\$12,348,110	42.0	(\$2,587,744)	(20.1)
Office of the Chief Information Officer	\$284,716,558	389.2	\$258,708,969	170.0	(\$26,007,590)	(219.2)
Office of the Director	\$6,576,601	27.4	\$6,831,138	28.0	\$254,537	0.6
Office of the General Counsel	\$9,860,446	40.1	\$15,067,335	51.0	\$5,206,889	10.9
Office of the Inspector General	\$36,031,000	126.0	\$35,409,200	110.0	(\$621,800)	(16.0)
OPM Human Resources	\$0	0.0	\$0	0.0	\$0	0.0
Rent	\$25,012,682	0.0	\$25,012,682	0.0	\$0	0.0
Retirement Services	\$145,134,818	961.3	\$136,884,908	857.0	(\$8,249,910)	(104.3)
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$8,146,000	6.0	\$7,449,000	6.0	(\$697,000)	0.0
Suitability Executive Agent Programs	\$10,650,658	49.0	\$9,613,709	48.0	(\$1,036,949)	(1.0)
White House Fellows	\$323,462	0.9	\$742,206	3.0	\$418,744	2.1
Workforce Policy and Innovation	\$39,836,470	155.4	\$29,602,469	105.0	(\$10,234,001)	(50.4)
Closed Offices	\$75,087,220	123.7	\$2,315,680	0.0	(\$72,771,540)	(123.7)
<b>OPM Total</b>	<b>\$1,227,594,17</b>	<b>2,947.6</b>	<b>\$950,685,202</b>	<b>2,062.7</b>	<b>(\$276,908,97</b>	<b>(884.9)</b>

NOTE: This table includes organizations financed by OPM's Revolving Fund, Common Services and Advances and Reimbursements. Therefore, this table varies from tables in the Executive Summary section.

## Executive Offices

### Office of the Director

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Director	\$6,576,601	27.4	\$6,831,138	28.0	\$254,537	0.6

The Office of the Director provides guidance, leadership, and direction necessary to achieve OPM's mission to lead and serve the federal government by delivering policies and services to achieve a merit based, trusted, and efficient, civilian workforce.

### Office of the General Counsel (OGC)

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the General Counsel	\$9,860,446	40.1	\$15,067,335	51	\$5,206,889	10.9

The Office of the General Counsel (OGC) provides legal advice and representation to the Director and OPM leaders. OGC carries out several substantive functions that fulfill statutory or regulatory mandates benefiting the entire Executive Branch. OGC consults with the United States Office of Government Ethics (OGE) on regulations related to the Standards of Conduct and administers OPM's internal program for handling claims lodged under the Federal Tort Claims Act. OGC is also responsible for managing and reviewing regulatory programs, including taking the lead in promulgating certain regulations, such as those under the Hatch Act, and serves in a policy and legal role in the governmental function of determining which Merit Systems Protection Board and arbitral decisions are erroneous and have a substantial impact on civil service law. Finally, in FY 2025 OGC subsumed the former Office of the Executive Secretariat, Privacy, and Information Management (OESPIM) including all key functions and statutory requirements.

OGC is directly involved in supporting, advancing, and at times leading many of OPM's most significant priorities. OGC is responding to and has intervened in numerous administrative cases to advance and protect Administration priorities for the civil service and is closely supporting the Department of Justice (DOJ) in its representation of the Government on matters concerning the civilian workforce. OGC also supports the Administration by rendering opinions, reviewing proposed policies and other work products and commenting on their legal efficacy. OGC now coordinates OPM's internal clearance processes (to include policy and program proposals, as well as EO guidance and memos from leadership), regulatory affairs (to include serving as the



agency's liaison with the Office of Management and Budget (OMB) and the Federal Register), and forms management (working with OMB on form approvals and renewals).

In FY 2026, OGC has absorb cases from other agencies, numbering approximately 60 as of the third quarter of FY25. Additionally, OGC has experienced a dramatic uptick in overall litigation filings, with approximately 300 additional between January and May 2025. OPM is adjusting staffing levels absorb these responsibilities long term. At the same time, OGC continues to perform core representation and advice work, much of which is unpredictable, as there is limited foresight as to what claims individuals or organizations will bring against the agency. In April 2025 OGC reorganized, incorporating the key functions and program requirements of OESPIM. The reorganization brings the high demand for Freedom of Information Act (FOIA) appeals to OGC, along with a backlog of more than 900. We anticipate increases in litigation, in addition to FOIA appeals, continue in into FY 2026 requiring a reevaluation of staffing and resource requirements.

#### Chief Human Capital Officer Council

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Chief Human Capital Officers Council	\$0	0	\$845,000	3.0	\$845,000	3.0

The Chief Human Capital Officers (CHCO) Council serves as the principal interagency forum for coordinating and advising on human resource issues across the Federal Government. As the principal interagency forum for Federal human capital leaders, the Council advises and coordinates the activities of the 24 Chief Financial Officers (CFO) Act agencies, as well as the Small Agency Human Resources Council and the Intelligence Community Human Resources Council. Its focus areas include the modernization of human resources systems, enhancement of HR information quality, and legislative matters affecting Federal human resources operations and organizations.

Under the leadership of the OPM Director, who also serves as the Council Chair, the CHCO Council staff plans and executes monthly meetings, manages working groups and communities of practice, and hosts personnel policy office hours and special sessions. The Council fulfills its statutory requirements by holding an annual public meeting and submitting an annual report to Congress.

In the first months of the Administration, the CHCO Council has convened approximately 42 meetings to support the implementation of workforce-related Executive Orders and guidance.

Key topics included the Deferred Resignation Program, restructuring tools (such as VERA, VSIP, and RIFs), return-to-office policies, Senior Executive Service (SES) designation and performance, Schedule Policy/Career, the hiring freeze, probationary employees, Schedule C, and collective bargaining obligations. These sessions have helped to ensure consistent understanding and implementation of these topics across government while providing a forum for partners such as the Office of Management and Budget to provide direct guidance to senior human resources staff. In FY 2026 the Council staff anticipates gaining new responsibilities to support Administration priorities Recognizing these new responsibilities, OPM is seeking to realign funding for this office from the Revolving Fund to Salaries & Expenses.

## Legislative Affairs

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Legislative Affairs	\$2,483,408	12.9	\$1,858,267	8	(\$625,141)	(4.9)

Legislative Affairs (LA) is the OPM office that fosters and maintains relationships with Congress and their staff. Legislative Affairs accomplishes its mission by keeping informed of issues related to programs and policies administered by OPM. Staff attend meetings, briefings, markups, and hearings to interact, educate, and advise agency leadership and the Congress. The office is also responsible for supporting congressional efforts by providing technical assistance and substantive responses to congressional inquiries. For FY 2026, OPM will streamline the office once called Congressional and Legislative and Intergovernmental Affairs (CLIA), renaming it to simply, Legislative Affairs to better reflect its focused mission.

## Program Offices

### Healthcare and Insurance

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Healthcare & Insurance	\$66,209,780	220.6	\$57,680,949	165.3	(\$8,528,831)	(55.3)

Healthcare and Insurance (HI) manages a broad portfolio of insurance benefits for more than eight million eligible individuals, including Federal and postal employees, annuitants, their families, tribal employees, members of the uniformed services, and other designated groups.

Through its five divisions and front office, HI oversees contracting, program development, and management functions for six statutorily mandated programs: Federal Employees Health Benefits (FEHB) Program, Postal Service Health Benefits (PSHB) Program, Federal Employees' Group Life Insurance (FGLI) Program, Federal Long Term Care Insurance (FLTCL) Program, Federal Employees Dental and Vision Insurance Program (FEDVIP) and Federal Flexible Spending Account Program (FFSAP).

Over the past year, HI advanced the Administration's emphasis on cost-effective management and transparency. Through the provision of insurance programs which maximize choice, value, and quality, HI carries out the Administration's emphasis on cost-effective management. In alignment with Executive Order 14221 - *America Healthy Again by Empowering Patients with Clear, Accurate, and Actionable Healthcare Pricing Information*, HI requires FEHB and PSHB insurance carriers to make certain health care cost information readily available to consumers, giving them the information they need to get the greatest value from their health care dollars. In addition, OPM promotes coverage of in vitro fertilization (IVF) in the FEHB and PSHB Programs, consistent with Executive Order 14216- *Expanding Access to In Vitro Fertilization*. All FEHB and PSHB plans cover three cycles of IVF drugs, and all FEHB and PSHB enrollees can choose a plan that offers coverage of IVF medical services and procedures.

In FY 2026, OPM intends to further expand the number of plans covering IVF medical services and procedures. HI will continue to promote efficiency in its internal operations and in the administration of the benefit programs under its purview. The Federal Benefits Open Season in FY 2026 will be the first in which benefit and rate data are provided electronically by both FEHB and PSHB carriers through OPM's Carrier Connect system. This system demonstrates OPM's commitment to leveraging technology to drive program improvements. Additionally, HI requires that FEHB and PSHB carriers implement improvements to ease administrative burden on enrollees, including making it easier to submit claims online, find in-network providers more easily, and understand how to appeal claim denials.

## Human Resources Solutions

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
HR Solutions	\$363,571,240	526.1	\$258,234,14	290.0	(\$105,337,09	(236.1)

The Human Resources Solutions (HRS) office provides a suite of human capital services for the Federal Government, including talent acquisition, talent management, and product and data

management, with USAJOBS serving as a cornerstone for Federal recruitment. HRS supports agencies across the Federal Government by facilitating large-scale workforce adjustments, performance improvement initiatives, organizational redesign, and retraining efforts. These services are delivered in alignment with current Administration priorities, ensuring the Federal workforce remains agile and responsive to evolving needs.

Between FY 2025 and FY 2026, HRS underwent significant restructuring, reducing staff from 685 to 290 and decreasing obligations by \$278,000,000. This transformation was achieved by eliminating non-essential programs and contracts, resulting in savings of \$73,000,000 in staffing and \$208,200,000 in contracts. These changes reflect a strategic focus on core mission activities and fiscal responsibility, positioning HRS to deliver essential services more efficiently.

In FY 2026, HRS will continue to prioritize the delivery of critical human capital solutions, optimizing service models to maintain high-quality support for Federal agencies. The office will focus on sustaining operational viability while advancing Administration goals, ensuring that agencies have access to the expertise and tools necessary to manage workforce challenges effectively. HRS remains committed to driving government-wide results and supporting the merit principles that underpin the Federal civil service. Additionally, the FY 2026 budget reflects that HRS absorbed statutorily required functions such as FedScope.

### Merit System Accountability and Compliance (MSAC)

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Merit System Accountability & Compliance	\$17,760,565	80.3	\$12,770,917	46	(\$4,989,648)	(34.3)

Merit Systems Accountability and Compliance provides oversight to determine if Federal agency human resources programs are effective and efficient and comply with merit system principles and related civil service regulations. MSAC evaluates agencies' programs through a combination of OPM-led evaluations and as participants in agency-led reviews. MSAC also conducts special cross-cutting studies to assess the use of HR authorities and flexibilities across the Government. Moreover, MSAC reviews and renders decisions on agencies' requests to appoint current or former political appointees to positions in the competitive service, the non-political excepted service, or the senior executive service to verify that such appointments conform to applicable selection requirements and are free of political influence. MSAC also adjudicates classification appeals, job grading appeals, Fair Labor Standards Act claims, compensation and leave claims, and declination of reasonable offer appeals, all of which

provide Federal employees with administrative procedural rights to challenge compensation and related agency decisions without having to seek redress in Federal courts.

MSAC has government wide oversight of the Combined Federal Campaign and the Voting Rights programs. The mission of the Combined Federal Campaign is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees and annuitants the opportunity to improve the quality of life for all. The Voting Rights Program deploys Federal observers to monitor polling sites (as determined by the Attorney General) and provides written reports to the Department of Justice. Further, MSAC serves as the liaison between OPM program offices and oversight groups such as the Office of the Inspector General and the Government Accountability Office (GAO) and helps to coordinate audit activities to resolve recommendations.

MSAC strategically refocused its evaluation methodologies and developed a risk-based model to identify high-risk areas for evaluation. With the model, MSAC is implementing new approaches and processes to maintain effective outcomes.

## Retirement Services

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Retirement Services	\$145,134,818	961.3	\$136,884,908	857	(\$8,249,910)	(104.3)

Retirement Services administers the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), ensuring that Federal retirees and their eligible survivors receive timely and accurate retirement benefits. OPM, through the Retirement Services Office, serves 2.8 million active employees and over 2.7 million annuitants, survivors, and family members. The Retirement Services operations are mandated by statutory authorities which establish requirements to adjudicate retirement claims, manage disability retirement benefits eligibility, govern annuities under court decrees of divorce, annulment, or separation, provide health benefits for annuitants, implement cost of living adjustment increases and issue tax statements, to regularly train and counsel all Federal agencies and appropriately respond to customer inquiries and to produce guidance to implement retirement provisions, processes bankruptcy and estate cases to recover outstanding debts to the Retirement Fund.

In alignment with Executive Orders, Retirement Services developed a Modernization Roadmap that charts a path to digitize the paper-centric retirement application process. This modernization will deliver faster processing times, enhanced self service capabilities, greater

transparency, improved customer service, and reduced administrative burden for annuitants and agencies. In FY 2025 OPM has already begun its push for modernization by mandating the use of the Online Retirement Application (ORA) for covered individuals, providing users with reduced burden while speeding up agency processing times.

In FY 2026 OPM, through Retirement Services will continue to advance its modernization agenda, focusing on deploying digital tools to improve service delivery. The modernization effort centers on four key components: the Online Retirement Application (ORA), Employee Retirement Record (ERR), Digital File System (DFS), and the Janus retirement calculator. Together these innovations will dramatically streamline operations and improve service delivery while reducing costs.

### Suitability Executive Agent

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Suitability Executive Agent Programs	\$10,650,658	49	\$9,613,709	48	(\$1,036,949)	(1.0)

The Suitability Executive Agent (SuitEA) Office is responsible for supporting the OPM Director's duties as the Suitability and Credentialing Executive Agent, focusing on improving personnel vetting processes across the government. SuitEA provides policy guidance, training, and oversight to federal agencies to promote uniformity, efficiency, effectiveness, reciprocity, timeliness, and security in suitability and credentialing decisions. SuitEA's adjudications staff identify those cases under OPM's jurisdiction that potentially warrant an OPM action, and, where appropriate, take actions to debar individuals from employment in the competitive service or career Senior Executive Service for up to three years.

SuitEA also co-leads efforts to deliver a modernized, more efficient and effective approach to suitability, fitness, credentialing, and security vetting as part of the Trusted Workforce (TW) 2.0 modification effort, which have delivered significant cost savings and improved the timeliness and quality of adjudications. Recent transformational outcome-based policy reforms under TW 2.0 include the Federal Personnel Vetting Core Doctrine; Guidelines for Federal Personnel Vetting, Performance Management and Engagement; the Federal Personnel Vetting Investigative Standards; Common Principles of Applying Federal Personnel Vetting Adjudicative Standards; Federal Personnel Performance Management Standards Implementation Guidance, Trusted Information Provider Program Guidance; and implementation guidance for new

policies. SuitEA is actively leading and supporting agencies in their shift to continuous vetting to more efficiently and effectively monitor the ongoing trustworthiness of the federal workforce.

In FY 2026, SuitEA will continue to streamline operations and expand services to federal stakeholders while optimizing resources. SuitEA will redirect current staff, aiming for a focus on certain areas of the adjudication process, which will improve timeliness, quality, cost, and efficiency. By repurposing staff into more mission-priority roles, it will position SuitEA to meet increased demand for suitability actions anticipated from executing the March 20, 2025, Presidential Memorandum (PM) on strengthening suitability. These updates will align SuitEA to not only accomplish existing duties it is statutorily required to do but now equip it with a process to take additional suitability actions to protect the integrity and efficiency of the service.

### Workforce Policy and Innovation

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Workforce Policy and Innovation	\$45,496,574	186.8	\$29,602,469	105	(\$15,894,105)	(81.8)

The Workforce Policy and Innovation (WPI) Office provides government wide human capital guidance, oversight, and implementation strategies, supporting agencies in the effective administration of recruitment, hiring, classification, pay, leave, workforce flexibilities, performance management, employee accountability, labor relations, strategic workforce planning, training, and executive services. WPI's experts align Federal workforce policy with operational outcomes, equipping agencies with tools, flexibilities, and authorities to manage their workforces efficiently. The office also leads the development of legislative and regulatory proposals to modernize and transform Federal personnel systems and processes, supporting the President's civil service agenda.

In FY 2025, WPI positioned its human capital expertise to enable the President's agenda to reduce, consolidate, modernize, shape, and ultimately transform the Federal workforce. WPI is supporting issuances of guidance memoranda and FAQs, as well as providing practical tools and HR expertise, to support agencies in their work to execute historic workforce reductions (voluntary and involuntary resignations and retirements) aimed at returning agencies to core missions, with streamlined delivery of service to the American people and tax dollar stewardship at the forefront. WPI's subject matter experts are supporting effective implementation of the President's hiring freeze and instituting the changes required to restore

accountability for career senior executives. Additionally, WPI is enabling broad workforce initiatives aimed at reforming the Federal hiring process, supporting a skill-based workforce, restoring merit to government service and improving employee accountability and performance management.

In FY 2026, WPI will continue to deliver high-impact support for the President’s civil service agenda and vision transforming the federal workforce and workforce management processes, ensuring agencies are equipped to fulfill their core missions and deliver streamlined services to the American people. These initiatives include supporting agency workforce reshaping and optimization, implementing the President’s hiring controls and improvements, reducing time to hire, and advancing reforms to restore accountability for career senior executives and employees. In addition to more stringent performance management and accountability processes, the Senior Executive Service will be modernized and elevated with retooled assessment and selection processes redesigned to support faster and high-quality hiring and improved development programs for aspiring executives, reducing administrative burdens on agencies and employees and strengthening the SES applicant pool.

Additionally, through programmatic efficiencies, WPI has streamlined and reduced the cost of administering the Federal Employee Viewpoint Survey, saving approximately \$885,000 in FY 2025 and the elimination of the Federal Executive Boards and the supporting administrative overhead and infrastructure will result in a projected \$16,000,000 cost savings in FY 2026.

## Management Offices

### Facilities, Security, & Emergency Management (FSEM)

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Facilities, Security & Emergency Management	\$16,700,096	76.6	\$15,707,992	64.9	(\$992,104)	(11.7)

The Facilities, Security, and Emergency Management (FSEM) office plays a critical role in ensuring the safety, security, and operational readiness of OPM. FSEM delivers timely and accurate personnel security adjudication, issues secure credentials for facility and system access, and leads efforts to protect OPM’s workforce, facilities, and infrastructure. The office also manages real property and physical security operations, enforces occupational health and safety standards, and oversees the OPM Mail Center, all while maintaining strict security protocols.



Between FY 2025 and FY 2026, FSEM has enhanced mission resilience and situational awareness capabilities. The office has strengthened its continuity of operations and government programs, expanded test, training, and evaluation activities, and implemented new measures to safeguard assets and personnel. These changes reflect a proactive approach to risk management and organizational preparedness.

In FY 2026, FSEM will continue to advance Administration priorities by operationalizing key executive directives and maintaining a secure, resilient environment for OPM. The office will focus on further integrating security, emergency management, and facility operations, ensuring that OPM remains prepared to respond to emerging threats and operational challenges. FSEM's ongoing efforts will support the agency's mission and promote a safe, compliant, and efficient workplace for all employees.

#### Office of the Chief Human Capital Officer (OCHCO)

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Chief Human Capital Officer	\$14,935,854	62.1	\$12,348,110	42	(\$2,587,744)	(20.1)

The Office of the Chief Human Capital Officer (OCHCO) provides human capital mission support to OPM's leadership and workforce, including talent acquisition, workforce development, data and accountability, employee and labor relations, benefits, workforce planning, and executive resources. OCHCO drives Administration directives such as ending DEI programs, restoring SES accountability, implementing workforce optimization, and executing reductions in force.

In FY 2026, OCHCO will continue to streamline workforce planning and enhance employee relations within OPM, ensuring alignment with improved Federal workforce strategies. The office will prioritize data-driven decision-making and cost-effective talent management to sustain OPM's mission readiness.

## Office of the Chief Financial Officer (OCFO)

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Chief Financial Officer	\$101,967,982	88.3	\$58,584,324	57	(\$43,383,657)	(31.3)

The Office of the Chief Financial Officer (OCFO) ensures OPM’s strategic financial management, fiscal responsibility, transparency, and accountability and advises the Director and senior leadership on all financial matters to enable effective resource allocation and support mission success. Core services include budget operations, accounting, reporting, and financial systems oversight.

OCFO manages OPM-wide budgeting and modeling for Earned Benefit programs, ensures compliance with fiscal laws, and oversees financial statements, reporting and investments for over \$1,200,000,000 in assets. It also leads financial systems operations, modernization projects, and agency-wide financial services such as payroll and travel. OCFO serves OPM leadership, employees, Federal agencies, retirees, annuitants, and family members by promoting financial integrity and optimizing resources for efficient service delivery. OCFO executes financial mission and efficiency via these statutory authorities: Chief Financial Officers Act, Federal Managers’ Financial Integrity Act, Government Performance and Results Act (GPRA) Modernization Act, Anti-deficiency Act, Federal Financial Management Improvement Act, and applicable OMB Circulars and Memos.

In FY 2025, the OCFO reduced its workforce by over 53% and both descoped and eliminated various contracts where services were no longer required. Looking ahead in FY 2026, OCFO will increase reliance on shared service providers for accounting and trust fund management, ensuring continuity of core financial functions. In addition, the OCFO will continue its support of the procurement program transition to the General Services Administration (GSA) and focus on optimizing payroll systems. These steps will reinforce OCFO’s role in enabling efficient resource allocation across OPM.

## Office of the Chief Information Officer (OCIO)

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Chief Information Officer	\$284,716,558	389.2	\$258,708,969	170	(\$26,007,590)	(219.2)

The Office of the Chief Information Officer (OCIO) defines the enterprise information technology (IT) vision, strategy, policies, and cybersecurity for OPM. The OCIO determines the

most effective use of technology to support of the agency's strategic plan, including the enterprise architecture, platform, systems, and applications. The OCIO is responsible for modernizing information technology, developing and maintaining the agency's information technology security policies, and operating and enhancing the agency's cybersecurity program. The OCIO leads the IT governance processes and IT investment management to develop IT strategies and budgets across the agency. The OCIO provides technical strategies and guidance, cloud technology and services, application and system development and maintenance, IT project management, agile frameworks, collaboration and communication tools, hardware, software, and infrastructure such as the OPM Help Desk services to support OPM's business operations. The OCIO manages pre- and post-implementation reviews of information technology programs and projects. The OCIO reviews and oversees IT acquisitions, services, and spending. Additionally, the OCIO partners with other agencies on government wide initiatives such as IT modernization, the optimization of enterprise services, and the development of long-term plans for human resource IT strategies.

In FY 2025 OCIO will strategically reduce spending by \$159,000,000 while simultaneously launching several new initiatives. While this represents significant progress, our optimization efforts will continue in FY 2026. OCIO identified numerous additional opportunities to trim overhead, consolidate systems, and streamline processes without compromising productivity, security, or service quality. Looking ahead to FY 2026 OCIO will implement multiple cost-reduction projects while expanding human resource services government wide, advancing retirement services modernization, and enhancing health and insurance platforms. OCIO is committed to maintaining best-in-class security protocols that safeguard all sensitive agency data.

## Auxiliary Organizations

### Equal Employment Opportunity

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Equal Employment Opportunity	\$243,860	1.3	\$1,595,087	8	\$1,351,227	6.8

The Equal Employment Opportunity Office ensures adherence to Federal EEO laws and regulations, investigates complaints of discrimination and harassment, monitors workplace policies and practices for compliance, accepts, processes, and investigates internal EEO complaints (formal and informal), facilitates alternative dispute resolution (ADR) such as mediation, provide findings and recommendations after investigations, and maintains records and submit reports to the EEOC. OPM's EEO office primarily provides all EEO services internally, saving costs by leveraging in-house expertise.

The EEO office ensures compliance with Federal anti-discrimination laws, supporting the Administration's focus on ending illegal preferences and discrimination. Following shifts in Administration priorities, the EEO no longer accepts complaints based on sexual orientation, gender, or sex stereotyping.

In FY 2026, efforts will center on ensuring timely and thorough complaint processing, upholding compliance with Federal EEO requirements, and supporting a workplace environment grounded in equal dignity and respect. The office will continue to adapt its operations to align with Federal priorities and statutory obligations.

### Office of Inspector General

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Office of the Inspector General	\$36,031,000	126	\$35,409,200	110	(\$621,800)	(16.0)

The Office of the Inspector General (OIG), created by the Inspector General Act of 1978, provides comprehensive oversight of OPM programs through audits, evaluations, and investigations to protect taxpayer dollars and ensure efficient service delivery. As a Federal law enforcement organization, OIG brings to justice abusive medical providers and those committing financial crimes. Key initiatives include using advanced data analytics to recover improper payments in FEHBP and retirement annuities and ensuring cybersecurity controls.

In FY 2025, OIG has reorganized to consolidate functions, reducing FTEs and absorbing the Office of Evaluations into the Office of Audits. In FY 2026, OIG will invest in technology, including machine learning and Artificial Intelligence, to enhance oversight efficiency and recover funds.

#### Security Suitability, Credentialing Line of Business (SSCLOB)

Organization	FY 2025 Enacted		FY 2026 CBJ		Variance	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Security, Suitability and Credentialing Line of Business (SSCLOB)	\$8,146,000	6	\$7,449,000	6	(\$697,000)	0.0

Security Suitability, Credentialing Line of Business (SSCLOB) is an interagency organization that is administratively housed within OPM. The SSCLOB supports the Security, Suitability, and Credentialing Performance Accountability Council, including the Suitability and Credentialing and Security Executive Agents (the Director of OPM and the Director of National Intelligence). OMB's Deputy Director for Management chairs the Council and is accountable to the President for promoting the alignment of personnel vetting processes and driving enterprise-wide reforms. The Security, Suitability, and Credentialing Line of Business assists the Council and the Executive Agents – through the Council's Program Management Office – in its personnel vetting mission by identifying/implementing investments, simplifying the delivery of services, and establishing shared services, as well as promoting reciprocity, efficiency, and effectiveness across the enterprise.

For FY 2026, SSCLOB reduced staff by 45.5% and is evaluating use of contracts to improve capability of tracking agency accountability against reform milestones.

## Appropriations Language

### Salaries and expenses (including transfer of trust funds)

*For necessary expenses to carry out functions of the Office of Personnel Management (OPM) pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, \$167,535,000: Provided, That of the total amount made available under this heading, \$10,898,000 may remain available until expended, for information technology modernization and Trust Fund Federal Financial System migration or modernization, and shall be in addition to funds otherwise made available for such purposes: Provided further, That, in addition to amounts otherwise available, \$214,605,000, for administrative expenses, to be transferred from the appropriate trust funds of OPM without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: Provided further, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 8958(f)(2)(A), 8988(f)(2)(A), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of OPM established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2026, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission: Provided further, That not to exceed 5 percent of amounts made available under this heading may be transferred to an information technology working capital fund established for purposes authorized by subtitle G of title X of division A of the National Defense Authorization Act for Fiscal Year 2018 (Public Law 115–91; 40 U.S.C. 11301 note): Provided further, That the OPM Director shall notify, and receive approval from, the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer under the preceding proviso: Provided*

*further, That amounts transferred to such a fund under such transfer authority from any organizational category of OPM shall not exceed 5 percent of each such organizational category's budget as identified in the report required by section 608 of this Act: Provided further, That amounts transferred to such a fund shall remain available for obligation through September 30, 2029. Note. —This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).*

## Office of Inspector General

### Salaries and expenses (including transfer of trust funds)

For necessary expenses of the Office of Inspector General in carrying out the provisions of chapter 4 of title 5, United States Code, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$6,217,200, and in addition, not to exceed \$29,192,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere. *Note. —This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).*

## Revolving Fund Activities

Pursuant to Title 5, U.S.C. §1304 (e) (1), OPM is authorized to use Revolving Funds without fiscal year limitations to conduct background investigations, training, and other personnel management services that OPM is authorized or required to perform on a reimbursable basis. Revolving funds are intended to finance cyclical, business-like operations. The activity financed by a revolving fund collects receipts from federal agencies and use those receipts to finance the fund's ongoing operations. Under this guidance, OPM operates several programs, which are funded by fees or reimbursement payments collected from other agencies and other payments.

The following programs are authorized to use Revolving Funds:

- Credit Monitoring and Identity Protection Services
- Human Resources Solutions
- Enterprise Human Resources Integration
- Human Resources Line of Business
- Human Resources Solutions Information Technology Program Management Office; and
- Suitability Executive Agent

The following table discusses the business lines followed by a description of the activities supported by OPM's Revolving Fund, which is aligned with OPM's statutory authority.

OPM Budget Authority	FY 2026	FTE
Suitability Executive Agent	\$9,613,709	48.0
Human Resources Solutions	\$218,207,895	290.0
Enterprise Human Resources Integration	\$32,817,513	0.0
HR Line of Business	\$0	0.0
Human Resources Solutions Information Technology Program Management Office	\$102,397,203	101.0
Credit Monitoring	\$22,034,023	0.5
<b>OPM Total</b>	<b>\$385,070,343</b>	<b>439.5</b>

### Credit Monitoring and Identity Protection Services

Following the 2015 cybersecurity incidents, OPM established the Credit Monitoring and Identity Protection Services (CM&IPS) Program to provide credit monitoring services to affected Federal



employees. This is mandated under the *Consolidated Appropriations Act, 2017* (P.L. 115-31, Section 633), through FY 2026, including identity theft insurance of no less than \$5,000,000.

OPM began offering services to affected individuals on July 1, 2015. The program is administered by Identity Theft Guard Solutions, Inc. (IDX), under a task order awarded in December 2023 via GSA's Identity Protection Services (IPS) Schedule. The award includes a \$24,800,000 cost reduction compared to prior pricing. A modification to this contract in May 2025 further reduced the program costs by \$40,200,000.

Program funding comes from Interagency Agreements (IAAs) with large Federal agencies and fees collected via the Enterprise Human Resource Integration (EHRI) program.

The \$22,000,000 proposed in the FY 2026 budget will support: CM&IPS delivery through IDX; Verification Center Operations, run via agreement with Department of Defense's (DoD) Defense Manpower Data Center (DMDC); notification letters with PINs for service enrollment, printed and mailed by DOD's Defense Logistics Agency (DLA); and Program Administration, including salaries, training, and oversight by one FTE and supporting staff.

These services fulfill a congressional mandate to ensure continued, complimentary identity protection coverage.

### **Human Resources Solutions (HRS)**

Human Resources Solutions (HRS) provides customized human capital products and services to Federal agencies government wide. HRS human capital experts, along with private sector strategic partners, deliver HRS services to assist agencies with their human capital management requirements.

In FY 2026 HRS will pursue significant changes driven by Administration priorities. In FY 2025, HRS reduced its staff and portfolio of services to reflect emphasis on efficiency, elimination of programs deemed unnecessary, and spending reductions. The reductions in HRS staff, contracts, and service delivery have produced significant projected cost savings. Additionally, the closure of the Center for Leadership Development eliminated multiple programs and services, and significantly reduced staff. HRS has used this opportunity to refocus on the most essential human capital products and services and is reimagining delivery models for optimizing performance and outputs.

In FY 2026 HRS will champion efficiencies in staffing levels and technology investments. HRS has shown resilience and adaptability in the face of significant reductions and aims to continue this

in FY 2026. As HRS navigates the transition to a smaller, leaner, more efficient service and technology delivery organization, it will continue to work on rebalancing the complex interaction of staff, technology, and resources to remain fiscally viable. HRS will maintain its support for the Administration's goals and priorities and will continue refining its human capital products and services to maximize value creation for agencies to meet the evolving needs of its Administration stakeholders and Federal customers.

### **Enterprise Human Resources Integration (EHRI)**

Enterprise Human Resources Integration (EHRI) team oversees the electronic Official Personnel Folder (eOPF) and Enterprise Human Resources Integration Data Warehouse. These programs streamline and automate the collection, aggregation, and sharing of federal workforce and employee payroll, and training information government wide. In FY 2015 the EHRI joined the Human Resources Solutions (HRS) team to streamline operations and maximize resources.

### **Human Resources Line of Business (HRLOB)**

The Human Resources Line of Business (HRLOB) leads the transformation and evolution of the lifecycle of human capital management within the Federal government. In FY 2025 the HRLOB joined the Human Resources Solutions (HRS) team to streamline operations and maximize resources.

### **Human Resources Solutions Information Technology Program Management Office**

The Human Resources Solutions Information Technology Program Management Office (PMO) offers information technology services government wide in the Healthcare and Insurance, Retirement Services, Workforce Policy and Innovation and Merit System Accountability and Compliance fields.

The PMO delivers innovative, high-quality information technology products and services that enhance organizational effectiveness and boosts productivity. It has three lines of business (LOBs): Benefits Engineering, Talent Engineering, and Data & Artificial Intelligence Engineering. These lines of business include information technology systems that support Federal policy and compliance for the entire human resources journey, from initial employee hiring to retirement, including healthcare and insurance.

In FY 2025, the PMO focused on maintaining and sustaining various existing systems, including OPM's Talent Acquisition System, USA Staffing; OPM's Federal Government job board, USAJOBS; OPM's Performance system, USA Performance; the USADData Platform, Enterprise Human Resources Integration, electronic Official Personnel Folder, FedScope, and numerous other web-based applications used by multiple Federal agencies across government. In FY 2026, several new priorities and system upgrades are planned. Notably, the PMO will complete its migration to the cloud for appropriate systems by the end of FY 2025, enabling these systems to leverage the efficiency and security of the cloud in FY 2026.

### **Suitability Executive Agent Programs**

The Suitability Executive Agent (SuitEA) serves as the focal point within OPM for supporting the Director's responsibilities as the Suitability and Credentialing Executive Agent (E.O. 13467), driving government-wide process improvement and modernization in personnel vetting. SuitEA leads OPM's execution, administration, and enforcement of suitability standards and investigations (5 USC 3301, 1103, 7301, and 1104).

SuitEA carries out its responsibilities by issuing guidance and instruction to agencies to promote uniformity, centralization, efficiency, effectiveness, reciprocity, timeliness, and security in suitability, fitness, and credentialing processes. It delivers government-wide training and oversight to suitability and fitness adjudicators; prescribes suitability, fitness, and credentialing standards and procedures; and oversees functions delegated to agencies. SuitEA also supports an adjudicative operations office which is tasked with taking government-wide suitability actions, debarring unsuitable individuals from federal service, removing them from their position or preventing them from onboarding, when appropriate, to promote efficiency and protect the integrity of federal agencies.

In FY 2025 SuitEA is implementing a more efficient and streamlined approach to its mission, while requiring fewer resources. SuitEA is preparing for increased suitability actions resulting from the March 20, 2025, Presidential Memorandum on strengthening suitability. This will streamline removal processes for unsuitable employees and increase OPM's authority to hold civil servants accountable based on suitability factors. In response, SuitEA is repurposing staff into more mission-priority roles, which will improve timeliness, quality, and cost in the adjudication process.

By the end of FY 2025, SuitEA will have led the Executive Branch to enroll the non-sensitive public trust population into continuous vetting, delivering improved risk management while

simultaneously reducing the costs of vetting by eliminating manual and labor-intensive periodic reinvestigations. SuitEA will also continue to engage with agencies to ensure they use vetting processes that support the 80-day time to hire initiative of E.O. 14170 by making decisions that clear an individual to onboard earlier in the process.

In FY 2026, SuitEA will support agencies implementing continuous vetting for the remaining low-risk population.

SuitEA will continue to assess needs and develop policies and guidance based on performance data, technology improvements and evolving threats, societal trends, changes to law, regulation or policy.



## Earned Benefits Trust Funds

OPM administers the following Earned Benefits Trust Funds:

- FEHB – Federal Employees Health Benefits Fund;
- FEGLI – Federal Employees Life Insurance Fund;
- CSRDF – Civil Service Retirement and Disability Fund; and
- PSRHF – Postal Service Retiree Health Benefits Fund.

OPM also manages the risk reserve account for the Federal flexible spending account program (FSAFEDS). These trust funds are among the largest held by the United States Government. For FY 2026, the net assets combined total is \$1.3 trillion, receipts total \$234 billion, and outlays total \$203 billion. These trust funds will finance: the retirement program for Federal civilian employees and provide retirement benefits for 2.8 million retirees and survivors; the health insurance for an estimated 8.2 million employees, retirees, and eligible family members; and provide life insurance coverage for 4.6 million employees and retirees.

### FY 2026 All Earned Benefits Funds (millions)

Budget Items	CSRDF	FEHB/REHB	FEGLI	PSRHF	FSAFEDS	Total
FY 2026 Start of Year Fund Balance	\$1,192,410	\$21,691	\$56,246	\$23,901	\$123	\$1,294,371
FY 2026 Receipts	\$147,445	\$79,338	\$6,996	\$537	\$23	\$234,339
FY 2026 Outlays	\$116,113	\$77,565	\$4,126	\$5,232	\$17	\$203,053
<b>FY 2026 End of Year Fund Balance</b>	<b>\$1,223,742</b>	<b>\$23,464</b>	<b>\$59,116</b>	<b>\$19,206</b>	<b>\$129</b>	<b>\$1,325,657</b>
FY 2026 Participants:						
Actives (Millions)	2,444	2,289	2,827			
Annuitants (Millions)	2,853	1,902	1,764			

## Trust Fund Financing

A key component of OPM's mission is to: administer retirement; health benefits; long-term care insurance; life insurance; dental and vision benefits; and flexible spending accounts for Federal employees, retirees, and their beneficiaries; and to maintain the integrity of these programs. The table below highlights the receipts and outlays for the Federal health benefit fund.

## Employee Health Benefits Fund & Retired Employees Health Benefits Fund (millions)

Budget Items	FY 2024 Actual	FY2025 Estimate	FY 2026 Estimate	FY 2025 – 2026 Variance
Start of Year Balance	\$21,655	\$19,936	\$21,216	\$1,280
Receipts from the Public	\$20,875	\$23,677	\$25,449	\$1,772
Receipts from Federal Sources	\$45,750	\$49,391	\$52,759	\$3,368
Interest Earnings	\$1,222	\$1,198	\$1,130	(\$68)
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$69,566	\$72,986	\$77,565	\$4,579
<b>End of Year Balance</b>	<b>\$19,936</b>	<b>\$21,216</b>	<b>\$22,989</b>	<b>\$1,773</b>

### Employees Health Benefits Fund

The Employees Health Benefits (FEHB) Fund is a revolving Trust Fund created by the Federal Employees Health Benefits Act of 1959. It finances the largest employer-sponsored group health insurance program in the world. The fund exists to collect and disburse health insurance premiums to private insurers who participate in the FEHB Program and to maintain program reserves. Federal employees can choose from among Fee-for-Service (FFS) plans, Health Maintenance Organizations (HMO) plans, Consumer Driven Health plans, and High Deductible plans. The number and type of plans available vary by region or locality.

The FEHB fund provides for the cost of health benefits for:

- active employees, including employees of the United States Postal Service who participate in the Postal Service Health Benefits Program;
- employees who retired after June 1960, or their survivors;
- annuitants transferred from the Retired Employees Health Benefits (REHB) program as authorized by Public Law (P.L.) 93-246;
- employees of Indian tribes or tribal organizations carrying out programs under the Indian Self-Determination and Education Assistance Act or the Tribally Controlled Schools Act of 1988 and urban Indian organizations carrying out programs under Title V of the Indian Health Care Improvement Act; and
- eligible family members.

It also provides for OPM expenses to administer the program.

## Retired Employees Health Benefits Fund

The Retired Employees Health Benefits (REHB) Fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for the costs of:

- retired employees and survivors who were enrolled in a Government-sponsored uniform health benefits plan;
- Government contributions to retired employees and survivors who retain or purchase private health insurance; and
- OPM expenses to administer the program.

The REHB program is closed to new enrollees and its enrolled population is dwindling. The projected population is 23 for FY 2025 and 19 for FY 2026.

The FEHB and REHB funds are financed by:

- premium withholdings from active employees and annuitants;
- agency contributions to premiums for active employees;
- Government contributions to premiums for annuitants;
- premium collections from tribal organizations and their employees; and
- contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508.

OPM maintains a contingency reserve that is funded by employee and Government contributions that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause, such as unexpected claims experience or variations from expected community rates. In determining a biweekly subscription rate to cover program costs, 1.0 percent is added for administrative expenses and 3.0 percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.



### Employees Life Insurance Fund (millions)

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2025- 2026 Variance
Start of Year Balance	\$50,827	\$53,271	\$56,246	\$2,975
Receipts from the Public	\$3,539	\$3,762	\$3,820	\$58
Receipts from Federal Sources	\$791	\$718	\$736	\$18
Interest Earnings	\$2,006	\$2,516	\$2,440	(\$76)
Change in Uncollected Customer Payments	\$0	\$0	\$0	\$0
Total Program Outlays	\$3,892	\$4,021	\$4,126	\$105
<b>End of Year Balance</b>	<b>\$53,271</b>	<b>\$56,246</b>	<b>\$59,116</b>	<b>\$2,870</b>

The FEGLI fund finances payments for Employees' Life Insurance. FEGLI was established by the passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. FEGLI is group term life insurance, meaning it does not build cash values or paid-up insurance values. The cost of Basic Insurance coverage is shared by non-Postal employees (2/3), and the Federal Government (1/3). Optional and certain post-retirement basic coverage are paid entirely by enrollees.

The FEGLI program is an employer-sponsored life insurance Trust Fund program. This program provides benefit payments to beneficiaries following the death of employees, retired employees, and eligible family members. Employees also have an additional accidental death and dismemberment benefit. It is the largest group life insurance program in the world, covering more than four million Federal employees and retirees, and many of their family members. The above table highlights the estimated receipts and outlays for the Federal life insurance fund.

### Civil Service Retirement and Disability Fund (millions)

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2025 – 2026 Variance
Start of Year Balance	\$1,125,253	\$1,159,081	\$1,192,410	\$33,329
Receipts from the Public	\$7,871	\$8,602	\$9,045	\$443
Receipts from Federal Sources	\$106,935	\$107,741	\$109,041	\$1,300
Interest Earnings	\$26,596	\$29,240	\$29,359	\$119
Total Program Outlays	\$107,574	\$112,254	\$116,113	\$3,859
<b>End of Year Balance</b>	<b>\$1,159,081</b>	<b>\$1,192,410</b>	<b>\$1,223,742</b>	<b>\$31,332</b>

The Civil Service Retirement and Disability Fund (CSRDF) is the oldest and largest of the four trust funds administered by OPM. The fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecasted in advance and must be determined at some future point in time (for example, when actual receipts and expenses become known). The above table highlights the receipts and outlays for the Federal retirement and disability fund.

The CSRDF finances two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. CSRS is largely a defined benefit plan, covering Federal employees hired prior to 1984. Some CSRS employees (CSRS-Offset) participate in the Social Security system. FERS is one element of a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a Thrift Savings Plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS. For FY 2026, it is estimated that employees will contribute \$8.6 billion to finance FERS and CSRS retirement benefits. Those contributions will come in the form of salary withholdings of 0.8 percent for most employees under FERS-Regular, 3.1 and 4.4 percent for FERS Revised Annuity Employees (FERS-RAE) and FERS Further Revised Annuity Employees (FERS-FRAE) employees, and 7.0 percent for those enrolled in CSRS.

CSRS has been financed under a statutory funding method passed by the Congress in 1969. This funding method is based on the “static” economic assumptions of no future inflation, no future general schedule salary increases, and a 5.0 percent interest rate. Under CSRS, regular employees contribute 7.0 percent of pay. Law enforcement officers, firefighters, and congressional employees contribute an extra 0.5 percent of pay, and members of the Congress an extra 1.0 percent of pay. Under the static funding method for CSRS, the Treasury also pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for non-Postal employees that occurred during the year and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a dynamic entry age normal funding method as prescribed in Chapter 84 of Title 5, United States Code. Employees and agencies together contribute the full amount of

the dynamic normal cost rate. The normal cost rate is for the defined benefit plan only and does not include the cost of Social Security or the Thrift Savings Plan. FERS regular employees contribute a percentage of salary of 0.8 percent that, combined with the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance portion of Social Security, is equal to the contribution rate for CSRS employees of 7.0 percent. Greater employee contribution rates apply for FERS-RAE, and FERS-FRAE.

Currently the normal cost rates are as follows: Regular FERS Non-Postal employees (other than RAE and FRAE), the normal cost rate will be 19.2 percent of pay (employee's share, 0.8 percent, and employer's share, 18.4 percent); Regular FERS Postal employees will be 16.9 percent of pay (employee's share, 0.8 percent, and employer's share, 16.1 percent); FERS-RAE Non-Postal employees, the normal cost rate will be 19.6 percent of pay (employee's share, 3.1 percent, and employer's share, 16.5 percent); FERS-RAE Postal employees will be 17.3 percent of pay (employee's share, 3.1 percent, and employer's share, 14.2 percent); FERS-FRAE Non-Postal employees, the normal cost rate will be 19.9 percent of pay (employee's share, 4.4 percent, employer's share, 16.5 percent, and less excess of 1.0 percent to be credited back to the assets of the CSRDF); FERS-FRAE Postal employees will be 17.6 percent of pay (employee's share, 4.4 percent, and employer's share, 13.2 percent).

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**Postal Service Retiree Health Benefits Fund (millions)**

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2025 – 2026 Variance
Start of Year Balance	\$32,050	\$28,197	\$23,901	(\$4,296)
Receipts from the Public (Postal Service)	\$0	\$0	\$0	\$0
Receipts from Federal Sources	\$0	\$0	\$0	\$0
Interest Earnings	\$689	\$608	\$537	(\$71)
Total Program Outlays	\$4,542	\$4,904	\$5,232	\$328
<b>End of Year Balance</b>	<b>\$28,197</b>	<b>\$23,901</b>	<b>\$19,206</b>	<b>(\$4,695)</b>

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L.108–18) that were held in escrow during 2006; 2) payments defined within P.L.109–435, and modified by P.L. 111–68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; 3) beginning April 1, 2024, payments (defined within P.L. 117-108) of late enrollment Medicare Part B for those Medicare-eligible USPS employees and annuitants who have not enrolled in Medicare Part B; and 4) beginning in 2026, pursuant to provisions of

the Postal Service Reform Act of 2022 (P.L. 117-108) codified at 5 U.S.C. 8909a(d), the amount (if any) where Government contributions from the Fund exceeded the estimated net claims costs, under the enrollment of Postal Service annuitants or survivors, for the most recently concluded fiscal year. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service. The above table highlights the receipts and outlays for the Postal retiree health benefit fund.

Effective FY 2017, as provided under the current law, the Postal Service stopped paying annual premium costs for its current annuitants and these premium payments are paid directly from the Postal Service Retiree Health Benefits Fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service continues to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

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#### Federal Flexible Spending Account Program (millions)

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2025 – 2026 Variance
Start of Year Balance	\$103	\$139	\$123	(\$16)
Receipts from the Public	\$35	\$22	\$22	\$0
Receipts from Federal Sources	\$1	\$1	\$2	\$1
Program Obligations (Mandatory)	\$0	\$22	\$17	(\$5)
Agency Administrator Cost and Program	\$0	\$17	\$0	(\$17)
<b>End of Year Balance</b>	<b>\$139</b>	<b>\$123</b>	<b>\$129</b>	<b>\$6</b>

The Federal Flexible Spending Account Program (FSAFEDS) is a voluntary tax-advantaged benefit plan established under Section 125 of the Internal Revenue Code. These accounts allow Federal employees to pay for eligible out-of-pocket health care and dependent care expenses with pre-tax dollars. By reducing taxable income, the average person will save about 30.0 percent on dependent care and health care expenses.

There are three types of accounts under the FSAFEDS:

- Health Care Flexible Spending Account (HCFSA);
- Limited Expense Health Care Flexible Spending Account (LEX HCFSA); and

- Dependent Care Flexible Spending Account (DCFSA).

Funds cannot be transferred between accounts. In 2024, DCFSA had a minimum annual election of \$100 and \$10,500 maximum (\$5,250 for married couples, filing separately). HCFSA and LEX HCFSA had a minimum annual election of \$100 and \$2,750 maximum. There are currently 488,171 unique participants (548,609 total accounts) in FSAFEDS, 457,437 HCFSA, 11,788 LEX HCFSA, and 79,384 in DCFSA.

The Risk Reserve account contains the accumulated balance of reserve fees and forfeited funds. The reserve fees are from employing agencies whose employees participate in the FSAFEDS, while forfeitures are from FSAFEDS participants who have unclaimed balances. Agency fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to fund claims when claims against FSA accounts exceed resources contributed to the accounts from participating employees (early in the program year). Once account contributions exceed benefits, the FSAFEDS program administrator reimburses the reserve account. Account resources are also used for the OPM's administration of the program. The above table highlights the receipts and obligations for the FSAFEDS.

OPM's actuaries have determined that the current value of the risk reserve account is more than sufficient to protect the government and cover program costs. Since FY 2013, OPM has used risk reserves to offset agency fees paid to the program administrator to reduce the surplus balance and meet its target level.

## Payment Accounts

OPM receives "such sums as necessary" mandatory appropriations for payments from the General Fund to the Civil Service Retirement and Disability Fund, the Employees Health Benefits Fund, and the Employees Group Life Insurance Fund. The purposes and amount of these payments are described in this section.

### Government Payment for Annuity, Employees Health Benefits (millions)

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2025 – 2026 Variance
Budget Authority	\$15,101	\$16,043	\$17,152	\$1,109
Obligations	\$15,101	\$16,043	\$17,152	\$1,109
Outlays	\$15,031	\$15,923	\$17,066	\$1,143

This appropriation funds the Government's share of health benefit costs for annuitants and survivors. OPM requests the appropriation necessary to pay this contribution to the Employees

Health Benefits Fund and the Retired Employees Health Benefits Fund. This appropriation covers:

- the Government’s share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of Title 5, United States Code;
- the Government’s share of the cost of health insurance for annuitants (who were retired when the Federal employee’s health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and
- the Government’s contribution for payment of administrative expenses incurred by OPM in administration of the Retired Federal Employees Health Benefits Act.

For FY 2026, budget authority and obligations will increase by \$1,109 million due to projected growth in the cost of health insurance.

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

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#### Government Payment for Annuitants, Employees Life Insurance (millions)

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 20256 Estimate	FY 2025- 2026 Variance
Budget Authority	\$42	\$42	\$43	\$1
Obligations	\$42	\$42	\$43	\$1
Outlays	\$42	\$42	\$43	\$1

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

For FY 2026, budget authority and obligations will increase \$1.0 million due to the number of annuitants under age 65 with FEGLI coverage.

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

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**Payment to the Civil Service Retirement and Disability Fund (millions)**

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2025 – 2026 Variance
Budget Authority	\$53,255	\$53,727	\$54,327	\$600
Obligations	\$53,255	\$53,727	\$54,327	\$600
Outlays	\$53,255	\$53,727	\$54,327	\$600

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

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**Detail of Payment Account (millions)**

Budget Items	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2025 – 2026 Variance
Current Appropriation	\$23,314	\$24,400	\$25,700	\$1,300
Permanent Indefinite Authorization	\$29,914	\$29,300	\$28,600	(\$700)
Payment for Spouse Equity	\$27	\$27	\$27	\$0
<b>Total</b>	<b>\$53,255</b>	<b>\$53,727</b>	<b>\$54,327</b>	<b>\$600</b>

**Current Appropriation: Payment of Government Share of Retirement Costs**

P.L. 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments (COLAs). OPM notifies the Secretary of the Treasury each year of “such sums as may be necessary” to carry out these provisions.

## Permanent Indefinite Authorization: Transfers for Interest on Static Unfunded Liability and Payment of Military Service Annuities

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5.0 percent interest on the Civil Service Retirement System's current static unfunded liability, which is calculated based on static economic assumptions and annuity disbursements attributable to credit for military service. These values reflect the additional liability for military service credit of former United States Postal Service employees. This provision was enacted by the Postal Accountability and Enhancement Act (P.L.109-435).

For FY 2026, the Permanent Indefinite Authorization will increase \$500 million due to an increase in the amount of interest to be transferred from the Treasury.

## Payment for Spouse Equity

P.L. 98-615 provides the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.





# Office of the Inspector General

## Overview

The U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG) fiscal year (FY) 2026 Budget request totals \$35,409,000. This amount is comprised of \$6,217,200 from the Salaries and Expenses (S&E) General Fund and \$29,192,000 from the OPM Trust Funds.

The OPM OIG greatly appreciates the support that Congress has shown the OPM OIG through the annual appropriations process. The OPM OIG respectfully requests that Congress continue to make the OPM OIG a funding priority in FY 2026.

### *Fiscal Year 2026 Budget Request*

	Salaries & Expenses		Trust Fund		Total	
	\$	FTE	\$	FTE	\$	FTE
FY 2025 Enacted Base	\$6,839,000	20.0	\$29,192,000	106.0	\$36,326,000	126.0
FY 2026 CBJ Adjustments to Base	(\$621,800)	(2.0)	\$0	(14.0)	(\$621,800)	(16.0)
<b>FY 2026 CBJ Total Request</b>	<b>\$6,217,200</b>	<b>18.0</b>	<b>\$29,192,000</b>	<b>92.0</b>	<b>\$35,409,200</b>	<b>110.0</b>

## Adjustments to Base

The OPM OIG's FY 2026 discretionary budget request represents a \$621,800 (1.76 percent) decrease from FY 2025 enacted levels.

The OPM OIG intends to leverage the savings from a reduced FTE footprint to invest in technology solutions that will further promote efficiencies and enhance its ability to recover funds for the government by preventing and detecting fraud, waste, and abuse in OPM programs.

One of the pillars of the OPM OIG's Strategic Plan is to enhance its data analytics program to leverage leading-edge data analytics techniques to include artificial intelligence (AI) and machine learning. This will enhance the OPM OIG's ability to leverage its data platform to

promote accurate, timely data driven audits and investigations using health benefits claims as well as other relevant oversight data. The specific strategic goals are to:

- Build a robust data-centric technical infrastructure.
- Develop a data analytics savvy workforce.
- Implement a holistic data management framework focusing on people, processes, and technology.

The OPM OIG has recently established a Data Governance program to help evaluate data from the viewpoint of organization-wide priorities to ensure that data strategies align with the OPM OIG's vision, mission, and strategic plan – and that resources are allocated accordingly.

The OPM OIG's recently modernized information systems are the foundation for its expanding and evolving health care advanced data analytics program. The organization is actively transitioning from a reactive oversight model to a proactive one where the data drives the oversight work. OPM OIG auditors and investigators will be able to use AI tools and techniques to identify legitimate health care claim transactions, while flagging potentially erroneous or fraudulent claims for further review.

The improved technology facilitates the identification of health care providers, pharmacies, medical facilities, or patients that are associated with likely fraud, waste or abuse regarding healthcare insurance claims. By using machine learning capabilities to pinpoint potential bad actors, these capabilities will reduce the manual effort required to pursue investigative leads – allowing a greater workload to be completed with fewer FTE resources.

The OPM OIG is also in the process of implementing Geographic Information System (GIS) and Graph databases so that interaction of various providers, patients and facilities can be analyzed and visualized in the context of their locations through GIS and Link analysis. These capabilities will further enhance the OPM OIG's abilities to detect fraud to subsequently allocate resources in the areas where the financial recoveries are likely the highest.

The OPM OIG has, for several years, requested funding for the initiatives discussed above. In response to ongoing workforce optimization initiatives, the OPM OIG has reduced its number of FTE positions. Although short-term savings may be realized from the reduced FTE count, it is imperative that the OPM OIG's top-line budget remain constant to account for these critical technology investments and to account for continuous increases in personnel costs. The OPM OIG must also consider the impact of the reduced FTE count to its perpetual positive Return on Investment. Since 2001, the OPM OIG's oversight efforts resulted in over \$1.8 billion in funds

returned to the OPM Trust Funds through audit and investigative recoveries. The OPM OIG will continue to monitor and evaluate the impact of reducing FTE against the ability to continue to recover funds for the government.

## ***Additional Reporting Requirements***

### ***FY 2026 Budget Request by Object Class***

#### **Salaries and Expenses by Object Class**

<b>Object Class</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 CBJ</b>	<b>Increase/Decrease</b>
Personnel compensation	\$3,419,000	\$2,575,000	(\$844,000)
Personnel benefits	\$1,123,000	\$911,000	(\$212,000)
Travel and transportation of persons	\$22,000	\$10,000	(\$12,000)
Transportation of things	\$0	\$0	\$0
Communications, utilities, and rent	\$1,389,000	\$1,500,000	\$111,000
Printing and reproduction	\$0	\$0	\$0
Other services	\$886,000	\$1,221,200	\$335,200
Supplies and materials	\$0	\$0	\$0
Equipment	\$0	\$0	\$0
Land and structures	\$0	\$0	\$0
<b>Total Object Class</b>	<b>\$6,839,000</b>	<b>\$6,217,200</b>	<b>(\$621,800)</b>
<b>FTE</b>	<b>20.0</b>	<b>18.0</b>	<b>(2.0)</b>

#### **Trust Fund Limitations – Budget by Object Class**

<b>Object Class</b>	<b>FY 2025 Enacted</b>	<b>FY 2026 CBJ</b>	<b>Increase/Decrease</b>
Personnel compensation	\$17,091,000	\$17,000,000	(\$91,000)
Personnel benefits	\$7,186,000	\$7,000,000	(\$186,000)
Travel and transportation of persons	\$507,000	\$606,000	\$99,000
Transportation of things	\$10,000	\$10,000	\$0
Communications, utilities, and rent	\$502,000	\$500,000	(\$2,000)
Printing and reproduction	\$0	\$0	\$0

Other services	\$3,657,000	\$3,822,000	\$165,000
Supplies and materials	\$85,000	\$115,000	\$30,000
Equipment	\$154,000	\$139,000	(\$15,000)
Land and structures	\$0	\$0	\$0
<b>Total Object Class</b>	<b>\$29,192,000</b>	<b>\$29,192,000</b>	<b>\$0</b>
<b>FTE</b>	<b>106.0</b>	<b>92.0</b>	<b>(14.0)</b>

### OPM OIG Revolving Fund Oversight

Budgetary Resources	FY 2024 Enacted		FY 2025 Enacted		FY 2026 CBJ	
	\$	FTE	\$	FTE	\$	FTE
Revolving Fund (Estimated)	\$1,600,000	7.0	\$1,662,000	7.0	\$1,270,000	5.0
<b>OIG Total (dollars)</b>	<b>\$1,600,000</b>	<b>7.0</b>	<b>\$1,662,000</b>	<b>7.0</b>	<b>\$1,270,000</b>	<b>5.0</b>

## Revolving Fund

For FY 2026, the OPM OIG estimates that \$1,270,000 for 5 FTEs will be required for OPM Revolving Fund (RF) oversight activities. Currently, the OPM RF consists of the following programs: Human Resources Solutions (HRS), Enterprise Human Resources Integration, Human Resources Line of Business, HRS Information Technology Program Management Office, Suitability Executive Agent, and Credit Monitoring and Identity Protection Services.

The following information is provided to adhere to the requirements of the Inspector General Reform Act of 2008 (P.L. 110–498):

### Participation in CIGIE Resource Summary – includes all resources (dollars)

Budget Source	FY 2025 Enacted		FY 2026 CBJ		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$27,356	0.0	\$24,869	0.0	(\$2,487)	0.0
OIG Trust Funds	\$116,768	0.0	\$116,768	0.0	\$0	0.0
<b>OIG Total (dollars)</b>	<b>\$144,124</b>	<b>0.0</b>	<b>\$141,637</b>	<b>0.0</b>	<b>(\$2,487)</b>	<b>0.0</b>

### Training Resource Summary – includes all resources (dollars)

Budget Source	FY 2025 Enacted		FY 2026 CBJ		Increase/Decrease	
	\$	FTE	\$	FTE	\$	FTE
OIG Salaries and Expenses	\$0	0.0	\$0	0.0	\$0	0.0
OIG Trust Funds	\$181,766	0.0	\$181,766	0.0	\$0	0.0
Revolving Fund (Estimated)	\$0	0.0	\$0	0.0	\$0	0.0
<b>OIG Total (dollars)</b>	<b>\$181,766</b>	<b>0.0</b>	<b>\$181,766</b>	<b>0.0</b>	<b>\$0</b>	<b>0.0</b>

## OPM OIG Performance Metrics and Other Statistical Information

### Performance Metrics

The following performance metrics demonstrate how the OPM OIG measures improvements in organizational effectiveness in the accomplishment of its mission and goals.

Metrics	FY 2023 Result	FY 2024 Result	FY 2025 Goal	FY 2026 Goal
Percentage of Items Completed on Audit Agenda, in accordance with Yellow Book Standards	94%	97%	90%	90%
Percentage of Audit Reports issued that meet OIG timeliness and quality guidelines	95%	97%	90%	90%
Percentage of investigative cases closed during a fiscal year which resulted in a successful outcome (i.e., criminal action, civil action, or administrative action)	91%	94%	90%	90%
Percentage of quality improvement recommendations (revisions to contracts, policies, carrier letters, etc.) accepted by OIG senior staff and referred to stakeholders to mitigate fraud, waste, and abuse	91%	90%	90%	90%
Percentage of Suspension and Debarment referrals that are issued within OIG timeliness and regulatory standards <sup>A</sup>	99%	99%	90%	90%

<sup>A</sup> New Measure

## Other Statistical Information

The following statistical information demonstrates to the public the impact of the collective efforts of the OPM OIG, OPM, and its contractors in reducing fraud, waste, and abuse. The statistical information reported by the OPM OIG, while indicative of the effectiveness of its oversight, is not solely under the control of or based on the OPM OIG's efforts.

	FY 2022 Result	FY 2023 Result	FY 2024 Result
Positive Financial Impact Using Questioned Costs	\$69,522,235	\$54,709,279	\$103,444,662
Return On Investment (ROI) Using Questioned Costs per dollar invested	\$2.28	\$1.73	\$3.05
Positive Financial Impact Using Management Commitment to Recover Funds	\$52,404,850	\$41,958,326	\$42,064,315
ROI Using Management Commitment to Recover Funds per dollar invested	\$1.72	\$1.34	\$1.30
Positive Financial Impact Using Funds Recovered <sup>A</sup>	\$47,929,282	\$26,336,828	\$41,478,910
ROI Using Funds Recovered <sup>A</sup> per dollar invested	\$1.61	\$1.26	\$1.28
FEHBP Audit Cycles (in years) <sup>B</sup>	<u>Target</u>		
Experience-Rated Carrier Audits	7	15	12
Community-Rated Carrier Audits	5	15.1	18.8
Carrier IT Security Audits	6	7.6	13.6
Audit Recovery Rate <sup>C</sup>	50%	63%	33%
Number of debarments and suspensions	850	935	992
Number of Debarment and Suspension Inquiries	3,609	2,683	4,339

<sup>A</sup>New Statistic



<sup>B</sup>An audit cycle measures the frequency of completed audits of carriers or other auditees in an audit universe. For FEHBP carriers, regulations require that they maintain documentation supporting rates and costs for 6 years. The target audit cycle for these carriers is based on this and the realization that the older the information is that the OPM OIG is trying to audit, the less efficient the audit will be.

<sup>C</sup> The audit recovery rate represents the percentage of questioned costs from audit reports that are ultimately recovered and returned to the FEHBP Trust Fund (a small percentage of questioned costs may relate to other programs). The recovery rate presented is a 5-year average, but because it is not unusual for the audit resolution process of the agency to take multiple years, the reported rate is based on incomplete information.

## **Overview of the OPM OIG**

The OPM OIG was established as a statutory entity on April 16, 1989. It operates under the authority of the Inspector General Act of 1978 (Public Law 95–452), as amended.

The OPM OIG offices provide comprehensive and cohesive oversight of OPM programs. Ongoing key initiatives include identifying and recommending recovery of improper payments related to the FEHBP and retirement annuities, ensuring OPM and its contractors implement critical cybersecurity controls, and using proactive data analytics methods to combat the effects of the COVID-19 pandemic and opioid epidemic on the FEHBP and its enrollees.

The OPM OIG is comprised of the following organizational components:

### **The Office of Audits**

The Office of Audits conducts comprehensive, independent, and risk-based audits of OPM programs, operations, and contractors. One of the office’s core responsibilities is auditing OPM contractors that underwrite and provide health and life insurance benefits to Federal employees, annuitants, and their eligible dependents and survivors through the FEHBP and the Federal Employees’ Group Life Insurance program. There are over 200 insurance carriers participating in the FEHBP with annual premium payments that exceed \$55 billion. In addition, we conduct audits of OPM’s Retirement Program, which has over \$1 trillion in net assets available for benefits and makes monthly payments to almost 3 million annuitants and survivors of approximately \$100 billion annually. Audits issued by the office annually lead to the recovery of tens of millions of dollars of improper payments from the OPM trust funds.

The Office of Audits also conducts broad, issue-based studies of OPM programs that focus on program effectiveness and rely on in-depth analysis using multiple sources of data. The office combines the scoping and planning of traditional audits with a more reactive nature similar to investigations to quickly respond to high priority issues requiring immediate attention.

### **The Office of Investigations**

The Office of Investigations conducts criminal, civil, and administrative investigations of fraud, waste, and abuse related to OPM programs and operations and investigates OPM employee and contractor misconduct or violations of criminal law. The office actively coordinates with the U.S. Department of Justice and other Federal, State, and local law enforcement authorities

on investigations that lead to criminal prosecutions, criminal and civil monetary recoveries, administrative corrective actions, and exclusions from participation in Federal health care programs and contracts.

### **The Office of Management**

The Office of Management is responsible for managing OPM OIG functions related to information technology (IT), data management, human capital, budget, procurement, and facilities. The OPM OIG independently maintains its own internal IT infrastructure within the broader OPM technical environment and manages an advanced data analytics program to support the OIG's oversight work.

### **The Office of Legal and Legislative Affairs**

The Office of Legal and Legislative Affairs provides legal advice and representation to the IG and OPM OIG employees nationwide. The office also renders opinions on OPM programs and operations; provides legal support for the OPM OIG's internal operations, including personnel and administration; and serves as the liaison to Congress and the media. The Debarring Official also resides within the office and is responsible for suspending and debarring from participation in the FEHBP health care providers who have committed various criminal and professional violations.

The following information is provided in compliance with The Good Accounting Obligation in Government Act (GAO-IG Act), Pub. L. No. 115-414, 132 Stat. 5430 (2019). It describes the agency's implementation status of each GA recommendation that is designated as "open" or "closed, unimplemented."

## **Appendix: GAO-IG Act Reporting for Budget Fiscal Year 2026**

The Good Accounting Obligation in Government Act (GAO-IG Act, Pub. L. No. 115-414, 132 Stat. 5430 (2019)) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by the Government Accountability Office (GAO) and the agency's Inspectors General (IGs) which has remained "open" or "closed, unimplemented" for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR). In compliance with the GAO-IG Act, OPM provides reports listing each public recommendation from GAO and OPM's Office of the Inspector General (OIG).

## GAO Recommendations

Recommendation Detail	Status
<p>To improve Federal training investment decision-making processes, the Director of OPM should include in existing or new OPM guidance or technical assistance additional information in the following areas: (1) Steps agencies should take and factors they should consider when prioritizing Federal training investments agency-wide, including developing a process to rank training using criteria, such as expected demand for the investment from internal sources, availability of resources to support the effort, potential for increased revenue, and risk of unfavorable consequences if investments are not made. (2) Steps agencies should take and factors they should consider for comparing the merits of different delivery mechanisms and determining the mix of mechanisms to use, in order to ensure efficient and cost-effective delivery of Federal training. Such guidance could include requesting that agencies consistently utilize Standard Form-182 to document and report training costs associated with the different delivery mechanisms employed.</p>	<p>OPM developed training prioritization criteria for agencies that include examples of how agencies could rank their training investments. OPM formed a working group to gain a better understanding of how agencies document, track, and report training information. The group included members from USDA, EEOC, FMC, HUD, PTO, DOD, Energy, USAID, FTC, Treasury, and State. Based on the working group recommendations, OPM made changes to the SF 182 designed to improve Federal training investment decision-making. According to OPM, these changes include updating its training sub-type codes to better align with the information being collected and adding additional boxes to assist agencies with tracking group training and receiving complete information on vendors. GAO asked OPM for documentation on when and how its training prioritization criteria has been disseminated to agencies and for documentation of instances where OPM shared good practices in this area with agencies and/or provided agencies a forum for discussing prioritization practices.</p>
<p>In line with statutory and regulatory provisions on maintenance and reporting of training information, work with the CHCO Council to improve the reliability of agency training investment information by: ensuring that agencies are familiar with and follow guidance outlined in OPM’s Guide for the Collection and Management of Training Information regarding which training events should be documented as training and reported to OPM;</p> <ul style="list-style-type: none"> <li>• developing policies to strengthen the utilization of Standard Form-182 to document and report training costs; encouraging agencies through guidance and technical assistance, to develop policies that require consistent reporting of training data to their learning management systems; and encouraging each agency to assess its existing training information system(s) and identify whether it is providing complete and</li> </ul>	<p>OPM provided a refresher to the Chief Learning Officers Council on OPM's guidance on Reporting of Training Data. This included reviewing OPM's and agencies' responsibilities for the collection and reporting of data and reviewing the process of how agencies transmit data to EHRI. Further, OPM highlighted the Guide to Human Resources Reporting as the source for the required format for reporting training data to EHRI and provided the Guide for Collection and Management of Training Information. Both guides are also located on OPM's website. OPM's training data report summaries encourage agencies to review their data, to check for submission errors and consistencies in reporting, and to validate that all training events are included. GAO asked OPM to provide documentation of OPM encouraging agencies, through guidance and/or technical assistance, to assess their reporting systems and to develop policies</p>

Recommendation Detail	Status
reliable data and, if not, to develop approaches to improve the system(s), in order to do so	and procedures to help ensure accurate reporting of training data.
Provide software license management training to appropriate agency personnel addressing contract terms and conditions, negotiations, laws and regulations, acquisition, security planning, and configuration management.	OPM is evaluating technology options for software license management. Once the evaluation is complete, OPM will coordinate with the appropriate personnel to provide software license management training and to address the recommended GAO elements. OPM has not yet established a target date to complete the evaluation.
Provide software license management training to appropriate agency personnel addressing contract terms and conditions, negotiations, laws and regulations, acquisition, security planning, and configuration management.	Corrective actions remain in progress. Technology process changes occurring are currently delaying completion. Once these finalize OPM will complete the training processes and documentation.

Recommendation Detail	Status
<p>Director of OPM, working through the Chief Human Capital Officer Council, and in conjunction with key stakeholders such as the Office of Management and Budget, unions, and others, should use prior studies and lessons learned from demonstration projects and alternative systems to examine ways to make the GS system's design and implementation more consistent with the attributes of a modern, effective classification system. To the extent warranted, develop a legislative proposal for congressional consideration.</p>	<p>OPM developed a strategic plan for modernizing the GS Classification System into a Skills-Based System that includes resources needed and a transformation timeline. The plan outlines the skills-based hiring approach in FY 2023 including transitioning skills-based classification and the hiring model. The plan builds on earlier work started under EO 13932 “Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates” to align some assessments to skills-based hiring principles and issuance of policy guidance. The current work underway realigns overall hiring to skills-based principles through the update and integration of classification, qualifications, and assessment practices and policy. This work supports both Public Law 118-188 Chance to Compete Act (the Act) and the recent Executive Order (EO) 14170 “Reforming the Federal Hiring Process and Restoring Merit to Government Service” that directs the implementation of merit-based reforms to the Federal hiring process.</p> <p>In accordance with this effort, OPM is conducting a pilot, the Skills-Based Hiring for Information Technology (IT) Management Positions Project, to transition the IT Management job series to fully skills-based hiring by the end of 2025. This effort aligns with the Act and with tenets of the Plan required by the EO and will result in a new competency model, classification and qualification standards, and a set of technical skills-based assessments for agency use. In FY 2024, OPM commenced Phase 2 of the Federal Workforce Competency Initiative to develop the competency framework and held focus groups with Federal agency subject matter experts to inform classification and qualifications policy updates as well. The competency modeling work represents a joint effort with the OPM’s Human Resources Solutions (HRS).</p> <p>By the end of 2025, OPM will update Competency-Based Classification and Qualification Policy aligned with skills-based assessments representing a full suite of an integrated competency-based approach for talent</p>

Recommendation Detail	Status
	<p>acquisition and talent management efforts for agency test application and comments prior to the final issuance of policy for agency use.</p> <p>OPM leads a transformative initiative aimed at implementing a merit-based, skills-focused approach to Federal hiring. This skills-based hiring initiative prioritizes candidates' specific skills and competencies over traditional qualifications such as degrees, job titles, and years of experience. OPM developed a proposal for an AI/Machine Learning (ML) tool that adapts for use. To successfully implement skills-based hiring, it is crucial to developing a new technology-augmented business capability for modernization to maintains all Federal occupations to augment limited Federal staff. OMB and ONDC provided funding to support a contract to develop a custom ML service enabled by AI to identify skills using internal and external sources of data and information to integrate classification and qualifications policy. OPM leverages the tool to inform the development of competency-based classification and qualifications policy and competency modeling work. Work is also underway in partnership with other OPM experts to develop a set of technical skills-based assessments to provide sufficient assessments for agencies to start deploying skills-based hiring. The anticipated delivery of the new skills-based assessments is the end of Fiscal Year 2025 and December 2025. Partnership with MSAC continues through monitoring of agencies applying the Federal classification principles and policy as well as engagement with Federal agencies on classification matters.</p>



Recommendation Detail	Status
<p>Develop guidance for agencies on which activities to enter, or not to enter, as paid administrative leave in agency time and attendance systems.</p>	<ul style="list-style-type: none"> <li>•OPM issued final regulations on administrative leave, investigative leave, and notice leave on December 17, 2024 (89 FR 102256).</li> <li>•OPM previously published final regulations on weather and safety leave on April 10, 2018 (83 FR 15291).</li> <li>•All four types of leave previously fell under the category of “administrative leave.”</li> <li>•Both regulations require that agencies record usage of each type of leave (in separate categories by type) in agency data systems (including time and attendance systems). Agencies must also report usage of leave by type in data reports submitted to OPM. See 5 CFR 630.1406, 630.1506, and 630.1607.</li> <li>•Agencies have until September 13, 2025, to issue internal policies consistent with the new regulations on administrative leave, investigative leave, and notice leave. Since the regulations have data recording/reporting requirements, the same deadline applies to internal policies related to data recording/reporting.</li> <li>•On January 3, 2025, OPM issued a memorandum (CPM 2025-01) to agency heads regarding the final regulations published on December 17. That memorandum included guidance in appendices. Appendix 1 consisted of Qs and As, some of which addressed the recording and reporting of leave usage (see 1-3) and some of which addressed acceptable uses of administrative leave (see 12-15).</li> <li>•On February 20, 2025, OPM’s Human Capital Data Management and Modernization (HCDMM) Directorate transmitted via email to Federal payroll community partners (shared services providers) a memorandum that provided official notice that providers should initiate system modifications to incorporate new or modified data elements to support reporting to the EHRI-Payroll database. The new/revised data elements include: <ul style="list-style-type: none"> <li>o Administrative Leave Hours Used (General) – 5 USC 6329a</li> <li>o Administrative Leave Hours Used (Investigative Purposes) – 5 USC 6329a</li> </ul> </li> </ul>

Recommendation Detail	Status
	<ul style="list-style-type: none"> <li>o Investigative Leave Hours Used – 5 USC 6329b</li> <li>o Notice Leave Hours Used – 5 USC 6329b</li> <li>o Other Paid Time in Nonduty Status, and</li> <li>o Paid Holiday Time Off.</li> </ul> <p>Note: The new/revised data elements descriptions are also available at <a href="https://dw.opm.gov/datastandards/list">https://dw.opm.gov/datastandards/list</a>.</p> <ul style="list-style-type: none"> <li>• On February 26, 2025, OPM sent a message to agency Chief Human Capital Officers regarding the new leave reporting requirements. The message stated that “agencies have until September 13, 2025, to implement internal policies that comply with the law and regulations governing leave under 5 U.S.C. 6329a and 6329b, including the requirements to record and report uses of leave under those sections.” The message also stated that, until agencies update their timekeeping and payroll systems to incorporate the new data elements, they may continue to report uses of paid leave under the “ADMINISTRATIVE LEAVE HOURS USED – GENERAL” data element (which has no statutory citation) when no other established data element applies.</li> </ul>

Recommendation Detail	Status
<p>Provide updated and specific guidance to payroll service providers on which activities to report, or not to report, to the paid administrative leave data element in EHRI.</p>	<ul style="list-style-type: none"> <li>•OPM issued final regulations on administrative leave, investigative leave, and notice leave on December 17, 2024 (89 FR 102256).</li> <li>•OPM previously published final regulations on weather and safety leave on April 10, 2018 (83 FR 15291).</li> <li>•All four types of leave previously fell under “administrative leave.”</li> <li>•Both regulations require that agencies record usage of each type of leave (in separate categories by type) in agency data systems (including time and attendance systems). Agencies must also report usage of leave by type in data reports submitted to OPM. See 5 CFR 630.1406, 630.1506, and 630.1607.</li> <li>•Agencies have until September 13, 2025, to issue internal policies consistent with the new regulations on administrative leave, investigative leave, and notice leave. Since the regulations have data recording/reporting requirements, the same deadline applies to internal policies related to data recording/reporting.</li> <li>•On January 3, 2025, the OPM issued a memorandum (CPM 2025-01) to agency heads regarding the final regulations published on December 17. That memorandum included guidance in appendices. Appendix 1 consisted of Qs and As, some of which addressed the recording and reporting of leave usage (see 1-3) and some of which addressed acceptable uses of administrative leave (see 12-15).</li> <li>•On February 20, 2025, OPM’s Human Capital Data Management and Modernization (HCDMM) Directorate transmitted via email to Federal payroll community partners (shared services providers) a memorandum that provided official notice that providers should initiate system modifications to incorporate new or modified data elements to support reporting to the EHRI-Payroll database. The new/revised data elements are: <ul style="list-style-type: none"> <li>o Administrative Leave Hours Used (General) – 5 USC 6329a</li> <li>o Administrative Leave Hours Used (Investigative</li> </ul> </li> </ul>

Recommendation Detail	Status
	<p>Purposes) – 5 USC 6329a</p> <ul style="list-style-type: none"> <li>o Investigative Leave Hours Used – 5 USC 6329b</li> <li>o Notice Leave Hours Used – 5 USC 6329b</li> <li>o Other Paid Time in Nonduty Status, and</li> <li>o Paid Holiday Time Off.</li> </ul> <p>Note: The descriptions of the new/revised data elements are available at <a href="https://dw.opm.gov/datastandards/list">https://dw.opm.gov/datastandards/list</a>.</p> <ul style="list-style-type: none"> <li>• On February 26, 2025, OPM sent a message to agency Chief Human Capital Officers regarding the new leave reporting requirements. The message stated that “agencies have until September 13, 2025, to implement internal policies that comply with the law and regulations governing leave under 5 U.S.C. 6329a and 6329b, including the requirements to record and report uses of leave under those sections.” The message also stated that, until agencies update their timekeeping and payroll systems to incorporate the new data elements, they may continue to report uses of paid leave under the “ADMINISTRATIVE LEAVE HOURS USED – GENERAL” data element (which has no statutory citation) when no other established data element applies.</li> <li>• The 2014 GAO report noted that some agencies reported holiday paid time off under the administrative leave category. The new regulations address this issue by the establishment of a separate Paid Holiday Time Off data category.</li> </ul>

Recommendation Detail	Status
<p>To help strengthen the government's ability to compete in the labor market for top talent, and to improve the Federal hiring process, the Director of OPM, in conjunction with the CHCO Council, should use this information to determine whether opportunities exist to refine, consolidate, eliminate, or expand agency-specific authorities to other agencies and implement changes where OPM is authorized, including seeking presidential authorization (as necessary) in order to do so. In cases where legislation would be necessary to implement changes, OPM should work with the CHCO Council to develop legislative proposals.</p>	<p>The first governmentwide appointing authority with the most significant impact includes the Pathways Programs appointing authorities for Interns and Recent Graduates. The Presidential Management Fellows (PMF) was a component of the Pathways Program and was recently abolished by Executive Order 14217 on February 19, 2025. The Pathways Program was developed to strengthen the Federal hiring process, OPM issued a proposed regulation that was published on August 16, 2023. Following a period of public comment and interagency coordination, the final Pathways regulations were published on April 12, 2024. These regulations improve the Federal hiring process for interns and recent graduates by aligning the program to better meet the Federal Government's needs for recruiting these individuals. OPM analyzed the Pathways rules for interns and recent graduates with the aim of facilitating a better applicant experience, to improve developmental opportunities for Pathways Program participants, and to streamline agencies' ability to hire participants in the Pathways Programs, especially those who have successfully completed their Pathways requirements and are eligible for conversion to a term or permanent position in the competitive service. In light of the change of Administration and President Trump's Executive Order titled "Commencing the Reduction of the Federal Bureaucracy" issued on February 19, 2025, OPM is in the process of sunseting the PMF Program. However, OPM will implement EO 14170 and will be conducting an assessment of the hiring process, including hiring authorities to ensure the Federal workforce attracts and hires the right talent needed to meet the needs of the agencies and to serve the American public.</p>

Recommendation Detail	Status
<p>To support its strategic and open data goals, the Director of OPM should improve the availability of the EHRI payroll data--for example, by preparing the data for analytics, making them available through online tools such as FedScope, and including them among the EHRI data sources on the OPM website and Data.gov. (Priority Rec)</p>	<p>OPM's delivery plans associated with payroll data face impact by major workforce reductions in our Data Systems Management and Modernization component. OPM is conducting restructure planning and is not able to project any new target dates at this time. OPM will advise when they will implement an action plan and schedule.</p>
<p>To integrate the payroll data into the larger suite of EHRI databases, the Director of OPM should evaluate existing internal control activities and develop new control activities for EHRI payroll data, such as implementing transactional edit checks that leverage the information in the other EHRI datasets. (Priority Rec)</p>	<p>OPM's delivery plans associated with payroll data are impacted by major workforce reductions in our Data Systems Management and Modernization component. OPM is conducting restructure planning and is not able to project any new target dates at this time. OPM will advise when it will implement an action plan and schedule.</p>
<p>To address demonstrated noncompliance with section 15(k) of the Small Business Act, as amended, the Director of the Office of Personnel Management should comply with sections 15(k)(2), (k)(8), and (k)(17) or report to Congress on why the agency has not complied, including seeking any statutory flexibilities or exceptions believed appropriate.</p>	<p>OPM concurred with the recommendation. OPM is currently developing an implementation plan in alignment with recent OMB AI guidance. Once a new OPM Director takes office, OPM will work with the Director to implement OPM AI guidance that emphasizes the importance of responsible AI adoption to enhance government operations while ensuring transparency, accountability, and public trust.</p>
<p>The Director of OPM should ensure that the CIO of OPM updates the agency's policy and process for the CIO's certification of major IT investments' adequate use of incremental development, in accordance with OMB's guidance on the implementation of FITARA, and confirm that it includes a description of the CIO's role in the certification process and a description of how CIO certification will be documented.</p>	<p>The IT Portfolio Management policy is routing for internal review. The estimated completion date is FY25 Q4. OPM is also drafting an IT Portfolio Management Guide to provide detailed information regarding processes. OPM does not have a target date to complete the guide.</p>

Recommendation Detail	Status
<p>The Director of OPM, together with the CHCO Council, should provide guidance on assessing effectiveness and tools—such as best practices or frequently asked questions—for the range of Title 5 special payment authorities.</p>	<p>After GAO's report was issued in December 2017, OPM posted new templates on its website to provide agencies with information to facilitate the request and approval process for waivers of the normal payment limitations on recruitment, relocation, and retention incentives. GAO asked OPM to provide examples of related guidance or tools it provides to agencies to help them assess the effectiveness of the special pay authorities. GAO requested additional documentation in September 2019 and further coordinated with OPM in June 2020. In April 2021, GAO clarified the additional information needed and contacted OPM for an update. In May 2021, OPM provided documentation, but it did not clearly address efforts to work with the CHCO Council to provide guidance on assessing effectiveness. GAO requested an update from OPM in September 2021 and again in October 2022. As of November 2022, OPM informed GAO that it continues to develop guidance on assessing effectiveness. GAO asked OPM for status updates in December 2022 and June 2023—including a request for a timeline and plan for implementing the recommendation—and will update the status when the review of additional documents is complete. On April 14, 2024, OPM issued revised guidance on Pay, Leave, and Workforce Flexibilities for Recruitment and Retention that includes tips and best practices for using these special pay authorities. OPM will coordinate with agencies to develop guidance for agencies on assessing the effectiveness of special pay authorities (e.g., special rates, 3Rs, and other pay flexibilities) in addressing their recruitment and retention difficulties.</p>

Recommendation Detail	Status
<p>The Director of OPM should establish documented procedures to assess special payment authority requests requiring OPM approval and periodically review approval procedures to consider ways to streamline them.</p>	<p>In January 2023, OPM provided updated procedure documents which demonstrate progress in implementing the recommendation, as they asked for the steps to assess the sufficiency of information agencies submit. For example, the procedures for special pay rate requests include a question to guide an assessment of how various measures of pay rates for comparable jobs in non-federal salary data compare to the proposed special rate. Furthermore, the guidance on assessing agency requests to waive the normal payment limitations on recruitment and relocation incentives provides guidance to assess the success of recent efforts to recruit candidates using indicators such as offer acceptance rates, proportion of positions filled, and the length of time required to fill similar positions. The procedures documents also demonstrate progress in implementing the recommendation by referring to OPM plans, beginning in January 2024, to conduct annual reviews of the procedures to identify possible improvements, including consideration of ways to streamline the procedures. However, the format of the documents and lack of specifics on the annual reviews made the procedures appear in a draft or interim status. In June 2023, GAO requested that OPM provide documentation that the procedures are working management directives that have been appropriately internally communicated, including consideration of the audience, nature and purpose of the information, and accessibility of the information when needed to guide decision-making for assessments of agency special payment authority requests, as well as responsibilities and controls in place to prompt and conduct annual reviews of the procedures to potentially streamline them.</p> <p>As of January 2024, in response to OMB's response that the notification, documentation, and training to PLW that has been completed to date is insufficient to close this recommendation, the PLW Deputy Associate Director will notify staff via memorandum of the Standard Operating</p>



Recommendation Detail	Status
	<p>Procedures (guidelines, controls, processing considerations) that must be followed in assessing special pay requests and that they will be included in PLW work plans and reviewed and reissued annually.</p> <p>In February 2024, the Pay Administration (PA) manager in Pay, Leave, and Workforce Flexibilities (PLW) sent the recruitment, relocation, and retention incentive waivers SOPs to the PA staff, incorporated them into the PA performance work plan, and provided opportunity for input and questions (including annual updates). In April 2024, the Pay Systems (PS) manager in PLW sent the GS and FWS special rate and critical pay SOPs to PS staff, incorporated them into the PS performance work plan, and provided opportunity for input and questions (including annual updates).</p>
<p>The Director of OPM, after consultation with the CHCO Council, should provide guidance to agencies to enhance the training received by managers/supervisors and human capital staff to ensure that they have the guidance and technical assistance they need to effectively address misconduct and maximize the productivity of their workforces.</p>	<p>OPM completed development of the training and guidance but did not finalize the materials for distribution prior to the change in Administration. These updates include changes GAO indicated in our last update pertaining to agency guidance on training supervisors and human resources staff on addressing Federal employee misconduct. Since then, OPM has begun to review the materials and make adjustments to align to the current Administration's policies, ongoing litigation in Federal court, and anticipated changes to OPM regulations. OPM will subsequently adjust these training materials and plan to distribute them directly to agencies for internal use training supervisors and human resources staff.</p>
<p>The Director of OPM, in consultation with the CHCO Council, should develop and implement a mechanism for agencies to routinely and independently share promising practices and lessons learned, such as through allowing agencies to post such information on OPM's Performance Management portal.</p>	<p>At this time, OPM's Performance Management Portal within Connect.gov is not a viable resource for agencies to share promising practices and lessons learned. Due to the conversion from Max.gov, the portal lost many of the features that would allow agencies to provide feedback (e.g., links are missing or inactive). However, the ongoing Executive Resources forums and Office Hours sessions have been the primary methods used to share</p>

Recommendation Detail	Status
	information with agencies. Additionally, to support agencies and employees as they began to return to the office, OPM developed a toolkit with information to assist Non-supervisory Employees, Supervisors, and Leadership throughout the various phases of the performance management cycle.
The Director of OPM, in consultation with the CHCO Council, should develop a strategic approach for identifying and sharing emerging research and innovations in performance management.	In April 2023, OPM conducted several sessions on Thriving in a Hybrid Environment for employees and managers. The topics covered: <ul style="list-style-type: none"> <li>• Establishing Effective Performance Management in a Hybrid Environment</li> <li>• Developing hybrid norms, processes and protocols for individuals and teams.</li> <li>• Writing effective self-assessments for individuals</li> <li>• Writing effective supervisory comments supporting ratings.</li> </ul>
The Associate Director of OPM's Retirement Services, working in coordination with the Chief Information Officer, should develop, document, and implement a Retirement Services IT modernization plan for initial project phases that is consistent with key aspects of IT project management, such as determining objectives, costs, and time frames for each initial phase.	OPM did not concur with the recommendation. There has been no status change.
The Associate Director of OPM's Retirement Services should develop and implement policies and procedures for assessing strategies intended to improve processing times, including collecting and improving data needed to support those strategies, such as collecting better productivity data or staffing data and linking them to processing outcomes.	OPM did not concur with this recommendation. There has been no status change.

Recommendation Detail	Status
<p>The Director of the Office of Personnel Management should ensure that the agency fully implements each of the eight key IT workforce planning activities it did not fully implement.</p>	<p>OPM partially concurred with the recommendation. As of May 2024, OPM has partially addressed the requirement. Specifically, while OPM has estimated the number of Federal AI-related positions and prepared a forecast of the number of Federal employees in the position. It has not established nor updated the occupational series with AI related positions. GAO will continue to monitor the implementation of this recommendation.</p> <p>In support of the requirements of the AI Act, OPM conducted a comprehensive study including fact-finding activities, data analysis, and stakeholder engagement with Federal agencies and leveraged academia and industry data and AI experts. An environmental scan was conducted to explore classification of, and competencies and tasks needed for the performance of AI work. OPM found that AI work is performed in over 29 occupational series aligned with an agency's mission and needs. AI work involves a combination of mathematics, statistics, computer science, and/or domain-specific knowledge, depending on the specific area of application. AI can be extended, but is not limited to U.S. national security, defense, infrastructure, manufacturing, natural resources, financial services, transportation, healthcare, energy, food, and/or agriculture. The work is multidisciplinary in nature and is not limited to one occupational series. The work was found not to represent a singular distinct occupation. The necessity to update of numerous classification standards to specifically highlight evolving work was not found supported by the research conducted. The Artificial Intelligence (AI) Classification Policy and Talent Acquisition Guidance was issued April 2024 to address position classification and hiring for positions performing this work. This approach support OPM's transition from traditional hiring to skills-based hiring.</p>
<p>The Director of the Office of Personnel Management should establish a time frame to develop an inventory</p>	<p>OPM is currently under a realignment and once completed RM will work with OCIO to identify existing and new systems maintaining records by end of CY 25.</p>

Recommendation Detail	Status
of electronic information systems used to store agency records that includes all of the required elements.	
The Director of the Office of Personnel Management should establish a time frame to develop a plan to manage permanent electronic records.	OPM began the procurement process for digitization services in 2023 and finally secured a contract for digitizing records in Q4 FY24. Until that time, the only records being maintained electronically were those created in digital format. Records being maintained outside an electronic system do not have disposition applied. OPM's CIO is developing a plan to capture and maintain all permanent records that are not created digitally in electronic format by the end of FY25.
The Director of the Office of Personnel Management should establish a time frame to update its policies and procedures to include all of the required electronic information system functionalities for recordkeeping systems.	OPM is currently under a realignment and once completed RM will work with OCIO to identify existing and new systems maintaining records by end of CY 25.
The Director of the Office of Personnel Management should establish a time frame to update the agency's policies and procedures on retention and management for email to include retaining electronic calendars and draft documents.	The email management policy will be updated to include calendars by Q4 FY25. Draft documents are addressed individually by record series in their applicable retention schedule.
The Acting Director of the Office of Personnel Management should use OPM's oversight authority to monitor career SES reassignments to ensure that Federal agencies meet requirements contained in statute or regulation and follow OPM's related guidance. In situations where OPM finds that an agency has taken a career SES reassignment action contrary to these requirements, it should use its authority to require the agency to take corrective action, as appropriate.	In June 2023, OPM reiterated that it did not concur with the recommendation for these same reasons. However, as discussed in the report, GAO maintains that OPM should use its oversight authority to ensure agencies' reassignments of SES staff are consistent with requirements. As of January 2024, there has been no status change.
The Director of OPM should establish a process and update its guidance to obtain complete and accurate data about the number of non-federal mobility program participants on detail to Federal agencies.	OPM disagreed with this recommendation, in part because they said it would create a reporting burden for agencies. However, this data could be used to determine where there are opportunities for agencies to more fully leverage the mobility program to address critical skills and occupation gaps, which has been a government-wide high-risk area since 2001. Therefore, GAO continues to

Recommendation Detail	Status
	believe that establishing a process and updating its guidance to collect these data are essential for informing the customer service and assistance OPM provides to Federal agencies and encourage OPM to explore reasonable steps to do so. As of January 2024, there has been no status change.
The Director of OPM should direct the CFO to ensure that the FFS-R project conducts a comprehensive M3 risk assessment and defines and meets exit criteria for the Migration phase Release 1 and Release 2 tollgates before proceeding to the next phase of the modernization.	OPM submitted a complete set of artifacts to address the recommendation in June 2023. OPM also submitted additional artifacts to GAO on 3/26/2025 that show the completion of the TFM Program and therefore the recommendation is no longer applicable. Pending closure from GAO.
The Director of OPM should direct the CFO to ensure that the TFM program develops cost estimates using best practices described in GAO's Cost Estimating and Assessment Guide.	OPM submitted a complete set of artifacts to address the recommendation in June 2023. Per GAO feedback, OPM provided an updated response to outstanding cost estimation on 8/26/2024. OPM also submitted additional artifacts to GAO on 3/26/2025 that show the completion of the TFM Program and therefore the recommendation is no longer applicable. Pending closure from GAO.
The Director of OPM should direct the CFO to ensure that the TFM program updates the TFM schedule using best practices described in GAO's Schedule Assessment Guide, in particular, by addressing those schedule characteristics that were not substantially or fully met.	OPM submitted a complete set of artifacts to address the recommendation in June 2023. Per GAO request, OPM submitted an updated TFM schedule on 3/1/2024 to satisfy the outstanding schedule. OPM also submitted additional artifacts to GAO on 3/26/2025 that show the completion of the TFM Program and therefore the recommendation is no longer applicable. Pending closure from GAO.
The Director of OPM should direct the CFO to ensure that interagency agreements, including service level agreements, identify how security requirements will be conducted and the level of services, including cybersecurity, that will be provided.	OPM submitted a complete set of artifacts to address the recommendation in June 2023. OPM also submitted additional artifacts to GAO on 3/26/2025 that show the completion of the TFM Program and therefore the recommendation is no longer applicable. Pending closure from GAO.
The Director of OPM should direct the CFO to ensure that the OCIO and TFM Program Management Office have identified and acquired sufficient systems and cybersecurity experts to adequately staff the TFM program, including the FFS-R project.	OPM submitted a complete set of artifacts to address the recommendation in June 2023. OPM also submitted additional artifacts to GAO on 3/26/2025 that show the completion of the TFM Program and therefore the

Recommendation Detail	Status
	recommendation is no longer applicable. Pending closure from GAO.
The Director of OPM should establish a time frame for updating the agency’s policy for creating, reviewing, and publishing system of records notices, and make these updates.	OPM is currently undergoing a realignment. While work to close this recommendation is in progress, finalization will occur after the realignment.
The Director of OPM should fully define and document a policy and process for ensuring that the senior agency official for privacy or other designated privacy official is involved in assessing and addressing the hiring, training, and professional development needs of the agency with respect to privacy.	OPM is currently undergoing a realignment. While work to close this recommendation is in progress, finalization will occur after the realignment.
The Director of OPM should incorporate privacy into an organization wide risk management strategy that includes a determination of risk tolerance.	OPM is currently undergoing a realignment. While work to close this recommendation is in progress, finalization will occur after the realignment.
The Director of OPM should establish a time frame for fully defining the role of the senior agency official for privacy or other designated privacy official in reviewing and approving system categorizations, overseeing privacy control assessments, and reviewing authorization packages, and document these roles.	<p>OPM completed a significant overhaul of existing policies, culminating in its current Cybersecurity and Privacy Policy. Having a unified policy governing both cybersecurity- and privacy-related activities helps to articulate the degree and areas of coordination between cybersecurity and privacy necessary to support OPM’s mission. Specific highlights include:</p> <ol style="list-style-type: none"> <li>1. Defining distinct strategic objectives for both privacy and cybersecurity (pp. 6-8).</li> <li>2. Underscoring the intrinsic interconnectedness between privacy controls and cybersecurity controls (p. 8).</li> <li>3. Clearly defining the role of the SAOP, its Risk Management Framework (RMF)-related responsibilities, and points of coordination with cyber (pp. 15-16).</li> <li>4. Clearly defining the role of CISO, its RMF-related responsibilities, and points of coordination with privacy (pp. 16-20).</li> </ol> <p>On 3/24/2025, supporting documentation was sent to GAO. Awaiting any feedback or closure from GAO.</p>
The Director of OPM should fully develop and document a privacy continuous monitoring strategy.	OPM is currently undergoing a realignment. While work to close this recommendation is in progress, finalization will occur after the realignment.

Recommendation Detail	Status
<p>The Director of the Office of Personnel Management, in coordination with the Director of the National Science Foundation, should ensure the collection of complete and consistent data that relate to the fulfillment of all post-award obligations or requirements pursuant to the CyberCorps® Scholarship for Service Program.</p>	<p>The PRA was approved however, the SORN has been delayed by the prohibition on new rules. It has cleared the Privacy office, OGC, and CLIA and is routed to the OD for review. The process takes 60 to 90 days from completion to close out a recommendation.</p>
<p>The Director of the Office of Personnel Management should establish a reasonable time frame for when the agency will be able to accept remote identity proofing with authentication, digitally accept access and consent forms from individuals who were properly identity proofed and authenticated, and post access and consent forms on the agency's privacy program website.</p>	<p>OPM is currently undergoing a realignment. While work to close this recommendation is in progress, finalization will occur after the realignment.</p>
<p>The Director of OPM should implement a monitoring mechanism to ensure employing offices and carriers are verifying family member eligibility as required by OPM's 2021 guidance.</p>	<p>In addition to the BAL released on August 21, 2023, OPM released two additional new Benefits Administration Letters (BAL). On April 17, 2024, Benefits Administration Letter (BAL) Annual Agency Review of FEHB Open Season Actions – Family Member Eligibility was sent. It requires agencies to verify family member eligibility for a random 10% sample of their Open Season health benefits elections with a requirement for annual reporting to OPM. This annual report that enables OPM to monitor employing offices' processing and verification of family member eligibility during Open Season. Additionally, this guidance lays the foundation for employing offices to do family member eligibility verification for all Open Season transactions. OPM released Annual Family Member Eligibility Verification Tasks BAL on November 20, 2024. It expands family member eligibility verification reporting to include elections for initial opportunity to enroll and qualifying life event allowing OPM to continue to monitor agency compliance with this directive.</p>

Recommendation Detail	Status
<p>The Director of OPM should implement a monitoring mechanism to identify and remove ineligible family members from the FEHB program.</p>	<p>In addition to numerous activities conducted prior to 2024 to strengthen oversight of family member eligibility in the FEHB Program, OPM has taken several strategic steps to further enhance and implement this recommendation, leveraging work with stakeholder partners to effectuate effective monitoring mechanisms. First, OPM has utilized data in the MEI to verify family members. Second, OPM has required Federal Agency partners with delegated responsibility for enrollment to conduct Open Season audits for plan year 2024 and beyond. Agencies are instructed to report results of the audit to OPM, as well as other verification activities conducted in the plan year. OPM has also required the FEHB carriers to monitor, prevent and detect fraud, waste and abuse as an ongoing practice related to ineligible family member coverage. OPM has worked to improve the data contained in the MEI to ensure it provides a complete view of family members covered under the FEHB Program. This includes automating the review of carrier submissions to ensure complete data on children over age 26. OPM also reviewed FEHB data to identify deceased subscribers and family members that are still included on carrier records. OPM's Retirement Services is utilizing this data improve annuity roll accuracy and update FEHB enrollment information with carriers. OPM has also issued guidance to agencies requiring them to audit family member eligibility for at least 10% of all Self Plus One and Self and Family Open Season transactions for the 2024 plan year. Some agencies have committed to reviewing all Open Season transactions depending on system ability and resources. The results of this audit, along with other information on agency activities related to family member verification will be reported to OPM in the fourth quarter of FY 2025. The audit in combination with other guidance issued by OPM over the prior years may allow OPM to estimate more accurately the number of ineligible family members covered by the Program in addition to providing a deterrent to providing fraudulent coverage of family</p>



Recommendation Detail	Status
	<p>members. In addition to Agency verification, carriers also have a shared responsibility to verify and confirm family member eligibility on an ongoing basis, recognizing that ineligible family members can result in the FEHB Program paying erroneous or even fraudulent claims. Carriers are responsible for preventing, detecting, investigating, and reporting FEHB-related fraud, waste, and abuse (FWA), per Carrier Letter 2017-13 Fraud, Waste and Abuse.</p>

Recommendation Detail	Status
<p>The Director of OPM should establish an action plan to address OPM's skills gaps identified in the workforce assessment, either as an update to its HCOP or a separate effort.</p>	<p>In response to your inquiry regarding the Office of Personnel Management's (OPM) action plan for addressing skills gaps within the agency, please find below a refined update to our previous communication from November 2024. OPM has implemented a robust, multi-faceted action plan to address potential skills gaps. This strategy involves early recruitment and hiring, focused on building future capacity within our workforce to counter the occupational gaps predicted due to retirements and attrition. Simultaneously, OPM is engaged in upskilling and reskilling initiatives targeting key areas such as data analytics, IT, project management, human resources, and budgeting. This approach has been complemented by our strategic workforce planning team, who work in tandem with senior leaders to identify and address additional skills gaps across the agency. In FY24, OPM had a total of 91 participants in our student and early career talent programs, including Pathways internships, recent graduates, and Presidential Management Fellows. NOTE: Presidential Management Fellows (PMF) was a component of the Pathways Program and was recently abolished by Executive Order 14217 on February 19, 2025. These initiatives have allowed us to address skill gaps in areas such as statistics, data science, human resources, cybersecurity, cloud infrastructure, and information technology. In FY25, OPM completed our staffing plans, incorporating skill-gap identification, with a focus on AI and AI Support functions. Over a dozen positions have been identified to address projected skill gaps in data science and data analysis, as well as key leadership roles such as the Chief AI Officer and Senior Leader Artificial Intelligence. Furthermore, in FY24, OPM launched the SkillBridge program, aimed at closing skill gaps and supporting the hiring of veterans. This initiative has already seen success, with two hires from six participants in its inaugural year, including filling a project management skill gap. As of March 2025, OPM successfully integrated the Skillsoft Percipio eLearning content library into its Learning</p>

Recommendation Detail	Status
	<p>Management System (LMS), providing OPM employees with wide-ranging access since September 2024. In addition, the electronic individual development plan (IDP) tool was launched in the LMS in November 2024. To address identified gaps in Data Analytics, OPM HR has completed the development of a training framework for Data Literacy. The Data Literacy Portal, now available in the agency's LMS, provides employees with comprehensive access to training resources on topics such as data literacy basics, technical skills in data science, advanced data literacy, and artificial intelligence. In order to address Leadership Development gaps, two Executive Coaching cohorts and Change Management Certification Training were provided to OPM Leaders. Regarding Project Management gaps, OPM provided three project management trainings for employees at different levels of experience and proficiency, including supervisors, team leads, and new and practicing project managers. OPM coordinated participation for its employees in various developmental programs, such as the White House Leadership Development Program (WHLDP), Cyber Workforce Rotation Program (recently discontinued), the President's Management Council Interagency Rotation Program (PMC IRP), and the FEB FutureFeds Pilot Program (cancelled by EO 14217). While there are currently active participants in the WHLDP and PMC IRP, OPM's future participation in these programs are unknown at this time. Lastly, OPM began development of its framework for an enterprise-wide career development program and concluded the development of the framework for its mentoring program. However, OPM has paused the launch of the mentoring program effort, as directed. It is important to note that OPM is in a period of significant transition with the new administration's job cuts. Unfortunately, many of our previously mentioned efforts have been affected, with progress from the past four years being significantly disrupted. As such, our clear path forward is currently in a state of reassessment. OPM continues to assess our</p>

Recommendation Detail	Status
	<p>efforts on a quarterly basis and remain committed to closing skill gaps and improving our workforce capabilities.</p>

Recommendation Detail	Status
<p>The Director of OPM should examine how the public information on political appointees OPM is mandated to provide under the PLUM Act can be used by agencies to better identify political appointees subject to OPM's pre-appointment reviews.</p>	<p>In March 2024, OPM released guidance stating that the data in the PLUM reporting website would include historical data from January 20, 2021, including the start and end dates of political appointees' appointments.</p> <p>The website was last updated in March 2024. In August 2024, OPM planned to release a website update to add the historical data to the website. This feature would allow agency human resources personnel to search and confirm historical incumbencies for applicants and potential selectees prior to appointment. OPM also stated that this information should not be considered the sole source of information agencies use to identify whether a selection is subject to OPM's pre-appointment review. As of March 2025, the PLUM reporting website, available at <a href="https://www.opm.gov/about-us/open-government/plum-reporting/">https://www.opm.gov/about-us/open-government/plum-reporting/</a>, provides data on current political appointees, as reported by agencies in 2024, but does not include data on start and end dates of past appointments.</p> <p>April 2025, The PLUM website was last updated in March 2024. Given the recent current Presidential transition, OPM is working with the new Administration to archive the Biden Administration's data which is still reflected on the website. Currently, the website, along with the 2024 Plum Book is still being used by the new Administration to identify positions and existing incumbencies (i.e. rollovers that were not required to resign with the outgoing Biden Administration) as they coordinate new appointments to the large number of agencies.</p> <p>While working on transition, OPM continues to work closely with agencies on data validation and accuracy to remain prepared for the next website update. A call for PLUM reporting is not in progress and there are approximately 90 days from "Day 1" of the new Administration, and agencies are still in the coordination and onboarding stages for new appointees. OPM will</p>

Recommendation Detail	Status
	<p>issue a call for agency updates when a confirmed date for archiving the PLUM website is set and follow that with a data push to the website.</p>

Recommendation Detail	Status
<p>The Director of OPM should work with agencies to collect and disseminate information about the scope of its pre-appointment review authority, including information that identifies those agencies and positions that are not subject to OPM's authority.</p>	<p>In December 2023, OPM reported to GAO that the agency will continue to provide agencies updates by memoranda and briefings on OPM's pre/post-appointment review process and their related responsibilities. According to OPM, the briefings will reinforce issued guidance, communicate key reminders, and provide updates about agencies and/or components not subject to OPM's pre-appointment review authority. In August 2024, OPM told us that it lacks the staff to undertake this recommendation beyond related efforts already performed, such as issuance of letters to Congress and Chief Human Capital Officers identifying intelligence community positions falling outside OPM's review authority. In December 2024, OPM provided us with information about briefings OPM staff conducted for agency officials regarding OPM's pre-appointment reviews. The briefing materials include information about some categories of appointments not subject to OPM's review, including positions in the intelligence community. However, to address this recommendation, OPM would need to collect from agencies, as well as disseminate, information about the scope of OPM's pre-appointment reviews, including information about agencies or positions that are outside of OPM's authority. Our report found that there were exceptions to OPM's authority in addition to the exception for intelligence community positions and that there was no single source of information on all of these exceptions. Collecting and disseminating information about agencies and positions that OPM or other agencies have already determined are excluded from OPM's pre-appointment review could streamline OPM's reviews, as well as facilitate its responses to congressional inquiries.</p> <p>As an update as of April 2025, OPM lacks the resources to undertake a comprehensive review of all statutes and hiring authorities enacted to identify agencies, components of agencies and specific positions not subject to our oversight. OPM makes determinations on a</p>

Recommendation Detail	Status
	<p>case-by-case basis either when the agency HR staff contacts OPM regarding their selection decision or upon OPM review of monthly EHRI report data. OPM documents the case-by-case determinations to ensure consistency in future scenarios.</p>
<p>The Director of the Office of Personnel Management should ensure that the agency fully implements all event logging requirements as directed by OMB guidance.</p>	<p>At the beginning of FY24, OPM achieved 100% compliance with our High Value Assets (HVA) and critical systems. In FY25, OPM is working to address the remaining 90% of our FISMA systems. Our highest priority is the systems that process financial data.</p>



Recommendation Detail	Status
<p>The Director of OPM should ensure that the agency (a) establishes or updates and improves an existing occupational series with AI-related positions; (b) establishes an estimated number of AI-related positions, by Federal agency; and, based on the estimate, (c) prepares a 2-year and 5-year forecast of the number of Federal employees in these positions, in accordance with Federal law. (recommendation 4 in the report)</p>	<p>OPM partially concurred with the recommendation. As of May 2024, OPM has partially addressed the requirement. Specifically, while OPM has estimated the number of Federal AI-related positions and prepared a forecast of the number of Federal employees in the position. It has not established nor updated the occupational series with AI related positions. OPM will continue to monitor the implementation of this recommendation.</p> <p>In support of the requirements of the AI Act, OPM conducted a comprehensive study including fact-finding activities, data analysis, and stakeholder engagement with Federal agencies and leveraged academia and industry data and AI experts. An environmental scan was conducted to explore classification of, and competencies and tasks needed for the performance of AI work. OPM found that AI work is performed in over 29 occupational series aligned with an agency's mission and needs. AI work involves a combination of mathematics, statistics, computer science, and/or domain-specific knowledge, depending on the specific area of application. AI can be extended, but is not limited to U.S. national security, defense, infrastructure, manufacturing, natural resources, financial services, transportation, healthcare, energy, food, and/or agriculture. The work is multidisciplinary in nature and is not limited to one occupational series. The work was found not to represent a singular distinct occupation. The necessity to update of numerous classification standards to specifically highlight evolving work was not found supported by the research conducted. The Artificial Intelligence (AI) Classification Policy and Talent Acquisition Guidance was issued April 2024 to address position classification and hiring for positions performing this work. This approach support OPM's transition from traditional hiring to skills-based hiring.</p>

Recommendation Detail	Status
<p>The Director of OPM should ensure that the agency develops a plan to either achieve consistency with EO 13960 section 5 for each AI application or retires AI applications found to be developed or used in a manner that is not consistent with the order.</p>	<p>OPM's delivery plans associated with payroll data have been directly affected by major workforce reductions in our Data Systems Management and Modernization component. OPM is conducting restructure planning and are not able to project any new target dates at this time. OPM will advise when a plan of action and schedule is in place.</p>
<p>The Director of the Office of Personnel Management, in coordination with the Director of the Defense Counterintelligence and Security Agency, should develop and implement a plan to ensure that current and future IT systems used for personnel vetting contain complete and accurate information required to make suitability, fitness, and credentialing reciprocity determinations.</p>	<p>OPM has developed training prioritization criteria for agencies that also includes examples of how agencies could rank their training investments. In addition, OPM formed a working group to gain a better understanding of how agencies document, track, and report training information. The group consisted of members from USDA, EEOC, FMC, HUD, PTO, DOD, Energy, USAID, FTC, Treasury, and State. The working group recommended and OPM made changes to the SF 182 designed to help improve Federal training investment decision-making. According to OPM, these changes include updating its training sub-type codes to better align with the information being collected and adding additional boxes to assist agencies with tracking group training and receiving complete information on vendors. GAO has asked OPM for documentation on when and how its training prioritization criteria has been disseminated to agencies and also for documentation of instances where OPM has shared good practices in this area with agencies and/or provided agencies a forum for discussing prioritization practices.</p>

Recommendation Detail	Status
<p>The Director of the Office of Personnel Management should develop and implement supplemental policies to ensure that Federal agencies consistently share information with other agencies attempting to grant suitability, fitness, and credentialing reciprocity.</p>	<p>OPM Provided a response to this recommendation in Oct 2024. GAO has not asked any follow-up. As a principal member of the Security, Suitability, and Credentialing Performance Accountability Council (PAC), OPM's role in modernizing Federal personnel vetting IT systems is to define requirements for enterprise-wide suitability, fitness, and credentialing reciprocity management IT, develop standards for enterprise-wide IT, and provide oversight to ensure the IT systems are developed consistent with the requirements and standards. OPM's work in this area is one of the keyways OPM carries out its Suitability and Credentialing Executive Agent responsibility for promoting reciprocity of suitability, fitness, and credentialing determinations. OPM defines requirements for enterprise-wide IT in two primary ways: 1) establishing vetting policy or implementation guidance, often jointly with the Office of the Director of National Intelligence (ODNI), which the enterprise-wide IT must support; and 2) providing formal requirements directly to the entity responsible for operating the personnel vetting IT systems. The Secretary of Defense, acting through the Office of the Under Secretary for Defense for Intelligence &amp; Security's Defense Counterintelligence and Security Agency (DCSA), is responsible for designing, developing, deploying, operations, securing, defending, and continuously updating and modernizing the personnel vetting IT systems.[1] Understanding these roles is crucial to understanding the plan to ensure that current and future personnel vetting IT systems contain complete and accurate information required to make reciprocity determinations. Currently, personnel vetting information required to make suitability, fitness, and credentialing reciprocity determinations resides on two government-wide IT repositories: the Central Verification System (CVS) for non-DoD agencies, and the Defense Information System for Security (DISS) Joint Verification System (JVS) for DoD users. Both IT systems are operated by DCSA. DCSA, in coordination with its PAC partners, has developed a plan to provide for more complete and</p>

Recommendation Detail	Status
	<p>accurate information in the repository to enable reciprocity determinations using two strategies: 1) migrate the enterprise into a single repository system, DISS JVS, to streamline access to information for all agencies; and 2) enhance data elements captured in the repository (DISS JVS) to better facilitate reciprocity. DCSA originally planned to consolidate the unclassified personnel vetting repositories into a single location by building a new repository in the National Background Investigations System (NBIS) and migrating data from both CVS and DISS JVS into the NBIS system. In November 2024, after consulting with PAC leadership including OPM, the NBIS Requirements Governance Board approved DCSA's new NBIS Product Roadmap to shift the plan away from building a new system to leveraging the existing capabilities to accelerate the delivery of a modernized IT system. The new plan leverages the DISS JVS system to deliver the new repository capabilities on an accelerated schedule than would have been possible with the NBIS system. DCSA conducted a program review and determined that with technical enhancements the DISS JVS system could meet the system requirements established by OPM and other PAC leadership. OPM and other PAC leadership have on-going coordination with DCSA to provide input and oversight of DCSA's plan to migrate non-DoD users from CVS to DISS JVS. OPM and other PAC leadership have worked with DCSA to establish milestones for DCSA to accomplish the enterprise migration to DISS JVS. These milestones and target dates are reflected in the Trusted Workforce (TW) 2.0 Implementation Strategy. OPM is committed to continuing to support DCSA's migration efforts and reviewing milestones and targets as development progresses. Once DCSA and agencies complete the migration, the entire enterprise will use a single system for recording investigative and adjudicative records to improve visibility into necessary data for reciprocity. OPM acknowledges that migrating to a single repository will not alone resolve limitations on the</p>

Recommendation Detail	Status
	<p>availability of key information needed to improve reciprocity. In Spring and Summer 2023, OPM and other PAC leadership convened an interagency tiger team of personnel vetting experts to identify information gaps between the current repositories and the future needs to improve reciprocity and implement the TW 2.0 model. In particular, the gap analysis identifies key data points that are unavailable in current systems that must be added to facilitate reciprocity determinations. In January 2024, OPM and the other PAC leadership endorsed the repository gap analysis and submitted it to DCSA as new system requirements for the enhancements to the repository. Examples of key data points that will be added to the repositories to better support reciprocity include details about an individual's position's core duties, the recording of multiple types of adjudications (suitability, fitness, national security, and credentialing) on a single investigation, and coding to indicate the types and overall seriousness of concerning behavior discovered in investigations. OPM and ODNI also issued implementation guidance to agencies on the TW 2.0 vetting scenarios, establishing processes agencies must follow and requirements IT systems must support to make reciprocity determinations when individuals transfer roles into new roles or return after a break in Federal service. In addition to collaborating with the interagency on requirements submissions, OPM has separately submitted IT system requirements to guide DCSA's DISS JVS development to better support suitability, fitness, and credentialing determinations. OPM began submitting new repository design and build requirements to DCSA several years ago to support the development of a new repository in NBIS. When the plan shifted in November 2024 to leverage DISS JVS instead, OPM began direct engagements with DCSA's DISS JVS development team. In December 2024, OPM worked with the DISS JVS team to review prior requirements submissions and re-affirm necessary enhancements to the repository to meet information needs to improve</p>

Recommendation Detail	Status
	<p>reciprocity. From December 2024 to present, OPM has engaged the DISS JVS team weekly to bi-weekly to provide oversight feedback on prototypes of the enhancements to ensure DCSA's execution of the requirements is consistent with policy and guidance. DCSA details its planning and timelines for completing these updates in their NBIS Roadmap and the TW 2.0 Implementation Strategy. OPM is committed to continuing to provide oversight of DCSA's personnel vetting IT system development to ensure the migration of repository information from CVS to DISS JVS is successful and supporting enhancements to DISS JVS. OPM will continue working in partnership with DCSA to provide system requirements consistent with new vetting policies and directed at modernizing and transforming a personnel vetting process that is aligned, to the greatest extent practicable, using processes to promote mobility, improve efficiencies, and that take an enhanced risk management approach. OPM is confident the planned increase in available investigative and adjudicative information in the updated repository will facilitate improved reciprocity of suitability, fitness, and credentialing determinations. As a principal member of the Security, Suitability, and Credentialing Performance Accountability Council (PAC), OPM's role in modernizing Federal personnel vetting IT systems is to define requirements for enterprise-wide suitability, fitness, and credentialing reciprocity management IT, develop standards for enterprise-wide IT, and provide oversight to ensure the IT systems are developed consistent with the requirements and standards. OPM's work in this area is one of the keyways OPM carries out its Suitability and Credentialing Executive Agent responsibility for promoting reciprocity of suitability, fitness, and credentialing determinations. OPM defines requirements for enterprise-wide IT in two primary ways: 1) establishing vetting policy or implementation guidance, often jointly with the Office of the Director of National Intelligence (ODNI), which the enterprise-wide IT must</p>

Recommendation Detail	Status
	<p>support; and 2) providing formal requirements directly to the entity responsible for operating the personnel vetting IT systems. The Secretary of Defense, acting through the Office of the Under Secretary for Defense for Intelligence &amp; Security's Defense Counterintelligence and Security Agency (DCSA), is responsible for designing, developing, deploying, operations, securing, defending, and continuously updating and modernizing the personnel vetting IT systems.[1] Understanding these roles is crucial to understanding the plan to ensure that current and future personnel vetting IT systems contain complete and accurate information required to make reciprocity determinations. Currently, personnel vetting information required to make suitability, fitness, and credentialing reciprocity determinations resides on two government-wide IT repositories: the Central Verification System (CVS) for non-DoD agencies, and the Defense Information System for Security (DISS) Joint Verification System (JVS) for DoD users. Both IT systems are operated by DCSA. DCSA, in coordination with its PAC partners, has developed a plan to provide for more complete and accurate information in the repository to enable reciprocity determinations using two strategies: 1) migrate the enterprise into a single repository system, DISS JVS, to streamline access to information for all agencies; and 2) enhance data elements captured in the repository (DISS JVS) to better facilitate reciprocity. DCSA originally planned to consolidate the unclassified personnel vetting repositories into a single location by building a new repository in the National Background Investigations System (NBIS) and migrating data from both CVS and DISS JVS into the NBIS system. In November 2024, after consulting with PAC leadership including OPM, the NBIS Requirements Governance Board approved DCSA's new NBIS Product Roadmap to shift the plan away from building a new system to leveraging the existing capabilities to accelerate the delivery of a modernized IT system. The new plan leverages the DISS JVS system to deliver the new</p>

Recommendation Detail	Status
	<p>repository capabilities on an accelerated schedule than would have been possible with the NBIS system. DCSA conducted a program review and determined that with technical enhancements the DISS JVS system could meet the system requirements established by OPM and other PAC leadership. OPM and other PAC leadership have on-going coordination with DCSA to provide input and oversight of DCSA's plan to migrate non-DoD users from CVS to DISS JVS. OPM and other PAC leadership have worked with DCSA to establish milestones for DCSA to accomplish the enterprise migration to DISS JVS. These milestones and target dates are reflected in the Trusted Workforce (TW) 2.0 Implementation Strategy. OPM is committed to continuing to support DCSA's migration efforts and reviewing milestones and targets as development progresses. Once DCSA and agencies complete the migration, the entire enterprise will use a single system for recording investigative and adjudicative records to improve visibility into necessary data for reciprocity. OPM acknowledges that migrating to a single repository will not alone resolve limitations on the availability of key information needed to improve reciprocity. In Spring and Summer 2023, OPM and other PAC leadership convened an interagency tiger team of personnel vetting experts to identify information gaps between the current repositories and the future needs to improve reciprocity and implement the TW 2.0 model. In particular, the gap analysis identifies key data points that are unavailable in current systems that must be added to facilitate reciprocity determinations. In January 2024, OPM and the other PAC leadership endorsed the repository gap analysis and submitted it to DCSA as new system requirements for the enhancements to the repository. Examples of key data points that will be added to the repositories to better support reciprocity include details about an individual's position's core duties, the recording of multiple types of adjudications (suitability, fitness, national security, and credentialing) on a single investigation, and coding to indicate the types</p>



Recommendation Detail	Status
	<p>and overall seriousness of concerning behavior discovered in investigations. OPM and ODNI also issued implementation guidance to agencies on the TW 2.0 vetting scenarios, establishing processes agencies must follow and requirements IT systems must support to make reciprocity determinations when individuals transfer roles into new roles or return after a break in Federal service. In addition to collaborating with the interagency on requirements submissions, OPM has separately submitted IT system requirements to guide DCSA's DISS JVS development to better support suitability, fitness, and credentialing determinations. OPM began submitting new repository design and build requirements to DCSA several years ago to support the development of a new repository in NBIS. When the plan shifted in November 2024 to leverage DISS JVS instead, OPM began direct engagements with DCSA's DISS JVS development team. In December 2024, OPM worked with the DISS JVS team to review prior requirements submissions and re-affirm necessary enhancements to the repository to meet information needs to improve reciprocity. From December 2024 to present, OPM has engaged the DISS JVS team weekly to bi-weekly to provide oversight feedback on prototypes of the enhancements to ensure DCSA's execution of the requirements is consistent with policy and guidance. DCSA details its planning and timelines for completing these updates in their NBIS Roadmap and the TW 2.0 Implementation Strategy. OPM is committed to continuing to provide oversight of DCSA's personnel vetting IT system development to ensure the migration of repository information from CVS to DISS JVS is successful and supporting enhancements to DISS JVS. OPM will continue working in partnership with DCSA to provide system requirements consistent with new vetting policies and directed at modernizing and transforming a personnel vetting process that is aligned, to the greatest extent practicable, using processes to promote mobility, improve efficiencies, and that take an enhanced risk</p>

Recommendation Detail	Status
	management approach. OPM is confident the planned increase in available investigative and adjudicative information in the updated repository will facilitate improved reciprocity of suitability, fitness, and credentialing determinations.
The Director of OPM should ensure that the agency consistently tracks software licenses that are currently in use for its widely used licenses by, at a minimum, consistently implementing its procedures for tracking license usage.	OPM is evaluating technology options for software license management. Once the evaluation is complete, OPM will coordinate with the appropriate personnel to track software licenses. OPM does not have a target date to complete the evaluation.
The Director of OPM should ensure that the agency compares the inventories of software licenses that are currently in use with information on purchased licenses to identify opportunities to reduce costs and better inform investment decision making for its widely used licenses on a regular basis. At a minimum, it should consistently implement its procedures for	OPM is evaluating technology options for software license management. Once the evaluation is complete, OPM will coordinate with the appropriate personnel to track software licenses. OPM does not have a target date to complete the evaluation.

Recommendation Detail	Status
comparing the inventories of licenses in use to purchase records.	

### OPM OIG Recommendations

Recommendation Detail	Status
The OCIO should continue to update and implement entity-wide security policies and procedures and provide more direction and oversight to Program Offices for completing certification and accreditation requirements. In addition, documentation on application access permissions should be enhanced and linked with functional duties and procedures for granting logical access need to be refined to ensure access is granted only to authorized individuals.	Corrective action items are in progress.
KPMG recommends that the CIO identify common controls, control responsibilities, boundaries and interconnections for information systems in its system inventory.	Corrective action items are in progress.
KPMG recommends that the OPM Director in coordination with the CIO and system owners, including the Chief Financial Officer and system owners in Program offices, ensure that resources are prioritized and assigned to address the information system control environment weaknesses.	Corrective action items are in progress.
KPMG recommends that the OPM Director in coordination with the CIO and system owners, including the Chief Financial Officer and system owners in Program offices, ensure that resources are prioritized and assigned to document and map access	Corrective action items are in progress.

Recommendation Detail	Status
rights in OPM systems to personnel roles and functions, following the principle of “least privilege.”	
<p>KPMG recommends that the OPM Director in coordination with the CIO and system owners, including the Chief Financial Officer and system owners in Program offices, ensure that resources are prioritized and assigned to enhance OPM’s information security control monitoring program to detect information security control weakness by:</p> <ul style="list-style-type: none"> <li>• Implementing and monitoring procedures to ensure system access is appropriately granted to new users, consistent with the OPM access approval process.</li> <li>• Monitoring the process for the identification and removal of separated users to ensure that user access is removed timely upon separation; implementing procedures to ensure that user access, including user accounts and associated roles, are reviewed on a periodic basis consistent with the nature and risk of the system, and modifying any necessary accounts when identified.</li> </ul>	Corrective action items are in progress.
Document access rights to systems to include roles, role descriptions, and privileges/activities associated with each role and role or activity assignments that may cause a segregation of duties conflict.	Corrective action items are in progress.
Review audit logs on a pre-defined periodic basis for violations or suspicious activity and identify individuals responsible for follow up or elevation of issues to the Security Operations Team for review. The review of audit logs should be documented for record retention purposes.	Corrective action items are in progress.
Establish a methodology to systematically track all configuration items that are migrated to production and be able to produce a complete and accurate listing of all configuration items for both internal and external audit purposes, which will in turn support	Corrective action items are in progress.

Recommendation Detail	Status
closer monitoring and management of the configuration management process.	
Enforce existing policy requiring mandatory security configuration settings, developed by OPM or developed by vendors or Federal agencies, are implemented and settings are validated on a periodic basis to ensure appropriateness.	Corrective action items are in progress.
Establish a means of documenting a list of users with significant information system responsibility to ensure the listing is complete and accurate and the appropriate training is completed.	Corrective action items are in progress.
Perform a comprehensive review of the appropriateness of personnel with access to systems at the Agency's defined frequencies.	Corrective action items are in progress.
We recommend that OPM cease implementing the RIL 2016-12 and OS Clearinghouse 359 memoranda to apply the state court-ordered marital share to Annuity Supplements unless those court orders expressly and unequivocally identify the Annuity Supplement to be apportioned.	Corrective actions are in progress to address the recommendation.
We recommend that OPM take all appropriate steps to make whole those retired LEOs and any other annuitants affected by this re-interpretation. This would include reversing any annuities that were decreased either prospectively or retroactively that involved a state court order that did not expressly address the Annuity Supplement.	Corrective actions are in progress to address the recommendation.
We recommend that OPM determine whether it has a legal requirement to make its updated guidance, including Retirement and Insurance Letters, publicly available.	OPM is re-evaluating technology options. Once the evaluation is complete, OPM will coordinate with the appropriate personnel to perform a gap analysis to identify the monitoring, inventory, and management tools needed to implement automated infrastructure management as required by the DCOI and OMB. OPM does not have a target date to complete the evaluation.

Recommendation Detail	Status
<p>We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to:</p> <p>Interface / Data Transmission Controls - Develop interface / data transmission design documentation that specifies data fields being transmitted, controls to ensure the completeness and accuracy of data transmitted, and definition of responsibilities.</p>	<p>Corrective action items are in progress.</p>
<p>We recommend that the Office of the Director ensure that the CIO has adequate involvement and approval in all phases of annual and multi-year planning, programming, budgeting, and execution decisions in line with FITARA and OMB Circular A-130 requirements.</p>	<p>Corrective action items are in progress.</p>
<p>Recommendation 2: We recommend that OPM perform a gap analysis to identify the monitoring, inventory, and management tools that it needs to implement automated infrastructure management as required by the DCOI and OMB.</p>	<p>OPM is re-evaluating technology options. Once the evaluation is complete, OPM will coordinate with the appropriate personnel to perform a gap analysis to identify the monitoring, inventory, and management tools needed to implement automated infrastructure management as required by the DCOI and OMB. OPM does not have a target date to complete the evaluation.</p>
<p>Recommendation 3: We recommend that OPM install automated power metering in all of its data centers in accordance with the requirements in the DCOI.</p>	<p>OPM is re-evaluating technology options. Once the evaluation is complete and if feasible, OPM will coordinate with the appropriate personnel to install automated power metering in the data centers in accordance with the requirements in the DCOI. OPM does not have a target date to complete the evaluation.</p>
<p>Recommendation 4: We recommend that OPM assess the current state of its infrastructure to accurately report data center metrics, including the correct number of data centers (including non-tiered spaces), the correct operational status of data centers, and accurate energy usage.</p>	<p>OPM is re-evaluating technology options. Once the evaluation is complete, OPM will coordinate with the appropriate personnel to assess the current state of its infrastructure to accurately report data center metrics, including the correct number of data centers (including non-tiered spaces), the correct operational status of data centers, and accurate energy usage. OPM does not have a target date to complete the evaluation.</p>

Recommendation Detail	Status
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Establish a means of documenting all users who have access to systems, and all users who had their systems access revoked.	Corrective action items are in progress.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Prepare audit logging and monitoring procedures for databases within application boundaries. Review audit logs on a pre-defined periodic basis for violations or suspicious activity and identify individuals responsible for follow up or elevation of issues to the appropriate team members for review. The review of audit logs should be documented for record retention purposes.	Corrective action items are in progress.
We recommend that OPM conduct a new, comprehensive study by seeking independent expert consultation on ways to lower prescription drug costs in the FEHBP, including but not limited to the possible cost saving options discussed in this report.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that OPM evaluate any study conducted pursuant to Recommendation 1 and, with due diligence, formulate recommendations and a plan for agency action based on the best interests of the government, the FEHBP, and its enrollees.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that OPM's Healthcare and Insurance office update its improper payments rate calculation, including a plan to do so with target dates, and documentation of any analysis conducted, and conclusions reached in developing the updated methodology. This methodology, at a minimum, should include estimations for the population of FEHBP carriers that have not been audited each year and statistically valid sampling to provide a more accurate representation of improper payments for reporting.	Corrective actions are planned and in progress but not yet fully complete.

Recommendation Detail	Status
We recommend that Healthcare and Insurance evaluate the data in the FWA Report to determine if the data can be simplified and validated, as necessary, to be used as a tool for its improper payments rate reporting.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that Retirement Services conduct an analysis to determine if other types of data mining reviews can be performed, using the annuity roll data, to identify improper payments.	Corrective actions to address this recommendation are in progress.
We recommend that Retirement Services develop a plan of action to utilize the data mining reviews identified in response to Recommendation 10 and report the results of those reviews in its improper payment calculation, including documenting any issues identified.	Corrective actions to address this recommendation are in progress.
We recommend that all payments made to deceased annuitants be classified as improper in the year in which they are identified.	OPM is working to document the process to capture all improper payments timely.
We recommend that Retirement Services provide support to show the final results of the 9,169 cases in which reclamation was initiated and the 43 cases referred to the Survivor Processing Section from its review of returned 2016 tax year Form 1099-Rs.	OPM still does not support using resources to review 1099R's from 2016.
We recommend that Retirement Services maintain support for future reviews of returned Form 1099-Rs, including an accounting of overpayments made to annuitants dropped from the annuity rolls, identified as deceased, or referred for further research and/or drop action, and include the total of such payments in the annual calculation of improper payments.	OPM is continuing to explore methods to document and account for improper payments identified in the review of returned 1099-Rs.
We recommend that the PBM return \$834,425 to the Carrier (to be credited to the FEHBP)	Corrective actions to address the recommendations are being considered.
We recommend that the PBM continue researching this issue and identify all other pharmacies whose full value of the negotiated discounts were not passed through to the FEHBP.	Corrective actions to address the recommendations are being considered.



Recommendation Detail	Status
We recommend that the Carrier require the PBM to pay FEHBP pharmacy claims based on the full value of the PBM's negotiated discounts with retail pharmacies at the time of adjudication. The guarantee found in the Agreement (between the Carrier and the PBM) should only be applied as a true-up when that guaranteed discount exceeds the pass-through transparent pricing for the period being analyzed.	Corrective actions to address the recommendations are being considered.
We recommend that OPM establish PBM transparency standards for all new, renewed, or amended contracts that are specific to community-rated HMOs.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM implement the following rate instruction changes: (1) Include transparency standards requiring the carriers to provide support for all claims, encounters, and capitated rates, including those from their provider-owned networks or related entities used in the MLR, rate proposal, and rate reconciliation calculations; and (2) Improve MLR criteria to provide complete, clear, and concise instructions of the FEHBP MLR process, including specific instructions concerning provider-sponsored health plans and capitated arrangements in its cost reporting.	OPM does not concur with this recommendation and will explore further options for closure.
We recommend that OPM develop formal policies to ensure that site visits are conducted every three years for FEHBP carriers in accordance with its control to meet OMB Circular A-123 requirements. If the time and costs to perform the site visits outweigh the benefits, OPM should modify its controls and report new procedures to mitigate risks for the FEHBP payment process.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM eliminate the self-certification process for FEDVIP and implement an enrollment verification process that requires documentation to prove family member relationships at the time of enrollment. In the meantime, BENEFEDS, as the sole enrollment portal for FEDVIP, should have the authority to request eligibility documentation that includes marriage and birth certificates.	OPM does not concur with this recommendation and will explore further options for closure.

Recommendation Detail	Status
We recommend that OPM develop standard performance metrics with penalties to be included in all new or renewed contracts with FEDVIP carriers.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM work with the OCFO to establish internal procedures for properly reviewing and verifying the accuracy and completeness of the working capital schedules reported in the AAS by FFS and ER HMO carriers.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that RS implement internal controls to ensure that all staff responsible for processing disability cases, including but not limited to Medical Specialists, Paralegals, and Legal Administrative Specialists, take the required training to perform their job functions and that supporting documentation for completed training is maintained.	Corrective actions have been implemented. All personnel responsible for processing disability cases have taken the required training and supporting documentation is completed and maintained.
We recommend that RS establish a plan to complete the Medical Call-ups that are past the annual review period and stop any payments for which annuitants are no longer eligible.	Corrective actions to address this recommendation are in progress. We have requested additional funding and staffing to address the Medical Call Up workload.
We recommend that RS ensure that Medical Call-ups are conducted timely, and that supporting documentation is maintained.	Corrective actions to address this recommendation are in progress. OPM requested additional funding and staffing to address the Medical Call Up workload.
We recommend that RS investigate the cases due for Medical Call-ups in FY 2019 to determine if improper payments were made and immediately initiate any funds recovery, if applicable.	Corrective actions to address this recommendation are in progress. OPM requested additional funding and staffing to address the Medical Call Up workload.
We recommend that Retirement Services continue to work with OPM's Office of the Chief Information Officer to establish a modernized Information Technology system that has capabilities to ensure the proper tracking of cases throughout the disability process.	RS and OPM CIO have built an IT modernization plan and have begun development of key applications. However, wide scale implementation will require sustained funding.
We recommend that GHP segregate its internal network in order to separate sensitive resources from user-controlled systems.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that OPM modify FEHBP contract language for all applicable records retention clauses to require the retention and accessibility of claims for 10 years plus the current year in a manner of OPM/HI's choosing.	Corrective actions to address the recommendation are being considered.

Recommendation Detail	Status
We recommend that OPM modify FEHBP contracts to clarify the Agency's authority to recoup projected improper payments identified by statistical sampling.	OPM does not concur with this recommendation and will explore further options for closure.
We recommend modifying Section 2.6(g), in the amendment to the Coordination of Benefits section of the FFS contract, to allow for the recovery of low dollar claims that result from claims system errors.	Corrective actions to address the recommendation are being considered.
We recommend OPM modify or add language in Section 1.9 of all FEHBP contracts to include all relevant sections and attachments of CL 2017-13 or modify all FEHBP contracts to add relevant language stating that all CLs are an addendum to the contract language and enforceable as a contract requirement.	OPM does not concur with this recommendation and will explore further options for closure.
We recommend OPM modify or add language to the appropriate Section of the FFS and ER-HMO FEHBP contracts to state that all FWA-related recoveries must be deposited into the working capital or investment account within 30 days and returned to or accounted for in the FEHBP contingency reserve fund account within 60 days after receipt by the carrier.	Corrective actions to address the recommendation are being considered.
We recommend that OPM add language to all FEHBP contracts requiring carriers to notify the OIG's Office of Investigations regarding their intention to share FEHBP fraudulent activity with outside parties and obtain approval from OIG's Office of Investigations before sharing this information.	OPM does not concur with this recommendation and will explore further options for closure.
We recommend that OPM modify or add language to all FFS and ER-HMO FEHBP contracts requiring PBMs or providers under a Large Provider Agreement, who provide services or supplies related to benefit administration, to have an FWA program that meets the OPM contract and CL 2017-13 requirements.	Corrective actions to address this recommendation have been partially completed, while corrective action for the remainder of this recommendation is being considered.
We recommend that OPM modify the ER-HMO and FFS contracts to require that vendors under Large Provider Agreements return all FWA-related recoveries to the carrier within 30 days, whereby carriers must deposit these recoveries into their working capital or investment account within 30 days. Once deposited into one of these accounts, the carrier must return the recoveries to the contingency reserve fund.	Corrective actions to address the recommendation are being considered.

Recommendation Detail	Status
We recommend that OPM modify Section 2.3(g) and 2.3(g)(ii) to provide expectations for how carriers are to proactively identify overpayments and to define what it means by egregious errors.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that OPM modify Section 2.3(g) requiring carriers to report on their collection efforts, including how promptly the carrier-initiated collection once the erroneous payment was identified and the causes of the claim payment errors.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that OPM review the current recovery process in Section 2.3(g)(1) through (5) and consider whether the use of benefit offsets, after the first written notification is sent, would be more cost efficient.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that the Plan return \$12,174,183 to the FEHBP for defective pricing in contract years 2014 through 2016.	Corrective actions to address the recommendation are being considered.
We recommend that the Plan remove all HIF loadings from the FEHBP premium rate developments and MLR filing denominators (as applicable) that have been submitted to OPM under Contract CS 2856.	Corrective actions to address the recommendation are being considered.
We recommend that the Plan return \$1,612,812 to the FEHBP for Lost Investment Income (LII), calculated through May 31, 2021. We also recommend that the Plan return LII on amounts due for the period beginning June 1, 2021, until all defective pricing finding amounts have been returned to the FEHBP.	Corrective actions to address the recommendation are being considered.
We recommend that the Contracting Officer adjust the Plan's MLR credit for contract years 2014 through 2016 once the defective pricing findings discussed in this report is resolved.	Corrective actions to address the recommendation are being considered.
We recommend that the Contracting Officer direct its carriers to consider pooling their resources into a common PBM agreement, which could potentially not only lower costs to the program but also to its Federal members.	OPM does not concur with this recommendation and will explore further options for closure.
We recommend that the Contracting Officer complete a data analysis of the claims pricing for all FEHBP carriers who contract with the PBM to determine if the transparency standards are being implemented as intended.	Corrective actions to address the recommendations are being considered.

Recommendation Detail	Status
We recommend that the Contracting Officer require the carrier contracts to include a true-up to ensure that each carrier receives the full value of all discounts, rebates, credits, or any other financial guarantees or adjustments included within the PBM's contracts with pharmacies. The true-ups should ensure that only the final costs paid to the pharmacies and/or drug suppliers (including any post-POS reconciliations or true-ups) are passed on to the FEHBP.	Corrective actions to address the recommendations are being considered.
We recommend that the contracting officer direct the Association to update its debarment procedures to include the Guidelines for Implementation of FEHBP Debarment and Suspension Orders (Guidelines) proactive notification requirements.	Corrective actions are planned and in progress but not yet fully complete
We recommend that the contracting officer direct the Association to include all required enrollee notifications as stated in the Guidelines in the messaging to enrollees for debarred providers.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that the contracting officer direct the Association to notify the OIG monthly of all claims submitted by debarred providers after the effective date of their debarments	Corrective actions are planned and in progress but not yet fully complete
We recommend that the contracting officer direct the Association to review its reporting practices to ensure that all claims paid to debarred providers are reported to the OIG on its Semi-Annual Report (SAR).	Corrective actions are planned and in progress but not yet fully complete
We recommend that OPM revise or replace the FEHBP MLR requirements to provide a reliable measure of the premium dollars spent on the FEHBP program, including the impact of carrier corporate structure and the current community-rated product market	Corrective actions to address the recommendation are being considered.
We recommend that the contracting officer require the Plan to return \$607,204 to the FEHBP for the claim overpayments that were written off by the Plan without adequate support and/or justification, whether recovered or not, as diligent efforts to recover were not made.	Corrective actions to address the recommendation are being considered.

Recommendation Detail	Status
We recommend that the Plan return \$103,555 to the FEHB Program for defective pricing.	Corrective actions to address the recommendation are being considered.
We recommend that the Plan return \$4,547 to the FEHBP for Lost Investment Income (LII), calculated through November 30, 2022. We also recommend that the Plan return LII on amounts due for the period beginning December 1, 2022, until all defective pricing finding amounts have been returned to the FEHBP.	Corrective actions to address the recommendation are being considered.
We recommend that OPM conduct a comprehensive overview of the 2809/834 Companion Guides and 834 layouts to address dependent terminations due to tier reductions and changes to ensure all possible value combinations advise Carriers of the applicability of the 31-day Extension of Coverage (EOC) as required under the Standard Contract terms.	OPM does not concur with this recommendation and will explore further options for closure.
We recommend that OPM conduct a comprehensive overview of the paper SF 2809 and the OPM 2809 Form to ensure all necessary information is reported for Carriers to process dependent terminations and determine 31-day EOC applicability as required under the Standard Contract terms.	OPM does not concur with this recommendation and will explore further options for closure.
We recommend that OPM request that National Finance Center (NFC) revise the Centralized Enrollment Clearinghouse (CLER) system platform to establish an excessive discrepancy code fail count threshold and oversee the system to hold both agency payroll offices and Carriers accountable for making progress to resolve all discrepancy codes within an established period of time.	Corrective actions to address the recommendation are being considered.
We recommend that OPM develop procedures to monitor and enforce progress towards resolution of the CLER for fail counts of 4 or higher for code 160. This includes ensuring payroll offices and Carriers are aware of and resolving the enrollment discrepancies. OPM should also consistently adjust Carrier Plan Performance Assessments for excessive discrepancy code 160 fail counts as a method of enforcing the terms of the Standard Contract.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM review its current and archived FEHB Carrier Letters (CL) on its website,	Corrective actions are planned and in progress but not yet fully complete.

Recommendation Detail	Status
OPM.gov, to ensure that all CLs are posted and available for Carriers and other users.	
We recommend that OPM's Contracting Officer require the Carrier to return \$11,251,490 to the FEHBP for pass-through transparent drug pricing that was not received from the PBM for CYs 2015 through 2019.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer assess the Carrier \$1,228,855 for Lost Investment Income (LII) on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2022. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer require the Carrier to return \$816,814 to the FEHBP for its portion of the PBM's non-specific drug discounts that were not received due to the Carrier's failure to move its FEHBP experience-rated group to a transparent PBM arrangement with pass-through pricing for CYs 2015 through 2019.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer assess the Carrier \$100,559 for LII on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2022. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer require the Carrier to return \$531,868 to the Letter of Credit Account (LOCA) for drug pricing guarantees that were paid by the PBM to the Carrier for the FEHBP's portion of pharmacy claims from CYs 2015 through 2019.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer assess the Carrier \$56,697 for LII on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2022. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.

Recommendation Detail	Status
We recommend that OPM’s Contracting Officer require the Carrier to return \$957,512 to the FEHBP for the underpayment of drug manufacturer rebates and corresponding administrative fees that were withheld by the PBM for CYs 2015 through 2019.	Corrective actions to address the recommendation are being considered.
We recommend that OPM’s Contracting Officer assess the Carrier \$90,895 for LII on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2022. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.
We recommend that the Carrier return \$45,986 to the FEHBP for the Federal group’s portion of the penalties that were paid by the PBM to the Carrier for missed performance guarantees from CYs 2015 through 2019.	Corrective actions to address the recommendation are being considered.
We recommend that OPM’s Contracting Officer assess the Carrier \$5,595 for LII on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2022. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.
We recommend that the contracting officer disallow \$1,876,349 in overcharges to the FEHBP due to procedure code modifier claim payment errors.	Corrective actions to address the recommendation are being considered.
We recommend that OPM direct carriers to review their claims system edits as they relate to telehealth claims and to implement appropriate claim audits and/or data analytics to identify potentially fraudulent, wasteful, or abusive telehealth billing practices.	Corrective actions to address the recommendation are being considered.
We recommend that OPM develop and maintain a list of services that can be provided via telehealth and require carriers to place edits in their claims systems which will check telehealth claims against this list. Any telehealth claims with procedure codes indicating services not on this list should pend for medical review prior to payment. OPM could start with the list maintained by CMS, expanding the allowed services if desired.	OPM does not concur with this recommendation and will explore further options for closure.



Recommendation Detail	Status
We recommend that OPM specify the telehealth technology laws and regulations with which FEHBP providers must comply or create its own list of requirements, if preferred, and require FEHBP carriers to ensure providers are implementing these requirements.	OPM does not concur with this recommendation and will explore further options for closure.
<p>We recommend that OPM consult with the Office of the General Counsel (OGC) to determine the legal sufficiency of OPM’s preemptive authority to implement a uniform framework requiring FEHBP providers to obtain informed consent from all parties before recording audio or video telehealth sessions. Should OGC conclude that OPM’s preemptive authority is not sufficient to require FEHBP providers to obtain informed consent in all circumstances, then we recommend that OPM issue guidance to FEHBP carriers recommending that FEHBP providers obtain informed consent, where required by existing and applicable authorities.</p> <p>Regardless of OGC’s determination, we also recommend that the guidance OPM sends to the FEHBP carriers should require them to educate members about the importance of informed consent regarding telehealth visits, both when a provider wishes to record and if a member wishes to record their own session.</p>	Corrective actions to address the recommendation are being considered.
We recommend that OPM direct its carriers to issue guidance to members and providers on telehealth billing, privacy and security, and quality of care risks.	Corrective actions to address the recommendation are being considered.
We recommend that Retirement Services update their SOP to provide guidance on when exceptions to pulling a credit report would be warranted. The SOP should also discuss alternate procedures to validate income and expenses, when Retirement Services cannot obtain the credit report.	<p>Page 15 of the SOP addresses most of what is requested. It does not address any alternative methods of verifying income. Something along that nature should be included in the review of the FRQ and the negotiation for settlement.</p> <p>Credit Report (pg15)</p> <p>"A Credit Report is a detailed report of an individual’s credit history prepared by a credit bureau. It is used to determine an individual’s ability to repay an overpayment based upon debt and Financial Resources Questionnaire. If the debt or repayment structure is not challenged, there is no need to pull a credit report or</p>

Recommendation Detail	Status
	complete a Financial Resources Questionnaire. A credit report is not needed for cases where the debtor submits payment for the entire overpayment/debt."
We recommend that Retirement Services ensure that they maintain sufficient documentation to support when waivers over 20 percent of the debt are approved.	OIG closed recommendation from documents RS submitted on 3/14/2025.
We recommend that the OCFO and Retirement Services develop policies and procedures to ensure that the total (gross) amount of the overpayment(s) is reported as an improper payment, along with controls to validate the proper amount is reported.	Corrective actions to address this recommendation are in progress. OPM submitted proposed modified procedure language to OCFO awaiting approval.
We recommend that the contracting officer disallow \$7,166,608 in overcharges to the FEHBP. To date, overpayments totaling \$1,305,776 have been recovered, leaving a remaining amount of \$5,860,832 due to the FEHBP.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that the contracting officer allow \$96,784 in underpayments to the FEHBP and direct the Association to instruct the local BCBS Plans to make the necessary adjustments and issue payments to the providers and/or members.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that the contracting officer ensure that the Association continues recovery efforts and that the FEHBP is properly credited for all FY 2022 monies recovered for the nine months of FY 2022 not covered by this audit	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that the contracting officer disallow \$5,509,432 in overcharges to the FEHBP. To date, overpayments totaling \$2,266,366 have been recovered, leaving a remaining amount of \$3,243,066 due to the FEHBP.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.

Recommendation Detail	Status
We recommend that the contracting officer direct the Association to institute policies and procedures to run reports of claims with the X52 errors within 30 days of any software update effecting pricing, to issue to its local BCBS Plans for review and repricing.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that the contracting officer disallow \$9,464,843 in overpayments estimated from our expanded sample. In addition, we recommend the contracting officer direct the Association to complete its review of the expanded sample and the appropriate amounts to be paid to determine the actual overpayment to the FEHBP.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that the contracting officer disallow \$340,079 in overcharges to the FEHBP.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that the contracting officer direct the Association to update its FAM to instruct local BCBS Plans to manually price claim lines with modifiers requiring medical review/approval at the appropriate Medicare amount with applicable modifier price adjustments.	Corrective actions are planned and in progress but not yet fully complete.
We recommend the contracting officer direct the Association to consider requiring its OBRA vendor to return a price for all claims initially, even if the claims require medical review/approval, to ensure that a price is available following the review.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that HAM ensure Carle segments its internal network in order to securely separate sensitive resources from user-controlled systems.	Corrective actions are planned and in progress but not yet fully complete
We recommend that HAM ensure Carle provides the training to personnel with incident response roles and responsibilities according to its policies and procedures. Note – this recommendation cannot be implemented until the controls from Recommendation 7 are in place.	Corrective actions are planned and in progress but not yet fully complete
We recommend that HAM develop and then implement a process to review and update its systems' baseline configurations in accordance with CM-2 control requirements.	Corrective actions are planned and in progress but not yet fully complete

Recommendation Detail	Status
We recommend that HAM develop and then implement a process to routinely review its systems to identify unnecessary functionalities and disable or remove them.	Corrective actions are planned and in progress but not yet fully complete
We recommend that HAM install all security-relevant software updates identified during this audit.	Corrective actions are planned and in progress but not yet fully complete
We recommend that HAM require developers to complete role-based security and privacy training.	Corrective actions are planned and in progress but not yet fully complete
We recommend that the Plan ensure that appropriate copayments are applied to claims as defined in the FEHBP benefit brochure.	Corrective actions are planned and in progress but not yet fully complete
We recommend that the Contracting Officer disallow \$203,231,446 in overcharges to the FEHBP.	Corrective actions to address the recommendation are being considered.
We recommend that the Contracting Officer direct the Association to instruct the Plan to institute a secondary review process whenever a processor overrides a Federal Employee Program (FEP) debarment edit.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Establish a mechanism to systematically track all configuration items that are migrated to production in order to produce a complete and accurate listing of all configuration items. Further, develop, document, implement, and enforce requirements and processes to periodically validate that all configuration items migrated to production are authorized and valid.	Corrective action items are in progress.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Enforce existing policy developed by OPM, vendors or Federal agencies requiring mandatory security configuration settings, implement a process to periodically validate the settings are appropriate and ensure that proper baselines are scanned.	Corrective action items are in progress.

Recommendation Detail	Status
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Develop interface / data transmission design documentation that specifies definition of responsibilities, as well as on-going system balancing requirements.	Corrective action items are in progress.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Implement a mechanism in order to associate hardware and software assets with application boundaries.	Corrective action items are in progress.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Establish a means of documenting a list of users with significant information system responsibilities to ensure the listing is complete and accurate and the appropriate training is completed.	Corrective action items are in progress.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Ensure policies and procedures governing the provisioning and de-provisioning of access to information systems are followed in a timely manner and documentation of completion of these processes is maintained.	Corrective action items are in progress.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Perform a comprehensive periodic review of the appropriateness of personnel with access to systems.	Corrective action items are in progress.
We recommend that the Office of the Chief Information Officer (OCIO), in coordination with system owners, enforce and monitor the implementation of corrective actions to: Document access rights to systems to include roles, role	Corrective action items are in progress.

Recommendation Detail	Status
descriptions, privileges or activities associated with each role, and role or activity assignments that may cause a segregation of duties conflict.	
We recommend that the Retirement Services' Associate Director establish quality control measures to ensure complete and accurate errors are captured and reported in the monthly Agency Audit Report.	Corrective actions to address this recommendation are in progress. The revision of the Agency Accuracy Checklist, the implementation of the internal review of the audit and beginning the reporting of the internal review audit.
We recommend that the Retirement Services' Associate Director improve the transparency in reporting application processing times by developing a process to track and report application processing times based on healthy application packages versus unhealthy application packages.	Corrective actions to address this recommendation are in progress. The development of PowerBi reports to ensure accurate reporting of processing times and incorporating the data from the PBI report into the monthly Agency Case Accuracy Report.
We recommend that the Retirement Services' Associate Director prioritize and allocate additional resources to close out the open GAO recommendations.	Corrective actions to address this recommendation are in progress.
We recommend that the Contracting Officer direct the Association to instruct the Plan to institute edits to prevent claims paying to providers with incomplete files.	Corrective actions are planned and in progress but not yet fully complete.
<p>We recommend that OPM immediately implement internal controls, including written policies and procedures, over the disputed claims process to ensure it is in compliance with the time limitations specified in 5 CFR § 890.105, including but not limited to:</p> <ul style="list-style-type: none"> <li>• policies/procedures to govern the 90-day window allotted for OPM to review disputed claims;</li> <li>• policies/procedures to govern how OPM will address disputed claims appealed to them when the carrier reviewed the disputed claim outside the allotted timeframe and/or the FEHBP member's window to appeal expired (either at the carrier level [FEHBP Benefit Brochures, Section 8, Step 1 and 2] or OPM's level [FEHBP Benefit Brochures, Section 8, Step 3 and 4]; and</li> <li>• roles and responsibilities by position title of OPM</li> </ul>	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.

Recommendation Detail	Status
personnel tasked with duties during the disputed claims process.	
We recommend that OPM implement an internal control process to monitor Privacy Act requirements, as they relate to the Disputed Claims process, so that SORNs and other Privacy Act requirements are fulfilled in a timely manner.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM implement sufficient controls, including written policies and procedures, to ensure that FEHBP members' identities are verified and disputed claims records are not disclosed without consent as specified in the Privacy Act.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM evaluate the disputed claims data that relate to the decommissioned HITS and ensure that applicable paper files and electronic files are stored per the terms of 36 CFR, Chapter XII, Subchapter B, Records Management and OPM's RMP for the applicable disposition schedule.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM update the record retention period, ensuring that it provides sufficient time for the processing and resolution of a disputed claim.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM catalog the disputed claims cases where the same Y codes were applied to unique cases, and that OPM develop a unique record identifier for cases with the same Y code so that they can be clearly differentiated until the record retention requirements have expired.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM develop written policies and procedures that define the role of the Y code in the disputed claims process and the specific case data	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.

Recommendation Detail	Status
to be utilized by applicable OPM personnel to identify unique disputed claims cases.	
We recommend that 5 CFR § 890.107 be revised to align the start of FEHBP members' due process rights to the date of OPM's decision on the appeal and not the date on which the health service was provided.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM implement written policies and procedures to address the use of additional information letters in the disputed claims process.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM implement policies and procedures to standardize the review of disputed claims, provide the policies and procedures to applicable OPM personnel, and implement a plan to review and update the policies and procedures regularly.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
<p>We recommend that OPM immediately implement written policies and procedures for the administration and use of FDC to ensure:</p> <ul style="list-style-type: none"> <li>• All FDC users are tracking disputed claim cases in the system consistently.</li> <li>• Disputed claims cases are consistently opened and closed in FDC among all users.</li> <li>• Disputed claim cases remain open in FDC during the 30-day FEHBP member response window, and OPM's 90-day review time frame includes the FEHBP member additional information letter process in cases where the FEHBP member responds timely.</li> <li>• The date of the FEHBP member additional information letter and the FEHBP member response date (if applicable) are made reportable fields in FDC.</li> <li>• FDC stores sufficient evidence to prove the FEHBP member provided new information after OPM made its decision, which warrants the reopening of the case.</li> <li>• All data components, including the medical codes (Current Procedural Terminology (CPT), Healthcare Common Procedure Coding System (HCPCS), etc.), are populated in FDC.</li> <li>• A process is established to assess FDC data trends, issues, and errors so that corrective action can be implemented timely.</li> </ul>	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.



Recommendation Detail	Status
We recommend that OPM implement a disputed claims process training program for new and current employees to ensure all personnel involved in the disputed claims review, regardless of assigned FEHB Group, are reviewing disputed claims timely and consistently.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
<p>We recommend that OPM implement a disputed claims quality assurance program to ensure that the disputed claims data is regularly reviewed for:</p> <ul style="list-style-type: none"> <li>• Consistent and timely logging and addressing of FEHBP member correspondence.</li> <li>• The identification of concerning trends with providers, procedures, prescriptions, etc.</li> <li>• Consistent reviews of like-kind claims.</li> <li>• OPM's adherence to the implemented policies and procedures.</li> <li>• Consistent handling of IMR reviews, especially in cases where the carrier provided at least one IMR itself.</li> <li>• Prompt identification and correction of human errors.</li> </ul>	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM update Section 8, Part 4 of the FEHBP benefit brochures to align with 5 CFR § 890.105(e)(4), 48 CFR § 1652.204-72(e)(4), and the FEHBP carrier Contract language Section 2.8(e)(4).	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that OPM implement internal controls to ensure that FOIA/PA requests can be met within the statutory deadlines.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that the Contracting Officer disallow \$1,083,534 in FEHBP overcharges due to PNS errors. To date, \$228,641 has been recovered and \$854,893 remains due to the FEHBP.	OPM is gathering evidence to provide to the OIG to support closure of the recommendation.
We recommend that the Contracting Officer direct the Association to instruct the local BCBS plans to review and update as needed, or institute policies and procedures, to identify all affected claims caused by an update to a provider file and to initiate any recoveries or adjustments warranted by the change in PNS.	Corrective actions are planned and in progress but not yet fully complete.

Recommendation Detail	Status
<p>We recommend that the Contracting Officer require the Association to update its Administrative Procedures and Benefit Policy Manual (APM) to direct local Plans to ensure that all debarred and suspended providers in its local area are added to their local provider databases and flagged as debarred or suspended, even if the providers have not previously submitted FEHB Program claims (including adding non-participating (Non-Par) providers on the OPM listing, if necessary) so claims paid to them will be flagged if presented to the local Plans as required by the Guidelines.</p>	<p>Corrective actions are planned and in progress but not yet fully complete.</p>
<p>We recommend that the Contracting Officer require the Association to update its APM to include other (non-SSN) matching criteria available on the OPM debarred provider listing for potential partial matches for flagging purposes in its DPF and local Plan provider databases. The Association should also provide training to its local Plans to ensure that they understand the importance of these additional matching criteria.</p>	<p>Corrective actions to address the recommendation are being considered.</p>
<p>We recommend that the Contracting Officer require the Association to update its claims processing system with edits to ensure that claim lines with telehealth-related Place of Service (POS) and modifier codes suspend for review prior to payment.</p>	<p>Corrective actions are planned and in progress but not yet fully complete.</p>
<p>We recommend that the contracting officer require the Plan to recover and return \$642,579 to the FEHBP for the questioned claim overpayments (currently set up as provider offsets). If these overpayments are determined to be uncollectible, then the contracting officer should require the Plan to provide adequate documentation demonstrating that all prompt and diligent efforts were made to recover these funds before writing them off, as required by the FEHBP contract.</p>	<p>Corrective actions are planned and in progress but not yet fully complete.</p>
<p>We recommend that the Contracting Officer require the Association to update its claims processing system with edits to ensure that claim lines with telehealth related place of service and procedure code modifiers suspend prior to payment for review.</p>	<p>Corrective actions are planned and in progress but not yet fully complete.</p>

Recommendation Detail	Status
We recommend that the Contracting Officer require the Association to reprocess the identified claims with its updated claim edits to determine if they were properly paid and if not, to return any identified overpayments to the FEHBP.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that OPM's Contracting Officer require the PBM and Carrier to return \$12,484,472 to the FEHBP for its portion of retail pharmacy pricing discounts not received from the PBM for CYs 2016 through 2021.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer assess the PBM and Carrier \$1,884,412 for Lost Investment Income (LII) on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2023. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer require the Carrier to adopt new controls to ensure that the PBM charges no greater than the value of the PBM's negotiated discounts with each retail pharmacy in effect at the time of claim adjudication. True-ups to any retail pricing guarantees should be performed quarterly or annually in accordance with the Carrier's PBM agreement.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that OPM's Contracting Officer require the PBM and Carrier to return \$5,911,973 to the FEHBP for its portion of the PBM's non-specific drug inventory purchasing discounts that were not received for CYs 2016 through 2021.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer assess the PBM and Carrier \$911,290 for LII on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2023. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.

Recommendation Detail	Status
We recommend that OPM's Contracting Officer require the PBM and Carrier to return the FEHBP's portion of the PBM's "non-specific drug discounts" going back to the start of the Carrier's transparent agreement with the PBM, specifically for the period of CYs 2012 through 2015. The PBM has already identified an additional \$1,397,520 in drug inventory purchasing discounts for CY 2015 that should be returned to the FEHBP as overcharges.	Corrective actions to address the recommendation are being considered.
We recommend that the Carrier adopt new controls to ensure that the PBM passes through all its drug inventory purchasing discounts associated with the Carrier and FEHBP in accordance with the PBM Transparency Standards for mail order and specialty drug actual acquisition costs.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that Carrier collect \$2,279,264 in claim transaction fees that were credited back to the PBM by retail pharmacies for the Carrier's CY 2016 through 2021 prescription drug benefits.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer assess the PBM and Carrier \$289,501 for LII on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2023. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.
We recommend that the PBM adopt policies and procedures to ensure that the Carrier receives the value of all credits (i.e., claim transaction fees) that the PBM collects from retail pharmacies under pass-through transparent pricing.	Corrective actions are planned and in progress but not yet fully complete.
We recommend that the PBM return the remaining amount of \$3,106,914 to the Carrier and the FEHBP for the underpayment of drug manufacturer rebates that were collected during CYs 2016 through 2021.	Corrective actions to address the recommendation are being considered.
We recommend that OPM's Contracting Officer assess the PBM and Carrier \$374,636 for LII on the questioned costs due back to the FEHBP for this finding, calculated through December 31, 2023. The LII should be adjusted to account for the date the questioned costs are returned to the program.	Corrective actions to address the recommendation are being considered.

Recommendation Detail	Status
We recommend that the PBM adopt controls to ensure that all drug manufacturer rebates are properly allocated and passed through to the FEHBP.	Corrective actions are planned and in progress but not yet fully complete.

## List of Acronyms

CBJ	Congressional Budget Justification
CHCOC	Chief Human Capital Officers Council
CIGIE	Council of the Inspector General on Integrity and Efficiency
CM IPS	Credit Monitoring & Identity Protection Services
CSRDF	Civil Services Retirement and Disability Fund
CSRS	Civil Service Retirement System
DCFSA	Dependent Care Flexible Spending Account
DCSA	Defense Counterintelligence and Security Agency
DLA	Defense Logistics Agency
DOD	Department of Defense
DOJ	U.S. Department of Justice
EEO	Equal Employment Opportunity
EHRI	Enterprise Human Resources Integration
EX	Executive Schedule
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits Program
FEHBF	Federal Employees Health Benefits Fund
FEHB	Federal Employees Health Benefits
FERCCA	Federal Erroneous Retirement Coverage Correction Act
FERS	Federal Employees Retirement System
FLTCIP	Federal Long-Term Care Insurance Program
FOIA	Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FRAE	Further Revised Annuity Employees
FSAFEDS	Flexible Spending Accounts for Federal Employees
FSEM	Facilities, Security, and Emergency Management
FTE	Full-time Equivalent

FY	Fiscal Year
GAO	Government Accountability Office
GS	General Schedule
GSA	General Services Administration
HC	Human Capital
HCFSA	Health Care Flexible Spending Accounts
HI	Healthcare and Insurance
HMO	Health Maintenance Organization
HR	Human Resources
HRIT	Human Resources Information Technology
HRLOB	Human Resource Line of Business
HRS	Human Resource Solutions
IAA	Inter-agency Agreement
IPS	Identity Protection Services
IT	Information Technology
LA	Legislative Affairs
LEX HCFSA	Limited Expense Health Care Flexible Spending Account
LOB	Line of Business
LOC	Letter of Credit
MSAC	Merit System Accountability & Compliance
MSPB	Merit Systems Protection Board
OA	Office of Audits
OCFO	Office of the Chief Financial Officer
OCHCO	Office of the Chief Human Capital Officer
OCIO	Office of the Chief Information Officer
OD	Office of the Director
ODNI	Office of the Director of National Intelligence
OE	Office of Evaluations
OGC	Office of the General Counsel
OGE	Office of Government Ethics
OI	Office of Investigations

OIG	Office of the Inspector General
OLLA	Office of Legal and Legislative Affairs
OMB	Office of Management and Budget
OPM	Office of Personnel Management
P.L.	Public Law
PMO	Program Management Office
PSHB	Postal Service Health Benefits
PSRHBF	Postal Service Retiree Health Benefit Fund
QSMO	Quality Service Management Office
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RF	Revolving Fund
RS	Retirement Services
S&E	Salaries & Expenses
SES	Senior Executive Service
SL	Senior Level
SSCLOB	Security, Suitability and Credentialing Line of Business
ST	Scientific and Professional
SuitEA	Suitability Executive Agent
TRB	Theodore Roosevelt Building
U.S.C.	United States Code
USAL	USA Learning
USAP	USA Performance
WPI	Office of Workforce Policy and Innovation





## **U.S. Office of Personnel Management**

Office of the Chief Financial Officer

1900 E Street NW

Washington, DC 20415

[OPM.gov](https://www.opm.gov)