United States Office of Personnel Management

Congressional Budget Justification Performance Budget

Fiscal Year 2016

CBJ Submission
February 2015

February 2, 2015

The Honorable John Boozman
Chairman
Subcommittee on Financial Services
 and General Government
Committee on Appropriations
United States Senate
184 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ander Crenshaw
Chairman
Subcommittee on Financial Services
 and General Government
Committee on Appropriations
U.S. House of Representatives
B-300 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Boozman and Chairman Crenshaw:

Please find enclosed the U.S. Office of Personnel Management's (OPM) Fiscal Year (FY) 2016 Congressional Budget Justification. OPM's total budget request of $272 million in discretionary resources includes $245 million for OPM operations, and $27 million to support the Office of the Inspector General (OIG).

With these resources, OPM will meet its duties to serve the Federal government, its employees and retirees and the American people. This budget request will strengthen OPM's mission to recruit, retain, and honor a world-class workforce, providing the highest quality service as America's model employer for the 21st century.

OPM's FY 2016 request is $32 million above our FY 2015 appropriation. Most of these funds will be directed towards investments in IT network infrastructure and security. As a proprietor of sensitive data -- including personally identifiable information for 32 million federal employees and retirees – OPM has an obligation to maintain contemporary and robust cybersecurity controls. The infiltration of our network last year underscores the importance of these investments.

It has been a year since OPM developed and launched its FY 2014 - 2018 Strategic Plan. The budget proposal that we have outlined in this document is aligned to that plan, and will allow OPM to maintain its operations and continue with the execution of its mission priorities.

I appreciate the opportunity to respond to your interest in this matter. If you have any questions, please contact Angela Kouters, OPM's Director of Congressional, Legislative and Intergovernmental Affairs, at (202) 606-1300.

Sincerely,

Katherine Archuleta
Director

Enclosure

cc: Ranking Member Coons
      Ranking Member Serrano

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Executive Summary

FY 2016 Budget Overview

As the Federal Government's chief human resources agency and personnel policy manager, the U.S. Office of Personnel Management (OPM) aspires to *Recruit, Retain and Honor a World-Class Workforce to Serve the American People* by directing human resources policy, promoting best practice in human resource management, administering retirement, healthcare and insurance programs, overseeing merit-based and inclusive hiring into the civil service, and providing a secure employment process.

OPM requests **$272,082,000** in discretionary resources for Fiscal Year (FY) 2016. **$245,238,000** of this amount is for OPM activities. This funding will support OPM's executive leadership, administrative operations and services to the Federal Government, its employees, retirees, and the American public. **$26,844,000** is requested for the Office of the Inspector General (OIG). The OIG routinely conducts independent audits, investigations and assessments on OPM's programs and activities.

OPM Budget FY 2014 through FY 2016 - Discretionary Resources

OPM Budget Authority	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Request
Discretionary Appropriation	**$214,335,000**	**$214,464,000**	**$245,238,000**
Salaries and Expenses Total	**$95,757,000**	**$96,039,000**	**$120,688,000**
Salaries & Expenses	$88,708,000	$96,039,000	$118,188,000
EHRI S&E - No-Year	$5,703,800		
HRLOB S&E No-Year	$1,345,200		
FIS S&E No-Year			$2,500,000
Trust Fund Total	**$118,578,000**	**$118,425,000**	**$124,550,000**
Trust Fund Annual	$115,978,000	$118,425,000	$124,550,000
Trust Fund Limitation - No Year	$2,600,000		
OIG Discretionary Appropriation	**$26,024,000**	**$25,724,000**	**$26,844,000**
Salaries & Expenses - OIG	$4,684,000	$4,384,000	$4,365,000
Trust Fund Annual - OIG	$21,340,000	$21,340,000	$22,479,000
OPM Total	**$240,359,000**	**$240,188,000**	**$272,082,000**

The request will enable OPM to address critical information technology (IT) security issues; identify means and methods to efficiently deliver digital services; enhance systems necessary to operate the Multi-State Plan Program; provide Government-wide tools to assist agencies with workforce management; and, develop and provide investigative products that comply with the new Federal Investigations Standards. This budget request represents a 14 percent increase for OPM operations and 4 percent increase for OPM's OIG. The requested increase will enable the OIG to expand the scope of the data warehouse that it uses for oversight of the FEHB program as described in the Office of the Inspector General chapter of this document.

- **FY 2016 IT Network Remediation and Stabilization**

  OPM stores more Personally Identifiable Information (PII) than almost any other Federal agency, including banking information for more than 2 million annuitants and background investigations for more than 30 million people. This number includes individuals being considered for enlistment in the military; individuals being considered for appointment to or retention in Federal positions; and individuals being considered for employment by Federal contractors. The investigations could concern suitability or fitness for Federal or Federal contractor employment; eligibility for logical or physical access to Federal systems or facilities; or eligibility for access to classified information or to hold a position that is considered sensitive from a national security perspective. It is imperative that the confidentiality of this information be secured to protect the identities, lives, and livelihoods of these people, and the family members and associates identified as part of these records. The threats to identity theft, financial espionage, etc., are real, dynamic and must be averted.

  OPM's FY 2016 request budgets $21,000,000 to implement and sustain agency network upgrades initiated in FY 2014 and security software maintenance to ensure a stronger, more reliable, and better protected OPM network architecture. This requested funding provides critical support to defend the OPM IT network against attacks like the cybersecurity incident recently brought to light in 2014, and positions OPM to maintain the critical updates being deployed in FY 2014 and FY 2015. This updated network must be maintained over time to ensure that OPM's system does not revert to antiquity and insecurity. It must also continue to employ the best security tools to protect OPM's IT infrastructure from ever-increasing and exponentially sophisticated network attacks. As a result, additional funding is needed to support operations and maintenance of the additional hardware, software, and staff.

  This funding request fully aligns with the Office of Management and Budget (OMB) Memorandum M-14-03 "Enhancing the Security of Federal Information and Information Systems" and the OMB Cyber Security Cross-Agency Priority (CAP) Goal. The goal is to improve cybersecurity performance through ongoing awareness of information security, vulnerabilities and threats impacting the operating information environment. Adequate funding will help ensure that only authorized users have access to resources and information, and will enable the implementation of technologies and processes that reduce the risk of malware.

The funding requested represents the results of a detailed security analysis to ensure OPM's network is well protected now and into the future. Costs include maintenance for a sustained security operations center (SOC) to provide critical oversight of OPM's security posture and real-time 24/7 monitoring of network servers to detect and respond to malicious activity. Further, this funding includes support for stronger firewalls and storage devices for capturing security log information used for analysis in the event of cyber-attack. The advanced security tools such as database encryption and masking software licenses must be renewed each year to ensure tools are in place, real-time updates and security patches are applied, and OPM can provide the very best protection for OPM's IT network. Additional staff is needed for the SOC that monitors the security of the network. This will permit faster response time to cyber-attacks and reduce the potential damage of those attacks.

- **Digital Services Team**

OPM, like other Federal agencies, will develop a Digital Services team in FY 2016. This Digital Service team will be responsible for driving the efficiency and effectiveness of the agency's highest-impact digital services. Requirements for the establishment of the Digital Service teams as well as information on support being offered by the United States Digital Service can be found at: https://community.max.gov/x/p4NxLQ.

- **Multi-State Plan Management System Enhancements**

OPM has invested in web systems to efficiently fulfill our responsibility under the Patient Protection and Affordable Care Act of 2010 (i.e., the Act) to implement and manage the Multi-State Plan (MSP) Program. The budget will allow us to develop, design, test, secure, maintain, operate, and enhance MSP web systems. MSP web systems will enable OPM to:

  o evaluate applications and manage contract performance in a paperless environment (e.g., potential issuers apply online to become an MSP Issuer; contract management and issuer performance is tracked online);
  o offer enrollees the opportunity to submit and track their appeals online when Issuers deny coverage of health benefits, and
  o collaborate with MSP Issuers, and also with the appropriate Department of Insurance in each State and the District of Columbia, to resolve complaints from enrollees and consumer rights groups.

This investment not only supports OPM's responsibilities to manage the MSP Program by sponsoring high-quality, consumer-friendly and affordable insurance products, but also is necessary to accommodate the growth in the number of plans, options and insured.

- **Leadership Engagement**

  OPM is undertaking a number of activities with agencies to enable them to improve employee engagement within their particular organizational circumstances. One of the activities that OPM will undertake in FY 2016 is improving the way leaders are assessed. Research indicates that certain leadership behaviors contribute to greater employee engagement and higher group performance; as a result, employers are investing in systems that better assess potential leaders, based on their leadership competencies. The budget request will enable OPM to develop an assessment strategy, related content, and the technology needed to support government-wide hiring for supervisor, manager and executive positions. This will result in assessment tools that will assist in hiring senior managers and executives with the leadership skills that will result in increased employee engagement and improved performance. In addition, OPM will invest in enhanced functionality of our Executive and Schedule C System. This small investment will provide significant dividends for Federal agencies in allowing them the opportunity to manage their Senior Executive Service (SES) hiring, retention and development in a more efficient and Government-wide fashion.

- **Federal Investigations Enhancements**

  Although the costs of performing Federal investigations are normally financed through the Revolving Fund, the budget request will enable OPM to integrate the revised investigative standards into our products and implement a cost accounting system to improve the transparency of investigative pricing without imposing these additional capital costs on the agencies that require background investigations.

FY 2016 Budget Request by Fund

OPM is funded by a variety of sources. Its largest fund is comprised of fees provided by agencies for services, followed by transfers from OPM's benefit trust funds for administrative activities, and then its discretionary appropriations. OPM estimates that its total operating budget in FY 2016 will be **$1,955,970,257**.

OPM's discretionary request consists of two appropriations, one for OPM's general activities, and the other for OPM's Office of the Inspector General (OIG). Each contains a request for an appropriation to salaries and expenses and a request for authority to transfer funds, up to specified limits, from the Earned Benefit Trust Funds under OPM management. 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;
- Federal Employees Health Benefits Fund; and
- Federal Employees Group Life Insurance Fund.

There are three mandatory appropriations that provide for the transfer of resources from Treasury's general fund to the three Earned Benefit Trust Funds to finance benefits for Federal employees and annuitants. The trust funds and the associated mandatory appropriations are discussed in more detail in the Earned Benefit Trust Funds section of this budget. OPM also has a Revolving Fund to enable the Agency to finance work undertaken at the request of other agencies, or work that other agencies are required to reimburse. These services include investigations, human resources services and related tools and technologies such as USAJOBS. The sections which follow discuss each fund activity in more detail.

Salaries and Expenses

OPM requests **$120,688,000** in annual Salary and Expense Funds (personnel and non-personnel resources). The funding request will support the Agency's program offices that carry out OPM's statutory policy responsibilities and its oversight of other Federal agencies. Of this amount, **$616,000** will be used to continue to strengthen the capacity and capability of OPM's acquisitions workforce.

Trust Fund Transfers

OPM requests a total of **$124,550,000** in discretionary transfers from the Trust Funds for the administration of the civil service retirement and insurance programs. OPM is responsible for managing the Federal Government's health benefits and life insurance programs under the Federal Employees Health Benefits Program (FEHBP) and 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 from the Civil Service Retirement & Disability Fund (CSRDF). The administrative trust fund transfers partially fund Retirement Services, Healthcare & Insurance, and Planning and Policy Analysis operations.

Mandatory Administrative Authorities

Several provisions under Title V of the United States Code and the Federal Erroneous Retirement Coverage Correction Act (FERCCA) authorize OPM to administer retirement and insurance and to transfer funds for this administration 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 CSRDF for the following activities:

- implementing cost of living adjustments to annuities (§8340 and §8462);
- administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);
- making discretionary allotments and assignments and withholding State income taxes on monthly annuities (§8345(k) or §8469) upon annuitant request; and
- withholding taxes pursuant to section 3405 of title 26 or section 8345(k) or 8469 of this title.

Within the CSRDF account, OPM may also incur expenses as deemed appropriate for the administration of FERCCA (P.L. 106-265, title II, §2302). OPM may incur expenses to administer

the Federal Long-Term Care Insurance Program (FLTCIP) from the Employees' Life Insurance Fund (supra at title I, 5 U.S.C. §9004(f)(B)). Within the Federal Employee Health Benefits Fund, 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 Funds by the participating insurance carriers.

OPM Budget FY 2014 through FY 2016—All Resources

OPM Budget Authority	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Request
Salaries and Expenses Total	**$95,757,000**	**$96,039,000**	**$120,688,000**
Salaries & Expenses	$88,708,000	$96,039,000	$118,188,000
EHRI S&E - No-Year	$5,703,800		
HRLOB S&E No-Year	$1,345,200		
FIS S&E No-Year			$2,500,000
Trust Fund Total	**$118,578,000**	**$118,425,000**	**$124,550,000**
Trust Fund Annual	$115,978,000	$118,425,000	$124,550,000
Trust Fund Limitation - No Year	$2,600,000		
Mandatory Authority Total	**$67,142,370**	**$71,588,002**	**$75,109,701**
5 USC 8348(a)(1)(B) (Retirement)	$45,936,369	$50,382,000	$53,524,000
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) (Dental & Vision Ins.)	$17,049,000	$17,049,001	$17,049,001
5 USC 9004(f)(B) (Long-Term Care)	$2,048,001	$2,048,001	$2,190,100
FERCCA (P.L. 106-265) (Retirement)	$2,109,000	$2,109,000	$2,346,600
Revolving Fund	**$1,521,857,991**	**$1,612,587,838**	**$1,607,678,556**
Revolving Fund	$1,521,857,991	$1,612,587,838	$1,607,678,556
Advances & Reimbursements	**$5,599,150**	**$2,831,380**	**$1,100,000**
Advances & Reimbursements	$5,599,150	$2,831,380	$1,100,000
OIG Discretionary Total	**$26,024,000**	**$25,724,000**	**$26,844,000**
Salaries & Expenses - OIG	$4,684,000	$4,384,000	$4,365,000
Trust Fund Annual - OIG	$21,340,000	$21,340,000	$22,479,000
OPM Total	**$1,834,958,511**	**$1,927,195,220**	**$1,955,970,257**

Revolving Fund

OPM estimates incurring $1,607,678,556 in obligations in FY 2016 through our revolving fund representing a two (2%) percent increase (or $29,129,859) from our revised estimates for FY 2015. Our revolving fund allows us to provide critical HR services to other Federal agencies via several well established programs. Other Federal agencies pay OPM for work it is required or authorized to perform, based on customer transactions, orders, and fixed fees. Broadly classified in three groups (Investigative Services, Human Resources Solutions, and Centralized HR Shared Services), these activities are performed by OPM staff and employees of OPM contractors qualified for the service throughout several OPM organizations.

Federal Investigative Services (FIS) anticipates that costs will exceed earned revenue from completed investigations in FY 2015, even though a price increase was implemented in October 2014. This is due to cancellation of the contract with the vendor that previously performed most of our contractually acquired investigative services. Remaining investigative services contractors are increasing capacity, but have not yet achieved parity with previous workload capacity. Furthermore, OPM may incur costs associated with the close-out of the cancelled contract. In FY 2016, we expect to roughly break even. During FY 2016, FIS will continue major initiatives scheduled to begin during FY 2015. This includes the implementation of recommendations from the President's 120-Day Suitability and Security Processes Review, establishing Continuous Evaluation programs, initiation of OPM's Enterprise Case Management System development, and accelerating the implementation of the revised Federal Investigative Standards.

After undergoing a reduction-in-force and restructuring during FY 2014, Human Resources Solutions (HRS) projects that expenses will continue to exceed revenue from reimbursements in FY 2015 and FY 2016, primarily due to a transition to new contract vehicles in their Training and Management Assistance (TMA) program. The revenue forecast does improve in FY 2016, and we project that revenue will exceed costs in FY 2017, thereby enabling a full recovery of costs over a reasonable time period. HRS will relocate the Eastern Management Development Center from Shepherdstown, WV to Washington DC, which will likely result in reduced travel costs for many of our customers, permit reduced tuition rates due to elimination of food and lodging expenses, and possibly increase demand for this service. The USA Staffing and Application manager system is being upgraded, and will be fully deployed across its customer base in FY 2016. The TMA program will leverage the partnership with the General Services Administration to renew the TMA contract and doing so will support the Administration's strategic sourcing initiative.

OPM projects that expenses from Enterprise Human Resources Integration (EHRI) Electronic Official Personnel Folders (eOPF) system and from USAJOBS will exceed revenue in both FY 2015 and FY 2016 as both programs incur costs associated with planned system upgrades. EHRI will move to a new infrastructure to enhance functionality, security and reliability. USAJOBS will deliver the planned next generation of the website. Revenue from OPM's employee self-service systems (Employee Express, myPay and Services Online) will continue to cover expenses during FY 2015 and FY 2016.

The OPM IG Act (P.L. 113-80) enacted in January 2014 extends permitted uses of the Revolving Fund to include financing the cost of audits, investigations, and oversight activities of OPM's Inspector General (IG) that relate to the OPM work financed by the Revolving Fund. The Act limits the amount of Revolving Fund resources available to the IG each year to 0.33 percent of the total budgetary authority estimated for the Revolving Fund. This Act expands the ability of the Inspector General to effectively oversee activities financed by OPM's Revolving Funds by providing a separate source of funding for such activities. The Inspector General currently anticipates utilizing $3,023,000 of Revolving Fund authority in FY 2016. Details on this activity are discussed in the Office of the Inspector General section of this document.

Revolving Funds – Revenue and Obligations

Business Line		FY 2015 Enacted	FY 2015 Revised Estimate	FY 2016 Request	Increase Decrease
Investigative Services	Revenue	$1,133,875,000	$1,122,000,000	$1,136,000,000	$14,000,000
	Obligations	$1,132,617,689	$1,132,617,689	$1,129,789,824	($2,827,865)
Human Resource Solutions	Revenue	$395,030,110	$341,579,162	$385,261,826	$35,780,000
	Obligations	$392,613,817	$357,650,411	$386,028,914	$28,378,503
HR Tools and Technology	Revenue	$33,720,000	$33,720,000	$34,420,000	$700,000
	Obligations	$33,285,228	$33,285,229	$35,525,926	$2,240,697
USAJOBS	Revenue	$12,106,940	$12,106,942	$12,318,046	$211,104
	Obligations	$11,487,545	$12,642,132	$12,893,655	$251,523
Presidential Management Fellows (PMF)	Revenue	$3,150,000	$2,695,000	$2,695,000	$0
	Obligations	$2,582,524	$2,582,524	$2,703,817	$121,293
Enterprise Human Resource Integration	Revenue	$33,992,291	$36,573,672	$37,673,732	$1,100,060
	Obligations	$37,001,035	$36,510,984	$37,736,420	$1,225,436
HR Line of Business	Revenue	$3,000,000	$3,000,000	$3,000,000	$0
	Obligations	$3,000,000	$3,259,728	$3,000,000	($259,728)
Total	**Revenue**	**$1,614,874,341**	**$1,551,674,776**	**$1,611,368,604**	**$59,693,828**
Total	**Obligations**[*]	**$1,612,587,838**	**$1,578,548,697**	**$1,607,678,556**	**$29,129,859**

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* Obligations exceed revenue in some instances because business lines use unobligated balances from prior years (i.e. carryover).

FY 2015 & FY 2016 Comparison of FTE —All Resources

OPM Budget Authority	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Request
Salaries and Expenses Total	**873.7**	**843.2**	**943.0**
Salaries & Expenses	867.2	843.2	943.0
EHRI S&E - No-Year	2.5		
HRLOB S&E No-Year	4.0		
FIS S&E No-Year			0.0
Trust Fund Total	**861.6**	**858.3**	**798.1**
Trust Fund Annual	861.6	858.3	798.1
Trust Fund Limitation - No Year	0.0		
Mandatory Authority Total	**326.3**	**322.0**	**402.2**
5 USC 8348(a)(1)(B) (Retirement)	303.0	298.7	382.5
5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) (Dental & Vision Ins.)	6.1	7.0	3.2
5 USC 9004(f)(B) (Long-Term Care)	5.2	4.3	4.5
FERCCA (P.L. 106-265) (Retirement)	12.0	12.0	12.0
Revolving Fund	**3,202.5**	**3,275.7**	**3,226.5**
Revolving Fund	3,202.5	3,275.7	3,226.5
Advances & Reimbursements	**12.2**	**4.8**	**4.4**
Advances & Reimbursements	12.2	4.8	4.4
OIG Discretionary Total	**145.0**	**145.0**	**145.0**
Salaries & Expenses - OIG	19.0	19.0	19.0
Trust Fund Annual - OIG	126.0	126.0	126.0
OPM Total	**5,421.3**	**5,449.0**	**5,519.2**

In FY 2016, OPM estimates 5,519.2 full-time-equivalent employees (FTEs). Of this total, the discretionary appropriations and Mandatory Trust Fund transfers will support 2,143.3 FTE (the sum of Salaries and Expenses total, Trust Fund Annual total, and Mandatory Authority total). These employees administer OPM's HR policy and execute OPM's day-to-day operations. Other funding sources (Revolving Fund, Advances and Reimbursements, and OIG's discretionary appropriations) cover the agency's remaining allocation of 3,375.9 FTEs.

FY 2016 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM will utilize our discretionary resources. The Office of the Inspector General is on a separate appropriation and is not included in this table. The discretionary request is comprised of a Salaries and Expenses appropriation and a limitation on transfers from OPM's Trust Funds.

Discretionary Appropriation Budget by Object Class

Object Class	FY 2015 Enacted	FY 2016 Request	Increase/Decrease
Personnel compensation	$108,542,529	$116,006,422	$7,463,893
Personnel benefits	$32,125,534	$33,420,337	$1,294,803
Travel and transportation of persons	$795,350	$959,119	$163,769
Transportation of things	$41,737	$45,297	$3,560
Communications, utilities, and rent	$26,498,000	$25,049,612	($1,448,388)
Printing and reproduction	$928,293	$939,654	$11,361
Other services	$44,127,002	$60,596,197	$16,469,195
Supplies and materials	$534,391	$672,190	$137,799
Equipment	$871,164	$7,549,172	$6,678,008
Total	**$214,464,000**	**$245,238,000**	**$30,774,000**
FTE	**1,701.5**	**1,741.1**	**39.6**

OPM's budget request is $30.8 million higher than FY 2015. Personnel compensation and benefits costs increased by $8.8 million reflecting an increase of 39.6 FTE, cost increases related to a general schedule pay raise (proposed 1.3 percent) and increases in the normal cost of employee retirement benefits. Other object costs are budgeted to increase by $22.0 million, primarily reflecting costs to complete and sustain a modern, flexible and secure IT network, enhance systems to help us manage the Multi-State Plan Program and Government-wide senior level and Schedule C positions, and enhance background investigation products to comply with new Federal Investigation Standards.

Salaries and Expenses Budget by Object Class

Object Class	FY 2015 Enacted	FY 2016 Request	Increase/Decrease
Personnel compensation	$47,234,706	$52,673,033	$5,438,327
Personnel benefits	$14,135,676	$15,457,345	$1,321,669
Travel and transportation of persons	$614,009	$742,551	$128,542
Transportation of things	$6,027	$7,802	$1,775
Communications, utilities, and rent	$8,673,762	$8,300,112	($373,650)
Printing and reproduction	$149,153	$196,683	$47,530
Other services	$24,647,378	$36,385,344	$11,737,966
Supplies and materials	$205,268	$307,528	$102,260
Equipment	$373,021	$6,617,602	$6,244,581
Total	**$96,039,000**	**$120,688,000**	**$24,649,000**
FTE	**843.2**	**943.0**	**99.8**

The table above shows a comparison by object class of the expected utilization of OPM's Salaries and Expenses appropriation from enacted FY 2015 to our FY 2016 request. In FY 2016 expenses for personnel are expected to increase by $6.6 million due to staff increases in Employee Services (ES) and Merit Systems Accountability & Compliance (MSAC) to support the President's Management Agenda (PMA), the distribution of common service financed FTE (common service financed FTE are included in the S&E FTE estimate), and increased benefits costs related to the proposed general schedule increase and increased normal cost of retirement benefits. The budget for non-personnel costs increases compared to FY 2015 by $17.7 million. This increase enables OPM to complete and sustain a more modern, flexible, secure IT network to meet its mission needs and vastly improve the security and resiliency of its network against cyber attacks.

Trust Fund Limitations – Budget by Object Class

Object Class	FY 2015 Enacted	FY 2016 Request	Increase/Decrease
Personnel compensation	$61,307,823	$63,333,389	$2,025,566
Personnel benefits	$17,989,858	$17,962,992	($26,866)
Travel and transportation of persons	$181,341	$216,568	$35,227
Transportation of things	$35,710	$37,495	$1,785
Communications, utilities, and rent	$17,824,238	$16,749,500	($1,074,738)
Printing and reproduction	$779,140	$742,971	($36,169)
Other services	$19,479,624	$24,210,853	$4,731,229
Supplies and materials	$329,123	$364,662	$35,539
Equipment	$498,143	$931,570	$433,427
Total	**$118,425,000**	**$124,550,000**	**$6,125,000**
FTE	**858.3**	**798.1**	**(60.2)**

The table above shows a comparison by object class of the expected utilization of OPM's Limitation on Trust Fund Transfers from FY 2015 to our FY 2016 request. The increase in the personnel compensation estimate is primarily to finance staff growth administering earned benefit programs in Healthcare & Insurance (HI) and Planning and Policy Analysis (PPA), and the cost of existing personnel in FY 2016. The FTE increase within HI and PPA is offset by a re-classification of FTE with Retirement Services (RS) to reflect the split of personnel costs between the trust fund limitation and mandatory trust fund administrative authorities. Other Services increase by $4.5 million to reflect operations and maintenance costs for retirement system investments in FY 2015 (with resources from FY 2014 and FY 2015), and systems development in PPA.

FY 2016 Budget Request by Organization

OPM's organizations engage in activities and execute strategies to accomplish programs and achieve outcomes for our stakeholders. For a detailed description of OPM's organizations, refer to the Organizational Framework section of this document. In summary, the primary operational divisions of OPM are Employee Services, Retirement Services, Merit System Accountability and Compliance, Federal Investigative Services, Human Resources Solutions, Planning and Policy Analysis, Healthcare & Insurance, and the Office of Diversity & Inclusion. The associated organizational elements and activities within them have been directly aligned to the OPM's Strategic Goals and corresponding strategies where appropriate.

Organization	FY 2015 Enacted Salaries & Expenses	Trust Fund Annual	Common Services	OPM Total	FY 2016 Request Salaries & Expenses	Trust Fund Annual	Common Services	OPM Total
Chief Information Officer	$6,898,000	$7,438,000	$36,712,360	$51,048,360	$31,398,332	$9,118,000	$36,712,360	$77,228,692
Congressional, Legislative and Intergovernmental Affairs			$2,383,000	$2,383,000			$2,383,000	$2,383,000
Employee Services	$27,375,000		$8,479,158	$35,854,158	$33,276,444		$8,479,158	$41,755,602
Equal Employment Opportunity			$902,000	$902,000			$902,000	$902,000
Executive Secretariat			$1,565,000	$1,565,000			$1,565,000	$1,565,000
Facilities, Security & Contracting	$593,000		$10,977,000	$11,570,000	$615,500		$10,977,000	$11,592,500
Federal Investigative Services					$2,000,000			$2,000,000
Federal Prevailing Rate Advisory Committee	$219,000			$219,000	$219,000			$219,000
Healthcare & Insurance	$11,508,000	$9,912,000		$21,420,000	$12,491,569	$12,810,110		$25,301,679
Merit System Accountability & Compliance	$12,740,000		$1,347,000	$14,087,000	$13,431,252		$1,347,000	$14,778,252
Office of Communications			$2,290,000	$2,290,000			$2,290,000	$2,290,000
Office of Diversity and Inclusion	$1,088,000			$1,088,000	$1,975,310			$1,975,310
Office of the Chief Financial Officer		$7,801,000	$21,992,000	$29,793,000	$636,860	$9,518,400	$21,992,000	$32,147,260
Office of the Director			$3,159,000	$3,159,000			$3,159,000	$3,159,000
Office of the General Counsel			$6,005,000	$6,005,000			$6,005,000	$6,005,000
Planning and Policy Analysis	$19,223,000	$8,942,000		$28,165,000	$9,244,435	$11,973,153		$21,217,588
Rent/Centrally Funded Items	$9,753,000	$16,190,000	$378,000	$26,321,000	$8,629,298	$13,773,337	$378,000	$22,780,635
Retirement Services		$57,987,000		$57,987,000		$57,202,000		$57,202,000
White House Fellows	$772,000			$772,000	$772,000			$772,000
OPM Sub Total	$90,169,000	$108,270,000	$96,189,518	$294,628,518	$114,690,000	$114,395,000	$96,189,518	$325,274,518
Appropriated Contribution to Common Services	$5,870,000	$10,155,000			$5,998,000	$10,155,000		
Non-Appropriated Contribution to Common Services				($80,164,518)				($80,036,518)
	$96,039,000	$118,425,000	$96,189,518	$214,464,000	$120,688,000	$124,550,000	$96,189,518	$245,238,000

The above table shows OPM's budget request by organization. OPM's executive and administrative offices support all agency functions including those financed with Revolving Fund receipts or through mandatory administrative transfers from the Earned Benefit Trust Funds. This chart displays the total cost of those executive and administrative activities. A portion of the cost of operating these offices is also charged to those non-appropriated sources. The Non-Appropriated contribution to Common Service is shown as a negative value on the chart to tie the OPM total to our discretionary request. Also note that this chart is exclusive of OIG.

This table includes resources for the Chief Human Capital Officers Council, which is chaired by OPM. The council is financed by contributions from other Federal agencies. It also shows the total of operating resources that OPM plans to use in FY 2016. This includes:

- advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council, and
- Common Services, which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative and leadership functions within the agency.

The requested budgets for most operational organizations within OPM increase in FY 2016. Only Planning and Policy Analysis (PPA) and RS decrease. The budgets for administrative activities financed by common services do not change from FY 2015. The trust fund budgets for Healthcare & Insurance (HI), PPA, CFO, and CIO increased to reflect the full cost of requirements identified in our agency-wide requirements identification initiative. PPA's budget decrease is attributed to the realignment of S&E resources for EHRI from PPA to CIO, and a shift of some resources budgeted for implementation of the President's Management Agenda to ES. Resources for RS modestly decrease in FY 2016 and reflect the shift of the full cost of collecting insurance premiums from annuitants whose annuity does not cover the premium cost from RS to CFO. This was formerly a shared cost.

The table below shows OPM's FTE utilization in FY 2016 will increase by 70.7 FTE. When viewed at the organizational level, FTE utilization is projected to increase in 10 of OPM's 20 organizational components (excluding the staff of OPM's Inspector General). FTEs are projected to increase in CIO, ES, FIS, HI, MSAC, DI, CFO, OD, OGC, and RS. The increase is attributable to right sizing FTE levels in our ACA programs, MSAC audit and compliance functions, and administrative operations.

OPM Budget FY 2015 & FY 2016 by Organization—All Resources

Organization	FY 2015 Enacted Dollars	FTE	FY 2016 Request Dollars	FTE
Chief Human Capital Officer Council	$718,847	4.8	$1,100,000	4.4
Chief Information Officer	$135,375,168	315.6	$169,657,693	327.2
Congressional, Legislative and Intergovernmental Affairs	$2,383,000	19.0	$2,383,000	19.0
Employee Services	$38,436,682	255.5	$41,755,602	266.5
Equal Employment Opportunity	$902,000	9.0	$902,000	7.0
Executive Secretariat	$1,565,000	13.0	$1,565,000	13.0
Facilities, Security & Contracting	$12,292,520	102.0	$11,592,500	92.1
Federal Investigative Services	$1,132,617,689	2,726.0	$1,131,789,824	2,727.0
Federal Prevailing Rate Advisory Committee	$219,000	1.0	$219,000	1.0
Healthcare & Insurance	$39,975,002	133.3	$43,182,180	150.9
HR Solutions	$392,613,817	354.1	$388,732,731	346.5
Merit System Accountability & Compliance	$16,199,533	97.0	$14,778,252	101.0
Office of Communications	$2,290,000	16.0	$2,290,000	16.0
Office of Diversity and Inclusion	$1,088,000	7.0	$1,975,310	12.0
Office of the Chief Financial Officer	$29,793,000	133.0	$32,147,260	141.6
Office of the Director	$3,159,000	14.5	$3,159,000	21.1
Office of the General Counsel	$6,005,000	34.0	$6,005,000	40.0
Office of the Inspector General	$25,724,000	145.0	$26,844,000	166.0
Planning and Policy Analysis	$32,230,000	105.2	$22,282,588	91.0
Rent/Centrally Funded Items	$26,321,000	0.0	$23,833,835	0.0
Retirement Services	$100,892,000	960.0	$99,796,000	972.0
White House Fellows	$772,000	4.0	$772,000	4.0
OPM Total	**$2,001,572,258**	**5,449.0**	**$2,026,762,775**	**5,519.2**

 *Note: This chart includes the budget of executive and administrative activities which are funded by OPM's Common Services . This chart includes all funds and their contributions to OPM's Common Services.

FY 2016 Budget Request by Strategic Goals

OPM's Strategic Plan is a results-oriented road map to achieve the agency's most important outcomes and reflects OPM's priorities for the next three years. The strategic goals are of two types: (1) management goals that are internally-focused on OPM systems and processes that enable the agency to deliver on its mission; and (2) program outcome goals that are externally-focused on OPM's responsibilities.

OPM's strategic vision is to provide the Federal Government the resources necessary to become America's model employer for the 21st century. OPM's FY 2016 Performance Budget reflects how the agency will fulfill its mission to *Recruit, Retain*, *and Honor a World-Class Workforce to Serve the American People*. The following table shows OPM's budget request by strategic goal.

As required by the Government Performance and Results Modernization Act of 2010 (P.L. 111-352), our budget request maps to our FY 2014 – 2018 Strategic Plan.

Our goals consist of the following:

1. Management Goal: Attract and engage a diverse and effective OPM workforce.

2. Management Goal: Provide timely, accurate, and responsive service that addresses the diverse needs of our customers.

3. Management Goal: Serve as the thought leader in research and data-driven human resource management and policy decision-making.

4. Management Goal: Manage information technology systems efficiently and effectively in support of OPM's mission.

5. Management Goal: Establish and maintain responsive, transparent budgeting and costing processes.

6. Outcome Goal: Provide leadership in helping agencies create inclusive work environments where a diverse Federal workforce is fully engaged and energized to put forth its best effort, achieve their agency's mission, and remain committed to public service.

7. Outcome Goal: Ensure that Federal retirees receive timely, appropriate, transparent, seamless, and accurate pension retirement benefits.

8. Outcome Goal: Enhance the integrity of the Federal workforce.

9. Outcome Goal: Provide high quality health benefits and improve the health status of Federal employees, Federal retirees, their families, and populations newly eligible for OPM-sponsored health insurance products.

The Budget by Strategic Goal section of this document describes each strategic goal and the resources budgeted for each strategy in FY 2016.

OPM Budget FY 2016 by Strategic Goal—Discretionary

STRATEGIC_GOAL	FY 2016 Request Dollars	FTE
Diverse and Effective OPM Workforce	$14,638,498	95.9
Timely, Accurate, and Responsive Customer Service	$2,626,763	20.6
Evidence-Based Policy and Practices	$2,843,444	17.8
Efficient and Effective Information Systems	$79,433,521	201.5
Transparent and Responsive Budgets	$7,095,267	42.1
Engaged Federal Workforce	$12,043,218	49.9
Improved Retirement Services	$56,143,036	579.3
Enhanced Federal Workforce Integrity	$20,530,763	119.2
Healthier Americans	$32,750,667	197.0
Additional Government-wide Mandated or Compliance Function Supported by OPM	$25,574,751	147.4
Enabling Structural Capacity Functions of OPM	$71,594,590	270.5
OPM Subtotal	**$325,274,518**	**1,741.1**
Non- Appropriated Contribution to Common Services	($80,036,518)	
OPM Total	**$245,238,000**	**1,741.1**

Major Management Challenges, Priorities, and Risks

The explanatory statement for Division E of the FY 2015 omnibus appropriation requires that:

"The budget justification materials shall also incorporate a separate table briefly describing the top management challenges for fiscal year2015 as identified by the agency inspector general, along with an explanation of how the fiscal year 2016 budget request addresses each such management challenge."

In the agency's FY 2014 Annual Financial Report, OPM's Office of the Inspector General (OIG) identified the top management challenges facing the Agency. The OIG divided the challenges into two key types: environmental challenges that result mainly from factors external to OPM and may be long term or even permanent; and internal challenges, which OPM has more control over and which are likely short-term, temporary challenges. The top management challenges facing OPM are shown below:

1. Environmental Challenges – are due to such things as increased globalization, rapid technological advances, shifting demographics, national security threats, and various life considerations that are prompting fundamental changes in the way the Federal Government operates.

   - Strategic Human Capital;
   - Federal Health Insurance Initiatives; and,
   - Background Investigations.

2. Internal challenges relate to current program activities that are critical to OPM's core mission, and while impacted to some extent by outside stakeholders, guidance, or requirements, they have minimal external influence, but demand significant attention, effort, and skill from OPM in order to be successfully addressed.

- Information System Development;
- Information Security Governance;
- Security Assessment and Authorization;
- Stopping the Flow of Improper Payments;
- Retirement Claims Processing; and,
- Procurement Process for Benefit Payments

During FY 2014, OPM made significant strides in addressing the management challenges identified by the OIG. A detail accounting of OPM's FY 2014 actions to address the management challenges can be found in OPM's FY 2014 Agency Financial Report at *http://www.opm.gov/about-us/budget-performance/performance/2014-agency-financial-report.pdf*. Below describes the top management challenges and how the fiscal year 2016 budget request addresses each of the challenges.

I. **Environmental Challenges:**

A. **Strategic Human Capital**

1. Veterans Initiative

    (1) Challenge: To continue to ensure that Federal agencies respect and apply veterans' preference laws, rules and regulations while using the tools that have been made available.

    (2) FY 2016 Action: To continue to improve the opportunities for veterans and transitioning military service members seeking Federal employment. Over the last year, veterans' hiring continued to meet and surpass benchmarks. OPM is committed to a diverse workforce, and have been working to involve hiring managers in recruiting and outreach. OPM will expand its recruiting and outreach efforts by leveraging available networks which have not been tapped into yet (i.e. Community Organizations and Professional Associations). See Strategy 1.01

    Enhance adherence to merit principles by ensuring that 80 percent or greater of delegated examining units with identified severe problems demonstrate satisfactory level of competence within one year or cease to independently operate. See Strategy 8.02 for additional details.

2. Closing the Skills Gaps

a)	Challenge: Re-evaluate the selected government-wide and agency specific Mission Critical Occupations and Mission Critical Competencies to determine which occupations and competencies should remain.

b)	FY 2016 Action: OPM will assist agencies in identifying and closing skills gaps, by being responsive to changing applicant and workforce needs, and continue to monitor organizations performance measures in efficiency, effectiveness, and progress. OPM will conduct a skills gap analysis that identifies the skill requirements of the OPM workforce. OPM will implement an initiative called "Strategic Workforce Planning (SWP)" which will provide government-wide models, tools and best practices to support OPM's creation of a workforce plan and gap closure strategy. See Strategy 1.03

Support practitioners and other officials in closing HR skills gap by developing policy and technical guidance to address labor and employee relations matters. See Strategy 8.03 for additional details.

3.	Phased Retirement

a)	Challenge: Determine how to address administrative and procedural matters in the guidance that is provided to Federal agencies to execute phased retirement.

B.	**Federal Health Insurance Initiatives**

1.	Federal Employees Health Benefits Program

a)	Challenge: OPM must continue to ensure the FEHBP contracts with insurance carriers offer comprehensive healthcare benefits at a fair price.

b)	FY 2016 Action: OPM will continue the following initiatives to help ensure that the FEHBP continues to offer enrollees quality healthcare services at fair and reasonable premium rates:

(1)	Program-wide Claims Analysis/Health Claims Data Warehouse (HCDW) – The HCDW project is an initiative to collect, maintain, and analyze data on an ongoing basis. OPM will continue to build out the HCDW for the purpose of gathering enrollment data on tribal employees. See Strategies 4.03, 9.01, and 9.02

(2)	Prescription Drug Benefits and Costs – OPM will continue to evaluate the relative costs and benefits of direct contracting for Pharmacy Benefit Managers (PBMs) services in order to further reduce prescription drug costs, as well as strengthen the controls and oversight of the FEHBP pharmacy benefits. See Strategies 9.01 and 9.02.

(3)   The 2016 Budget again advances OPM's FEHB Modernization Proposal for Congressional consideration. A key component of this proposal is the revisions to FEHB statute necessary for OPM to directly contract with PBMs. OPM estimates that such authority will generate over $1.4 billion of scoreable savings to the FEHB program through 2025.

(4)   Medical Loss Ratio Implementation and Oversight – Community Rated carriers participating in the FEHBP must spend the majority of their FEHBP premiums on medical claims and approved quality health initiatives. If they don't, they risk having to return the excess premiums in the form of a rebate to the FEHBP. OPM's carrier contract management efforts under strategy 9.01 will monitor MLR reporting to the Department of Health and Human Services.

(5)   Health Benefit Carriers' Fraud and Abuse Programs – OPM has updated guidance to carriers, seek to develop reasonable standards that might lead to a form of accreditation, and refine the measures by which carrier Fraud and Abuse programs can be shown to be a benefit to the FEHBP. See Strategy 9.02

2.   Affordable Care Act (ACA)

(1)   Challenge: To continue the implementation, expansion and administration of the Multi-State Plan Program (MSPP), and to secure sufficient resources to do so.

OPM currently offers insurance options on 36 state exchanges. OPM expects to extend options to 44 states for 2016 contracts. OPM is seeking access to a portion of the user fees charged to carriers participating on state exchanges to offset our cost of operation. If OPM gains access to these fees, we may not need appropriations in the long term to cover our costs; but as enrollment in the MSP options grows, the amount of appropriations we require will shrink, and we will evaluate on an on-going basis whether the fees will become sufficient to cover all of the operating costs.

(2)   FY 2016 Action: OPM will continue to provide program and policy support. OPM will continue to expand the MSP program by adding new plans, new states, and a second contracted MSP to this program. The MSP will also provide coverage in additional states and geographic areas within states. See Strategies 9.01- 9.03.

C.   **Background Investigations**

1. Background Investigations

a) Challenge: To ensure that background investigations are performed with a high level of quality assurance, and to re-establish the capacity to perform investigations in a manner that meets timeliness expectations.

b) FY 2016 Action: OPM is revising tools and measures to universally assess quality, along with developing automated tools to support efficiency and consistency. See Strategy 8.01.

II. Internal Challenges:

A. Information System Development

1. Information System Development

a) Challenge: Centralized oversight of systems development.

b) FY 2016 Action: The Office of the Chief Information Officer (OCIO) will oversee all OPM system development projects. OCIO will continue to enforce its new system development life cycle (SDLC) policy for all system development projects and augment system development with "Agile" policies and procedures that support iterative development, a flexible Enterprise Architecture, and dedicated empowered teams. We will review the current OPM SDLC and related templates, OPM's IT Security and Privacy (ITSP) policy and procedures, and successful practices from industry. We will also document tools and techniques used by OPM project teams that are already using agile IT. The very foundation of these development techniques is IT security for all solutions from the start and IT security compliance throughout the life cycle during our periodic program reviews. See Strategies 4.01-4.04.

B. Information Security Governance

1. Information Security Governance

a) Challenge: Managing an information security program to reduce risk to agency operations and fully staff the Information Systems Security Officers (ISSO) Team.

b) FY 2016 Action: OCIO will continue to manage the IT Information Security responsibilities and is also working with the Department of Homeland Security (DHS) to implement Continuous Diagnostic and Mitigation (CDM) using government-wide Information Security Continuous Monitoring (ISCM) tools to enhance our ability to identify and respond, in real time or near real time, to the risk of emerging cyber threats. Through this implementation, we will automate the following information security capabilities: software and hardware

inventories, configuration management, and vulnerability assessments. We will continue to centralize security management and accountability into the Office of the CIO and staff it with security professionals who are fully trained and dedicated to information security on a full-time basis. See Strategy 4.02.

C.   **Security Assessment and Authorization**

    1.   Security Assessment and Authorization

        a)   Challenge: Maintaining active authorizations for all information systems

        b)   FY 2016 Action: OPM's OCIO will refine the CIO organization focusing on accountability, responsiveness, engagement, transparency and innovation. The OCIO will maintain rigorous information security practices to protect data. See Strategy 4.02.

D.   **Stopping the Flow of Improper Payments**

    1.   Stopping the Flow of Improper Payments

        a)   Challenge: To address improper payment issues in order to improve the proactive improper payment detection and prevention efforts.

        b)   FY 2016 Action: OPM will continue its efforts to make improvements in reducing improper payments by increasing its financial management capabilities and update annually its strategic plan for stopping improper payments to deceased annuitants. Resources have been dedicated to expanding the capabilities of the web-based application known as "Services Online" for Retirement Services. One of the results of this investment will be a decrease in improper payments due to an increase in the accuracy of a retiree's file information. See Strategies 4.04 and 7.02. The 2016 President's Budget includes a legislative proposal to resolve retroactive disability benefits coordination between OPM and the Social Security Administration (SSA). OPM estimates that the impact of this legislation would produce a reduction in improper payments and yield a savings of approximately $41 million a year, beginning in FY 2018.

E.   **Retirement Claims Processing**

    1.   Retirement Claims Processing

        a)   Challenge: Timely issuance of full annuity payments to annuitants.

        b)   FY 2016 Action: OPM remains committed to providing accurate and timely processing of retirement claims. Retirement Services will continue to meet the challenge by implementing its strategic plan which consists of four key areas: People, Productivity and Process Improvements, Partnering with Agencies, and

most importantly, Progressive IT Improvements. Resources will be dedicated to a variety of system activities focused on improving the existing retirement systems. The result will be improvements in processing time, increased automation in current and future business practices, and enhanced ability to accept and process data received from agencies in an electronic format. Investing in information technology tools and solutions such as the development of a full case management system and workflow capability to facilitate payment of accurate and timely benefits payments. See Strategy 4.04 and 7.03.

F. Procurement Process for Benefit Programs

1. Procurement Process for Benefit Programs

a) Challenge: To improve the procurement process for BENFEDS, Federal Employees Dental and Vision Insurance Program (FEDVIP), the Federal Long Term Care Insurance Program (FLTCIP), and the Federal Flexible Spending Account Program (FSAFeds).

b) FY 2016 Action: OPM will continue its efforts to make improvements in the procurement process of the afore-mentioned special benefit programs. OPM will also continue to include new carriers in the Federal Employees Health Benefits (FEHB) and FEDVIP to provide enrollees with variety and value. See Strategy 9.02.

Appropriations Language

Salaries & 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; advances for reimbursements to applicable funds of OPM and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, [$96,039,000] *$120,688,000, of which $2,500,000 shall remain available until expended for Federal investigations enhancements, and* of which [$642,000] *$616,000* may be for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management; and in addition [$118,425,000] *$124,550,000* 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*, 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 [2015] *2016*, 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. *(Financial Services and General Government Appropriations Act, 2015.)*

OIG Salaries & Expenses (Including Transfer of Trust Funds)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, [$4,384,000] *$4,365,000*, and in addition, not to exceed [$21,340,000] *$22,479,000* 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. *(Financial Servicesand General Government Appropriations Act, 2015.)*

General Provisions of Specific Interest to OPM

TITLE VI GENERAL PROVISIONS—THIS ACT (Financial Services and General Government Appropriations Act, 2015.)

SEC. 619. (a) There are appropriated for the following activities the amounts required under current law:

> (1) Compensation of the President (3 U.S.C. 102).
>
> (2) Payments to—
>
>> (A) the Judicial Officers' Retirement Fund (28 U.S.C.377(o));
>>
>> (B) the Judicial Survivors' Annuities Fund (28 U.S.C.376(c)); and
>>
>> (C) the United States Court of Federal Claims Judges'Retirement Fund (28 U.S.C. 178(l)).
>
> (3) Payment of Government contributions—
>
>> (A) with respect to the health benefits of retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849); and
>>
>> (B) with respect to the life insurance benefits for employees retiring after December 31, 1989 (5 U.S.C. ch.87).
>
> (4) Payment to finance the unfunded liability of new and increased annuity benefits under the Civil Service Retirement and Disability Fund (5 U.S.C. 8348).
>
> (5) Payment of annuities authorized to be paid from the Civil Service Retirement and Disability Fund by statutory provisions other than subchapter III of chapter 83 or chapter 84 of title 5, United States Code.

(b) Nothing in this section may be construed to exempt any amount appropriated by this section from any otherwise applicable limitation on the use of funds contained in this Act.

TITLE VII GENERAL PROVISIONS—GOVERNMENT-WIDE *(Financial Services and General Government Appropriations Act, 2015.)*

SEC. 734. During fiscal year 2016, for each employee who—

(1) retires under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code; or

(2) retires under any other provision of subchapter III of chapter 83 or chapter 84 of such title 5 and receives a payment as an incentive to separate, the separating agency shall remit to the Civil Service Retirement and Disability Fund an amount equal to the Office of Personnel Management's average unit cost of processing a retirement claim for the preceding fiscal year. Such amounts shall be available until expended to the Office of Personnel Management and shall be deemed to be an administrative expense under section 8348(a)(1)(B) of title 5, United States Code.

Agency Priority Goals

Agency Priority Goals (APGs) advance progress toward longer-term outcomes. APGs are near-term results or achievements that leadership wants to accomplish within approximately 24 months. These goals rely predominantly on agency implementation as opposed to budget or legislative accomplishments.

 The agency's five APGs covering FY 2014-2015 are:

1. Retirement Claims Processing Improvements

2. Improving the Oversight and Quality of Background Investigation Processing

3. Federal Employee Health Benefits (FEHB) Accountability

4. Closing the Skills Gap for the HR Workforce

5. *Promoting Diversity and Inclusion*

These goals are areas where OPM wants to achieve near-term performance acceleration through focused senior leadership attention. This section includes overviews of the goals, including the problems or opportunities being addressed; strategies; and performance indicators, with targets and actual results. In 2015, the Agency will develop its priority goals for FY 2016-2017. For more information on APGs across the Federal Government, including progress updates and next steps, please refer to *www.Performance.gov*.

Retirement Claims Processing Improvements

Goal Statement:

Reduce Federal retirement processing time by making comprehensive improvements and move toward electronic processing of all retirement applications. Starting July 1, 2014, process 90 percent of cases in 60 days or less. By the end of FY 2015, increase the use of services on-line by 25 percent (from a baseline of 367,000 annuitants), and increase the percentage of complete cases received from agencies to 85 percent or greater with the long term goal of 100 percent of cases received as complete. In addition, by FY 2015, OPM will develop capabilities to receive electronic retirement applications.

Strategic Goal Alignment:

Strategy 7.03 Advance the 21st century customer-focused retirement processing system for claims adjudication in a timely and accurate manner.

Overview

OPM is responsible for the administration of the Federal Retirement Program covering over 2.7 million active employees and nearly 2.6 million annuitants. This responsibility is shared with agency employers who counsel their employees and administer the initial retirement application process, and submit the employee's application, with all supporting documentation, to OPM's Retirement Services. OPM remains committed to improving all areas of retirement case related production by refining and implementing Lean Six Sigma activities, providing needed training and development, and diverting resources to areas needing concentrated efforts. In order to make comprehensive improvements to retirement claims processing, OPM will continue to focus on the following four pillars: People; Productivity and Process Improvement; Partnerships with Agencies; and Partial, Progressive IT Improvements.

Strategies

I. People

- Maintain appropriate Legal Administrative Specialists (LAS) staffing levels to back-fill individuals who retire; and

- Maintain appropriate Customer Service Specialists (CSS) staffing levels to back-fill individuals who retire.

II. Productivity and Process Improvement

- Implement Lean Six Sigma Process Improvement Plan; and

- Effectively use overtime.

III. Partnering with Agencies

- Work with OPM-HRS to communicate RS strategies and updates in Chief Human Capital Officers Council meetings;

- Maintain 85 percent or greater accuracy and completeness of incoming claims;

- Provide continued feedback to agencies on claims deficiencies.

IV. Partial, Progressive Information Technology Improvements

- Acquire, Customize, and begin to integrate Enterprise Case Management System;

- Pursue long-term data flow strategy;

- Explore short-term strategy to leverage work agencies do now;

- Review and upgrade systems used by LAS;

- Develop capability to receive electronic retirement applications; and

- Implement the RS Strategic IT Vision through incremental and strategic automation of the process in areas such as retirement calculator.

The claims inventory is defined as all new pending claims under the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), including all non-disability claims and

disability claims after a determination has been made that disability retirement under CSRS or FERS is warranted. Other specialty claims and processes, such as Service Credit issues, Court Ordered Benefits, disability retirement determinations or lump sum payments to Federal employees who died while still employed (Death in Service) are not included in this definition. While these claims are important and are tracked separately, they are fundamentally different from the vast majority of our cases.

Of the nearly 2.6 million retirees and survivors, over 500,000 users have active Services-On-Line (SOL) accounts. In FY 2014, over 406,000 users accessed SOL to conduct retirement business. SOL is our on-line tool to process standard post retirement activities such as address changes and other account maintenance functions. OPM is already gathering e-mail addresses of new retirees through the application process, but is also involved in numerous outreach activities to bring awareness to and encourage retirees to use Services-On-Line.

Indicators

OPM used the following measures to manage its progress towards this Priority Goal.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2014 Target	FY 2015 Target
Claims Inventory^	N/A[*]	17,719	37,806	12,767	13,142	N/A^
Relative ratio of complete retirement submissions versus incomplete cases	82%	85%	92%	84%	92%	85%[^^]
Percent of retirement claims processed within 60 days	N/A[*]	N/A[*]	N/A[*]	79%	90%	90%

[^] OPM's Retirement Services monitors the pending claims inventory as a proxy in order to examine claims processing efficiency.
[*] N/A – No historical values are available.
[^^] Note: FY 2015 target was adjusted based on a change in measurement methodology. On October 1, 2013, the error definitions were expanded to include 19 additional error conditions that had not previously been changed as errors. Rather than change the FY 2014 target, OPM used FY 2014 as a baseline. Given this expanded definition and the result; OPM adjusted the FY 2015 target to 85%.

Improve the Oversight and Quality of Background Investigation Processing

Goal Statement:

Ensure that investigations achieve quality standards, while maintaining timeliness goals of the Intelligence Reform and Terrorism Prevention Act of 2004. Throughout FY 2014 and 2015, OPM will target 99 percent or more of all OPM investigations adjudicated as "quality complete" by agencies receiving closed investigations.

Strategic Goal Alignment:

Strategy 8.01 Enhance policy, procedures and processes used to ensure people are fit to serve.

Overview

Beginning in FY 2013, the Director of National Intelligence (DNI) further challenged the background investigations process by adopting new timeliness metrics to establish a separate standard for Top Secret investigations. As a result, the DNI shifted greater management focus on the manpower intensive workload, necessitating the creation of revised workload management tools and rules to measure and manage workload by case type.

While OPM's efforts on timeliness since 2004 permitted it to achieve earlier timeliness standards, the agency's primary focus has been to deliver background investigations to adjudicating agencies that are of the highest possible quality. OPM will work with its executive branch reform partners to implement the Executive Branch quality standards established in January 2015 with a measurement tool designed for universal application during both the investigative and adjudicative processes. OPM will focus on implementing these additional initiatives while maintaining timeliness objectives. OPM will satisfy all national security standards, deliver quality products, and achieve Congressional and DNI timeliness goals.

OPM is sensitive to the fiscal environment and the desire of customer agencies (i.e., the employing or sponsoring agencies) to have more insight into the costs of background investigations. To this end, OPM will continue conducting business efficiency studies and maturing its cost allocation model to provide more detailed cost data and to optimize the value of OPM's investigative products to agency adjudicators, which in turn translates into better value to taxpayers.

Strategies

The goal of improving the quality while maintaining the timeliness of background investigations supports OPM's Strategic Goal "Enhanced Federal Workforce Integrity" and supports the specific strategy to enhance policy, procedures and processes used to ensure people are fit to serve. OPM conducts high-quality, timely background investigations used to determine an individual's suitability or fitness for Federal employment. Completed background investigations are also used by Federal agencies to determine an individual's eligibility for access to classified national security information or to hold a position that is national security sensitive. Investigations can also be used to determine whether to credential a particular individual to work in a Federal facility or have access to Federal information

systems. Military services use investigations to determine whether to enlist an individual into the armed services.

In striving to help agencies recruit and hire the most talented and diverse Federal workforce possible to serve the American people, OPM attempts to ensure agencies have sufficient and timely information to make decisions such as credentialing, suitability, and security clearance determinations by:

- achieving a quality standard in investigations that meets Federal investigative standards; and
- achieving timeliness goals for Top Secret and Secret clearance investigations.

OPM employs new quality assessment tools in our quality review processes to ensure that our background investigations meet investigation standards. In addition, OPM is engaged in an interagency Quality Assessment Working Group that we co-chair with the DOD and the Office of the Director of National Intelligence (ODNI). The working group brings together over 20 Federal agencies involved in investigations and adjudications to recommend the means to ensure consistency of background investigations across the Federal government and to help OPM and the DNI standardize the evaluation of quality within the Federal government.

The priority goal of investigative timeliness is a legal mandate that OPM has effectively and consistently met over the last several years. Optimal investigative performance is dependent on a proper balance of quality and cost with timeliness. OPM's goal is to ensure we maintain our current timeliness while continuing to emphasize delivering and even further improving high-quality products. These strategies and milestones were established understanding that effective support of reciprocity policies, which permit agencies to quickly accept the investigative and adjudicative work of other agencies, will provide the best value to the American taxpayer.

Indicators

OPM used the following measures to manage its progress towards this Priority Goal.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2014 Target	FY 2015 Target
Percent of investigations determined to be quality complete*	N/A*	N/A*	99.8%	99.9%	99%	99%
Average number of days to complete the fastest 90 percent of all initial national security investigations	40	36	35	35	40	40
Average number of days to complete the fastest 90 percent of initial Secret national security investigations	N/A*	N/A*	28	30	40	40
Average number of days to complete the fastest 90 percent of initial Top Secret national security investigations	N/A*	N/A*	80	75	80	80

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* N/A – No historical values are available.

FEHB Accountability

Goal Statement:

Improve the efficiency of the Federal Employees Health Benefits Program and affordability of coverage offered to employees. By September 30, 2015, reduce the rate of growth in per capita spending through a range of activities, including improved data analytics, enhanced accountability measures, and programmatic improvements.

Strategic Goal Alignment:

Strategy 9.02 Optimize insurance related business processes.

Overview

This APG is aimed at slowing the growth in FEHB health care premiums while improving the quality of care delivered to enrollees. There are three key strategies that OPM is employing to achieve this goal – improved pharmacy benefit management, feedback and incentives to FEHB plans regarding quality of care, consumer perceptions, and cost control; and enhanced oversight of enrollment processes. OPM is continuing to focus on ways to optimize pharmacy practices to ensure the safe and clinically effective use of prescription medications while managing drug costs, which comprise more than one quarter of total FEHB expenditures. We have established goals for carriers in several areas of pharmacy benefits management, including overall pharmacy and specialty drug trends as well as generic dispensing rates. We will collect updated data on these measures of pharmacy performance. Most health plans offer programs such as step therapy, medication therapy management programs, and expanded use of prior authorization for selected drugs. Implementing programs of this type and using tiered drug formularies (e.g. different cost sharing for generic drugs versus brand name drugs) are positively correlated with better performance on overall and specialty drug trends and generic dispensing rates. We will negotiate with Federal Employee Health Benefits (FEHB) carriers plan to add and expand on these types of drug management programs that control costs and improve quality and patient outcomes.

OPM is implementing an FEHB Health Plan Performance Assessment project to measure and reward all FEHB plan performance (experience-rated and community-rated) through the use of common, objective, and quantifiable performance measures by the 2016 plan year. This will be a new approach to our assessment of the annual performance of health plans contracted under the program. The performance assessment framework will include a discrete set of qualitative and quantifiable performance measures that will be used to assess key aspects of performance. That overall assessment will then be linked to health plan profit factors. There are three primary categories of health plan performance to be assessed: improving health outcomes through quality care, providing effective customer service, and controlling cost growth.

Industry experts estimate that as much as 10 percent of health claim benefits paid from private employer plans are incurred by family members who are not eligible for coverage. The FEHB Program provides approximately 23 billion dollars in benefits annually for those covered under Self and Family

enrollments. If industry estimates are accurate, this could translate to approximately 230 million dollars for each percent paid in error. Under current FEHB procedures, agencies and the FEHB carriers both have responsibility for family member eligibility determinations. However, there is no evidence that family member eligibility is systematically verified at the time of the initial enrollment, when enrollment is changed during Open Season or upon experiencing a Qualifying Life Event (QLE) (although some agencies do require documentation for QLE changes) or at any other time during the employee's period of coverage. With the advent of electronic enrollment systems, enrollees can make certain FEHB enrollment changes without submitting any proof to their agency benefit officers.

The extent of ineligible family members covered under FEHB Self and Family enrollments is currently unknown. In addition, there is no centralized FEHB enrollment database of eligible enrollees and family members, in part, because current enrollment systems do not require the input of family member dependent information. Thus, there is no mechanism to determine who is receiving benefits under any one Self and Family enrollment.

Strategies

For the new FEHB plan performance initiative, OPM is developing the following framework:

- Agree on the measures, weighting, and scoring. OPM issued a FEHB carrier letter in August 2014 with initial guidance on the clinical quality, customer service and resource use measure sets and held two teleconferences with FEHB carriers for questions and answers.

- Develop a functional dashboard that will be used to determine FEHB performance assessment score and payment. OPM is in the process of obtaining an independent vendor to assist in the development of the dashboard and a system to support the dashboard.

- Publish final regulations that implement a comprehensive performance assessment system for all FEHB plans.

- Develop mechanisms for community-rated and experience-rated plans that provide sufficient incentives for health plans to make the necessary improvements to achieve success.

In order to determine the extent of any erroneous payments, it is necessary to perform an audit of family members enrolled in the FEHB Program. Ensuring only eligible family members are receiving benefits may result in significant savings for both the Federal Government, which provides a weighted average contribution of 72 percent of premiums with a cap of no more than 75 percent of total program cost, and Federal employees and annuitants who pay approximately 28 percent. In addition, the results of a family member audit will assist in determining if a centralized enrollment system is necessary to maintain an enrollment database of enrollees and only family members whose eligibility is verified; and will help program managers to determine if the scope of the problem warrants changes in the current policies and procedures utilized by Agency Benefit Officers when verifying family member eligibility. Key milestones for this strategy:

1. Procure an experienced contractor to perform a family member eligibility audit on a representative sample of FEHB Self and Family enrollments;

2. Should sample audit indicate the need for further investigation, exercise contract option to audit a payroll shared service center;

3. Review results of sample and payroll shared service audit (if any) to determine if an audit of the entire FEHB population is necessary; and

4. Based on results of full audit (if performed), provide recommendations on policies and procedures for agencies and FEHB carriers to follow in verifying family member eligibility.

Indicators

OPM used the following measures to manage its progress towards this Priority Goal. Measuring a "reduced rate of growth" for the FEHB is a very complex question. Some of the annual rate increases are due to general medical inflation, some due to management of the plan, some due to benefit design and all are variable by individual plan experience. Facing this challenge, OPM is focusing on a limited set of indicators that are reflective of improvements in the overall delivery of care by the plans. Success in these areas should yield long term cost benefits and they are transparent measures.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2014 Target	FY 2015 Target
Overall Satisfaction with Health Plan	N/A[*]	78%	79%	82%	Contextual[^]	Contextual[^]
Percent of Prenatal Care Visits that are Timely	N/A[*]	63%	65%	74%	Contextual[^]	Contextual[^]
Adults Receiving Flu Shots Based on CAHPS Effective Care	N/A[*]	52%	53%	50%	Contextual[^]	Contextual[^]

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[*] N/A – No historical values are available.

[^] Contextual measures provide situational information for the purpose of understanding information related to a goal, and do not include targets.

Closing the Skills Gap for the HR Workforce

Goal Statement:

Professionalize the government-wide HR workforce by implementing a comprehensive HR certification program through HR University, which will greatly aid in achieving the long term goal of improving the quality of HR services government-wide, including measurable improvements in manager satisfaction with the quality of new hires. By end of FY 2015, more than 95 percent of Federal HR professionals (GS-201s/203s) will have registered for HR University. By the end of FY 2015, each HR Technical Area (Employee Relations, Staffing, Compensation, etc.) will have developed its curriculum for the Technical Specialist Role, as a step towards future HR Certification professional recognition.

Strategic Goal Alignment:

Strategy 8.03 Provide guidance, tools and training to help agencies attain human capital management goals and meet OPM requirements.

Overview

In response to the critical need for ensuring that the Federal Government possesses the Human Capital required to meet 21st Century mission-related challenges, the Administration designated closing skills gaps as a 2012-2013 Cross-Agency Priority Goal. The initiative is being implemented in two phases, described below. OPM has designated closing Human Resources Skills Gaps, one of several focus areas under this initiative, as a 2014-2015 OPM Priority Goal.

Phase I created a Government-wide strategic workforce planning method through which agencies and the Chief Human Capital Officers Council (CHCOC) could identify occupations and competencies where staffing gaps could jeopardize the ability of the Government or specific agencies to accomplish their missions. Agencies and the CHCOC used this common method to identify occupations and competencies for skills gaps closure. Based on this analysis, the CHCOC identified six mission critical occupational groups and seven competencies, requiring government-wide focus. The six occupational groups are Cybersecurity, Acquisition, Economist, Human Resources, Auditor and STEM (Science, Technology, Engineering and Mathematics). The seven competencies are strategic thinking, problem solving, data analysis, influencing/negotiating, grants management, grants management compliance, and grants financial management. Successful skills gaps closure is critically dependent on a strong HR workforce who can provide strategies, programs and tools that help occupational leaders design and implement skills gaps closure efforts. For this reason, OPM designated HR Skills Gaps as an Agency Priority Goal.

In Phase II, OPM has designated a sub-goal leader for each of the six occupational groups to assist OPM in designing a strategy that identifies specific pilot projects which will close skill gaps. OPM's Associate Director for Employee Services has served as the sub-goal leader for HR Skills Gaps Closure. He chairs the CHCOC HR Skills Gaps Working Group, which meets monthly to set the direction for skills gap closure, provides research and design support, and makes recommendations to the CHCOC.

Strategies

Last fiscal year, the HR Skills Gap Working Group established two HR University goals to further professionalize the Federal HR workforce. The intent was to drive the Federal HR community to use HR University as a "one-stop shop" for all HR training and developmental needs. HR University (HRU) is the CHCOC's one-stop resource for Federal HR professional education, training and career development. HRU provides career maps, curriculum framework, course catalogues, course registration, online courseware, and learning resources. HRU also provides cross agency mentoring opportunities, a dedicated site for all Federal supervisors/managers interested in developing their talent management skills. In the future, HRU will also link to a talent-matching program that enables HR professionals to engage in cross-agency rotations, developmental assignments, and project-based work. These "on-the-job-training" experiences have been demonstrated as among the most effective ways to build sustainable skills. HRU's curriculum is being designed specifically to enable Federal HR professionals to meet the requirements for certification being developed under the second initiative described below.

In FY 2014, OPM's HR University goal was to increase the percent of the GS-201/203 population registered on HR University; and of those registered users, to increase those completing at least one course. In FY2015, OPM seeks to ensure HR specialists have access to the complete set of courses they need to fulfill learning requirements for the roles identified in the HRU curriculum. OPM and the CHCOC Working Group will define the learning requirements for staffing and classification across all roles identified in the curriculum framework, and will collect and review existing courses that meet quality criteria for posting onto HRU. The staffing and classification technical area is critical for supporting key Administration initiatives such as the President's Management Agenda Hiring Reform sub-goal, and OPM's Strategic Goals related to recruitment and hiring. While building out curriculum that will address HR professionals' immediate skill needs in staffing and classification, the working group will use community managers in each agency to continue expanding the registered population and encouraging active participation in HRU services in FY 2015.

Indicators

OPM used the following measure to manage its progress towards this Priority Goal.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2014 Target	FY 2015 Target
HR University Registration Percentage for HR Workforce (GS-201s/203s)	N/A*	N/A*	51%	80%	80%	95%

FY 2015 Milestone
Design the curriculum requirements for staffing and classification, and make an additional 2 courses available on HRU to meet the requirements

Promote Diversity and Inclusion

Goal Statement:

OPM will support diversity and inclusion by aligning OPM business intelligence tools to help decision makers, like hiring managers and supervisors, analyze key workforce data including applicant flow, attrition/retention, and inclusion indicators. In so doing, decision makers can develop better outreach and recruitment methods; determine what factors contribute to the retention of a talented workforce; experience cost savings through decreased attrition; and create an inclusive work environment that empowers employees to contribute to their full potential. By September 30, 2015, 95 percent of OPM and 25 percent of government-wide hiring actions will occur following human resource and/or hiring manager's use of a tool that reveals applicant flow data from prior recruitment efforts. This tool will assist human resource and/or hiring managers in planning their strategic recruitment efforts, resulting in measurable improvements in the recruitment and outreach to underrepresented communities and manager satisfaction with the quality of new hires.

Strategic Goal Alignment:

Strategy 1.01 Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce.

Overview

OPM is responsible for the Government-wide Diversity and Inclusion effort focused on developing, driving, and monitoring strategies and initiatives designed to create a more diverse and inclusive Federal workforce. Executive Order 13583, "Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce," challenged the Federal government with leading by example and attaining a diverse, qualified workforce that enables employees to contribute to their full potential. Similarly, Executive Order 13548, "Increasing Federal Employment of Individuals with Disabilities," requires agencies to improve their efforts to employ Federal workers with disabilities and targeted disabilities through increased recruitment, hiring, and retention of these individuals.

In FY 2012, OPM issued the Government-wide Diversity and Inclusion Strategic Plan to provide direction to fifty-seven participating departments and agencies under the two subject Executive Orders. The three primary goals in the Plan included:

1. Workforce Diversity. Recruit from a diverse, qualified group of potential applicants to secure a high-performing workforce drawn from all segments of American society;
2. Workplace Inclusion. Cultivate a culture that encourages collaboration, flexibility, and fairness to enable individuals to contribute to their full potential and further retention; and
3. Sustainability. Develop structures and strategies to equip leaders with the ability to manage diversity, be accountable, measure results, refine approaches on the basis of such data, and institutionalize a culture of inclusion.

In support of the Diversity goal, OPM seeks to improve retrospective applicant flow reporting to enable human resources staff and hiring managers to determine whether recruitment efforts have been successful in drawing from all segments of society and to aid in developing future recruitment strategy. Applicant flow data has historically been collected on the basis of race, national origin, and sex, and beginning in 2014, it will be collected on the basis of disability. Historically, the data has been analyzed in an aggregate format; however, through the use of business intelligence tools, applicant flow data for individual hiring actions will be available for review at the hiring manager level after a vacancy has closed, creating an incentive for increased hiring manager involvement in the recruitment process and greater opportunity for planning future recruitment efforts.

To further understand how to create an inclusive work environment where employees are fully engaged and productive, OPM and the Department of Veterans Affairs conducted factor analysis on the Federal Employee Viewpoint Survey and found that twenty questions cluster into five areas or behaviors (i.e., fair, open, cooperative, supportive, and empowering) that create inclusive work environments. Based on these five areas, OPM developed the "New IQ" (Inclusion Quotient) techniques and training to assist managers and supervisors in practicing behaviors that foster inclusion, an antecedent to employee engagement. OPM will also continue to focus on the life cycle of the Federal employee to ensure that the Federal workforce is able to hire and develop the best talent from all segments of society, with a focus on internal Diversity and Inclusion efforts to ensure that we serve as a model agency. Internal efforts will focus on the implementation of a data-driven, habit formation strategy that leverages first-line managers and supervisors to foster inclusion and engagement in the OPM workplace.

Strategies

OPM will align business intelligence tools and USA Staffing reports to reflect retrospective applicant flow data to encourage and promote attention to diversity and inclusion in future recruitment efforts. For agencies that do not use USA Staffing, OPM will share relevant work requirements and reporting capabilities to inform such agencies about the steps to be taken in working with their own provider to acquire the data. The following strategies will be employed:

- Develop business intelligence tool
    - Provide race, national origin, sex, and disability data by job vacancy, once the vacancy has closed;
    - Information will be delivered and tracked in a dashboard via USA Staffing to appropriate D&I personnel and hiring managers and shared with other agencies through the diversity and inclusion strategic partnership; and
    - All managers will receive training on the utilizing of OPM Applicant Flow Data Work Group
- Track training and use of New IQ techniques by OPM managers and supervisors
    - Provide New IQ training to managers and supervisors;
    - Track the use of New IQ techniques within the OPM workforce; and

- Analyze Federal Employee Viewpoint Survey scores for all employees, with an emphasis on people with disabilities and the LGBT community.

Indicators

OPM used the following measures to manage its progress towards this Priority Goal.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2014 Target	FY 2015 Target
Percent of USA Staffing applicant flow data reviewed by OPM hiring managers[*]	N/A*	N/A*	N/A[*]	25%	N/A[^]	N/A[^]
Percent of managers trained on the use of the new IQ learning techniques[*]	N/A*	N/A*	N/A*	78%	75%	98%

[*] N/A – No historical values are available.
[^] On September 30, 2014, USA Staffing made applicant flow data available by vacancy in a reportable format. OPM is currently establishing a baseline prior to setting a target.

Cross-Agency Priority Goals & President's Management Agenda

OPM supports the President's Management Agenda in both mission accomplishment and management effectiveness and efficiency initiatives. OPM is co-leader of two Cross-Agency Priority (CAP) Goals: 1) Insider Threat and Security and 2) People and Culture, and contributes to the following Cross-Agency Priority Goals: Customer Service (Retirement Services' Compassion, Accuracy, Responsiveness and Empowerment (CARE) Initiative and Lean Six Sigma), Smarter IT Delivery, Open Data, Benchmarking and Improve Mission Support Operations, and Strategic Sourcing. Efforts are also underway to improve effectiveness and efficiency of our services in support of our customers. These efforts are illustrated in our agency strategic plan and funding and performance details for these strategies are in the Performance Budget by Strategic Goal section of this budget. Here, we highlight our initiatives relative to our mission-oriented and management-focused Cross-Agency Priority Goals. Per the GPRA Modernization Act requirement to address Cross-Agency Priority Goals in the agency strategic plan, the annual performance plan and the annual performance report please refer to *www.Performance.gov* for the agency's contributions to those goals and progress where applicable.

Mission-Oriented Priority Goals

Insider Threat and Security Clearance

OPM directly supports the Cross-Agency Priority goal concerning prevention of Insider Threats and Security Clearance reform. Director Archuleta is co-chair of this Cross-Agency Priority goal and significant budgetary resources have been directed at this goal in FY 2014, FY 2015 and FY 2016.

The Federal Government will mitigate the inherent risks posed by personnel with access to cleared facilities, systems, and other personnel. To achieve this objective, agencies will work through the Suitability and Security Clearance Performance Accountability Council (PAC) to achieve the following:

- Develop Insider Threat Programs: Ensure compliance with national insider threat policies, to include establishing an insider threat program that meets the established minimum standards.

- Improve Oversight and Quality of Background Investigations: Improve oversight to ensure investigations and adjudications meet government-wide quality standards.

- Eliminate Backlog of Reinvestigations: Drive adherence to existing security and suitability reinvestigation timeliness guidelines, prioritizing submissions based on risk, and increasing the frequency of reinvestigations for high risk populations.

- Improve Automation: Increase the availability and usage of automation to access information relevant to suitability and security background investigations.

- Share Adverse Information: Ensure internal and external processes exist for sharing reported adverse information.
- Enhance Security Culture: Ensure awareness training and reporting mechanisms exist for early detection of actions and behaviors of concern, and establish performance accountability for security for all personnel.

The Performance Accountability Council's Program Management Office (PMO), comprised of representatives from the Office of Management and Budget, Office of the Director of National Intelligence, Office of Personnel Management, Department of Defense, Department of Homeland Security, Department of Justice, the Federal Bureau of Investigation, as well as the Senior Information Sharing and Safeguarding Steering Committee, will be responsible for driving government-wide implementation of these goals, and identifying recommended solutions to further safeguard our personnel and protect our nation's most sensitive information. The PMO is administratively housed at OPM, with a budget of $7 million. It is financed via transfers from the six major agencies listed above (the contribution from OPM's budget is $500 thousand).

People and Culture

OPM directly supports the Cross-Agency Priority goal for People and Culture. OPM's Director is co-leader of the People and Culture CAP goal and OPM programs and staff are directly involved in activities to achieve the three People and Culture CAP sub-goals: improving employee engagement government-wide, reinvigorating the Senior Executive Service, and untying knots in the hiring process. Agency resources have been directed to support this work in FY 2014, expanded in FY 2015, and will continue in FY 2016.

The Federal Government's workforce is the most critical ingredient to driving the success of its priority initiatives. We cannot focus on improvement in processes without a complementary focus on the people we rely on to do the work. Though changes to policy or law may ultimately be needed to address workforce and cultural challenges across government, we can and should take actions to maximize the impact of our workforce within the existing environment. We propose to:

- Create a Culture of Excellence and Engagement to Enable Higher Performance. We will foster a culture of excellence by using data-driven approaches to enhance management, performance, and innovation across the current Federal workforce. Specifically, we will focus on employee engagement (measured by employee views about their leaders, supervisors, and work experience), as multiple evaluations have demonstrated a strong correlation between employee engagement and an organization's productivity. Agencies can now get access to this data for over 13,000 work-level units across the country (up from just a few hundred units four years ago). This level of specificity in data will provide agency managers with actionable information to target areas where improvement is needed most and where there are management best practices that can provide a model for success.

- Build a World-Class Federal Management Team Starting with the Senior Executive Service (SES). To ensure a first-class Federal workforce long-term, we will invest in our civil service leadership by broadening experience and skill base across the Federal Executive Corps, improving recruitment, hiring, and onboarding practices, and enhancing training and accountability over the terms of their service.

- Enable Agencies to Hire the Best Talent from All Segments of Society. We will collaborate with Federal stakeholders and labor groups to ensure a balanced strategic approach to improving hiring outcomes. In the short term, we will identify and address the erosion of the original flexibilities of Title 5. In the long term, we will work closely with labor unions and use demonstration projects and/or legislation and regulatory changes to ensure that our hiring processes attract and retain America's talent. We will measure the success of this effort by assessing manager satisfaction with the quality of both applicants and their hires after six months on the job.

The table below displays the strategies that support the People and Culture and Insider Threat/Security Clearance CAP goals in FY 2016.

CAP Goal	Organization	Strategy
Insider Threat (at OPM)	FSC	11.01
Security Clearance	FIS, CIO	1.02, 4.04, 5.02, 8.01,
People and Culture	ODI, ES	1.01, 1.02, 1.03, 2.04, 3.03, 3.04, 6.01, 6.02, 6.03, 6.04, 8.02, 8.04, 10.01

President's Management Agenda and Management Focused Goals

In addition to the activities described above, OPM is improving Government performance through a range of activities in support of the PMA's Management Cross-Agency Priority Goals:

- Customer Service
  - Retirement Services' CARE Initiative
  - Lean Six Sigma
- Open Data
- Smarter IT Delivery
- Benchmarking
- Strategic Sourcing

Customer Service

OPM is committed to the Cross-Agency Priority goal to deliver world class service to citizens by making it faster and easier for individuals and businesses to complete transactions and have a positive experience with government. In the FY 2014-2018 Strategic Plan, OPM listed customer service as its second strategic goal. Strategic Goal 2 states OPM will "provide timely, accurate, and responsive service that addresses the diverse needs of our customers." Funding and performance details relative to customer service strategies can be found in the Budget by Strategic Goal section of this document.

Though many of OPM's responsibilities involve policy-setting and oversight, OPM has a diverse set of stakeholders who can be seen as customers, which include Federal employees, retirees, Federal human resource professionals, Federal agencies, uninsured Americans, and job applicants. While it may not be possible to have a single approach to customer service to meet the diverse needs of such a wide range of customers, OPM's customer-facing components stand to gain much from sharing information and strategies with one another. The bottom line is that OPM's customers should expect a consistently high standard of service quality. Achieving success in this area will go a long way toward establishing an OPM brand in which all can be proud.

OPM's specific customer service initiatives dovetail with our Agency's strategic goals and the President's Management Agenda. Not only has OPM created a strategic goal that focuses solely on customer service, but also OPM has included within each strategic goal efforts to improve customer service. The discussion below will focus on two examples of OPM's efforts to improve customer service to its external customers.

Digital Services Team

OPM will build a Digital Service team of experts with modern digital product design, software engineering, and product management skills. The team will manage those OPM digital services that have the greatest impact to citizens and businesses, in alignment with our Strategic IT Plan commitments to provide improved IT capabilities to our stakeholders and enhanced IT leadership and governance. By dedicating the team to these services, we will not only provide improved services to our stakeholders, but

also identify practices and tools to improve other OPM services and design future services. OPM has plans for a Chief Technology Officer (CTO), and before FY16, we will identify the high impact, high value services to which the Digital Services team will lend their expertise.

Retirement Services' CARE Initiative

In 2011 the President issued Executive Order 13571--Streamlining Service Delivery and Improving Customer Service calling upon agencies to provide the public with "competent, efficient, and responsive service." Retirement Services (RS) answered the call and is committed to "building a customer focused culture" at OPM. The Agency organized a focus group of front line employees who work with our customers daily to determine RS's core values. OPM discussed what inspires the Agency to do a great job, what motivates the Agency to help others, and what expectations the Agency has of itself and its coworkers. The group decided that the best way to provide great customer service is to show OPM CAREs. The group used the acronym CARE to communicate four key values that they believe all RS employees should demonstrate when the Agency works at being our very best: *Compassionate, Accurate, Responsive, Empowered.*

Each value encompasses initiatives RS is undertaking to become a better organization for both our customers and our employees. OPM found that agencies that incorporate continuous human capital improvement into their cultures and missions find that they not only improve employee workforce satisfaction but also often improve their production and better serve their customers. CARE encompasses the Agency's RS-wide efforts to provide better customer service by improving processes, the workforce, and interactions with customers. The FY 2014-2018 OPM Strategic Plan describes what RS does; the CARE strategic plan describes how OPM does it.

This plan outlines our efforts to provide excellent, customer-oriented retirement services. The objective statement associated with each value clarifies what we strive for as an organization and individually, as employees. For example, an objective of the Compassionate value is to provide former Federal colleagues with the kindness, attention, and courtesy OPM/RS employees would want and expect after a lifetime of public service."

Under each objective is a list of overall strategies. These are high-level statements about what RS does to achieve our objective. The strategies are ongoing activities that RS undertakes to provide better customer service, and are aligned with OPM's Strategic Goal 2 and Strategic Goal 7. The CARE team has identified performance measures to track whether we are successfully fulfilling our objectives. The RS Management Information branch tracks and reports on these targets.

Every year, OPM provides direct customer service to new retirees and our current annuitants, making maintenance changes to their account, answering telephone calls or responding to letters and emails. To measure satisfaction with retirement services, OPM conducted the annual Customer Satisfaction Survey based on a random sample of annuitants who had a customer service transaction during the fiscal year. The sample only includes those who are an annuitant as of the beginning of FY 2013, and it does not include those with pending claims that may be in an interim pay status.

Lean Six Sigma

Lean Six Sigma is a continuous and systemic process improvement approach designed to minimize waste and maximize utilization of resources. In 2014, OPM launched an agency-wide Lean Six Sigma initiative to help us deliver on our Strategic Plan and the President's Management Agenda. In FY 2015-2016, OPM will expand this initiative into a self-sustaining employee-driven Lean Six Sigma capability.

Among the various alternatives for the creation of a Lean Six Sigma capability, OPM decided to develop an agency-wide internal capacity for Lean Six Sigma program management. As such, Lean Six Sigma is a powerful engagement tool for the OPM workforce. By involving employees in the entire process – from identifying the problem to solving it –this tool helps us both increase productivity and the value of the services employees provide to our customers.

OPM programs will be able to call on agency Lean Six Sigma teams to help solve problems. Lean Six Sigma teams will consist of trained OPM experts who will collaborate with program owners to apply Lean Six Sigma techniques to solve our most pressing challenges. Through a variety of developmental programs, action learning projects, and communities of practice, participants will be taught fundamental concepts and given the opportunity to advance their journey towards certification.

The OPM Lean Six Sigma initiative builds on OPM's experience using Lean Six Sigma to solve some of our most difficult issues in our Retirement Services program. In FY 2011-2013, RS used Lean Six Sigma to improve its capacity to handle pending claims and court ordered benefits. Project teams included external Lean Six Sigma black belts along with OPM senior management, data analysis, and subject matter experts. RS employees were engaged at every step as part of the Lean Six Sigma "those that do the work must fix the work" philosophy. OPM not only improved performance and customer service, but also permanently changed the way several crucial retirement activities continue to be done.

In FY 2014, OPM established the foundation for a sustainable Lean Six Sigma capability. Initial activity included training for all OPM supervisors at the GS-14, GS-15, and SES levels. In parallel, the agency established a program management office and governing board consisting of senior OPM officials. As its first action, the governing board demonstrated its commitment by sponsoring two pilot projects reflecting OPM's customer service priorities: leaning the Federal hiring process and streamlining how interagency agreements are established between OPM HR Solutions and other agencies.

In FY 2015-2016, OPM will continue to invest in the expansion of the Lean Six Sigma program by growing a cadre of certified practitioners and sponsoring projects that span the breadth of the OPM Strategic Plan. The success of the Lean Six Sigma program will rely on investments in three critical areas:

- *Centralized Program Management*
- *Training & Experiential Learning*
- *Externally Provided Coaching and Mentorship*

OPM will retain sole responsibility for delivering the Lean Six Sigma program, with executive sponsorship by the Office of the Director. A centralized governance process will make sure that projects

represent strategic priorities, draw upon expertise from across the Agency, and receive the resources and direction they need to be successful. Each sponsored project will receive support from a Lean Six Sigma master black belt, as well as OPM other employees with expertise in knowledge management, data analysis, and other Lean Six Sigma disciplines.

OPM will develop its internal cadre of experts through a blend of classroom and experiential learning and a robust Community of Practice. OPM will sponsor training and development opportunities and promulgate an Agency-wide standard for yellow, green, and black belt certification. Employees with certification will have demonstrated expertise and commitment to OPM Lean Six Sigma and will form the core of future Lean Six Sigma project team leadership. The OPM Community of Practice will support ongoing professional development and collaboration among our Lean Six Sigma practitioners and build links to Lean Six Sigma practitioners at other Agencies to encourage the codification and exchange of best practices across the Federal Government.

A cadre of Lean Six Sigma master black belts will provide technical expertise on the use of Lean Six Sigma tools; practical experience to guide project development and address challenges as they arise; and on-the-job coaching and mentoring to executives, practitioners, and project teams. Initially, master black belts will be drawn from outside OPM. After FY 2016, external coaches/mentors will no longer be required as OPM employees gain expertise and independence to sustain the community.

Open Data

OPM is supporting Government-wide efforts to expand Government data access to fuel entrepreneurship and drive innovation in several ways. Below are a few ways for the public to collaborate with us and benefit from our joint open data work.

OPM's public data listing, available at *http://www.opm.gov/data.json* in a machine-readable format or at *http://catalog.data.gov/organization/opm-gov* with a graphical user interface, provides a single place for individuals and organizations to see what data OPM collects, produces, and has or can make publicly available across the human resources data lifecycle. Java script object notification (JSON) is a lightweight data interchange format that is useful to developers, who can combine it with the JSON files of related agencies (e.g., the Department of Labor or the Social Security Administration) or parse it in ways that are useful to them and perhaps even as-yet unimagined. The graphical user interface hosted by data.gov can provide researchers (academicians, journalists, and even potential OPM employees researching the agency before applying to or interviewing with OPM) with a better idea of OPM's mission and activities.

Additionally, OPM is participating in a Science, Technology, Engineering, and Math Community of Practice (STEM CoP) and Data Exposition which shows how information relating to STEM occupations and skills can be visualized and made available to the public, job seekers, and hiring officials. One specific example of work coming from this initiative is making data about current employees accessible in different ways, increasing ease of access to data and providing information on where STEM occupations exist, educational background of STEM employees, and STEM employee retirement

eligibility. This widens the availability of data for use in analysis and prediction, and we will publish data for the creation of applications.

USAJOBS' Job Opportunity Announcement (JOA) application programing interface affords third party vendors an opportunity to access job announcements and incorporate the data into solutions that support innovative social media recruitment practices.

FedScope is an online tool that allows users to access and analyze the most popular HR data elements from OPM's Enterprise Human Resources Information Statistical Data Mart (EHRI-SDM). EHRI's mission is to provide official Government-wide Human Resources data and enable technology to support the federal employee lifecycle through informed human capital decision-making. Data available through EHRI-SDM covers over 2 million Federal civilian employees and has information concerning occupations, agency of employment, salaries, and a range of other transactions concerning Federal civilian employees. The data is used by a many actors for a variety of purposes. For example, developers use the raw data sets that fuel FedScope and are also available at www.opm.gov/data to create business applications in support of their customers' needs.

OPM has also worked closely with Georgia State University and a collaborative of Vanderbilt/Princeton/ Duke Universities to open EHRI data for academic research. These researchers are also interested in participating in documenting the nuances of the data for other projects. Also, OPM is working with Harvard University to formalize agreements to bring academic researchers onto OPM research projects.

Finally, OPM has begun the process of reviewing and analyzing data in its EHRI payroll feed, which opens an entirely new vein of data within OPM and for use by academic researchers.

Smarter IT Delivery

OPM has identified two IT investments that are on PortfolioStat's 2014 High Impact List that exemplifies how OPM efficiently delivers IT that reflects our customer's needs. Both USAJOBS and USA Staffing are systems that have transformed how our customers receive key human resources services - recruiting and staffing. Both represent smarter IT delivery based on customer input and serve as enabling technologies to "get the best talent working inside government".

USAJOBS

USAJOBS is a centralized secure platform at *www.usajobs.gov* that acts as a portal for Federal recruitment for most government positions, whether competitively or non-competitively sourced. USA Staffing is the government's largest Talent Acquisition System, enabling federal agencies to recruit, assess, certify, and onboard qualified candidates efficiently and cost effectively. Agencies have the option to perform this work themselves, use USA Staffing, or use one of the nine private sector solutions integrated with USAJOBS. Because of the highly experienced staff of OPM experts who manage these programs, the exceptional service our products deliver, the time savings our customers achieve, and our ability to deliver cost savings from economies of scale and shared best practices, however, USA Staffing currently accounts for over 83% of all Federal Agency job postings on USAJOBS. Through May 2014,

OPM results include 147,407 posted announcements and 7,962,116 processed applications resulting in 168,038 selections Government-wide.

USAJOBS delivers the service by which Federal agencies meet their legal obligation (5 USC 3327 and 5 USC 3330) to provide public notice of Federal employment opportunities in the competitive service to Federal employees and the public. USAJOBS provides the agencies with a platform through which they can post Job Opportunity Announcements (JOA) to meet this obligation. The technology and program operations offer Federal agencies and job seekers a modern platform to support online recruitment, marketing and a job application solution.

USAJOBS also provides extensive Federal employment information to the public, coordinates recruitment information across agencies, and interacts with job seekers through the use of social media and help desk support. USAJOBS gathers customer satisfaction data on the USAJOBS system, as well as, the Federal hiring process. This information is used by the USAJOBS Program Office to improve the tools and processes that job seekers and applicants use to apply for Federal employment.

USAJOBS has become the primary site for Federal job postings with over 20,000,000 visitors monthly. In addition to providing a listing of all available Federal jobs USAJOBS also provides resources for creating resumes, instructions and tips on applying for Federal jobs and outside resources.

The broad use of mobile devices by the general public requires USAJOBS to develop compatible applications to support this technology. Social media has become a preferred user interface. USAJOBS currently has limited capabilities to support mobile devices and social media. By expanding the use of mobile devices and social media USAJOBS will be able to reach a broader audience and provide agencies with better qualified candidates.

USAJOBS registered members have expressed interest in having more personalized control of their accounts and the information provided. The current version of USAJOBS is basically just a jobs board listing available positions. Personalizing the site and the users experience is a high priority and will be the focus of the releases planned for FY 2016.

Federal agencies using USAJOBS have requested enhancements to the application that will make the site easier to use and provide new methods of identifying potential candidates. Specific requests for the ability to mine resumes for potential candidates is one example. By maintaining a Program Management Office in support of USAJOBS, OPM can be responsive to agency requests and provide more timely solutions.

In FY 2015, USAJOBS's primary focus is on delivering the next generation of the website. During the last quarter in FY 2014 through the first quarter of FY 2015, the program office is partnering with the Lab@OPM to conduct user research and user experience activities to collect job seeker and agency requirements. The goals of the new website include implementing a website that is:

1. Easier to use;

2. Provides feedback and information to improve transparency in the application process;

3. Promotes equity in access, and

4. Reflects how today's diverse populations find out about and apply for jobs.

In FY 2016, the work to deliver the next generation of USAJOBS will continue with the implementation of four major releases. The roadmap for the next generation will be approved through the USAJOBS Executive Steering Committee (ESC) in FY 2015, and the program office will keep the ESC informed of all activities including any necessary changes that may arise during the implementation phase. Lastly, the program office will conduct extensive performance testing and usability testing throughout the design and implementation phases to ensure the product meets user needs.

The next generation USAJOBS, to be accomplished over FY15 and FY16, will meet the needs of diverse job seekers and agencies: easier to use; provides feedback and information to improve transparency in the application process; promotes equity in access; and reflects how today's diverse populations (millennials, "gen-x", baby boomers) find out about and apply for jobs.

USAJOBS is a fee-for-service product. In some instances (e.g., vacancies in the competitive service), agencies are required to use it, and in others it is offered to Federal agencies as an option. Its operations are financed by OPM's Revolving Fund. User fees are intended both to cover the everyday cost of supplying the portal and, over time, to support the cost of upgrading USAJOBS to meet new needs. The budget for USAJOBS is included under the Chief Information Officer (CIO). In FY 2016, $4.3 million is budgeted for development, modernization and enhancement work to deliver four releases in support of the USAJOBS upgrade. The design phase of the enhancement is scheduled for FY 2015 with development completed in FY 2016. Depending on the scope and final requirements of the project upgrade activities could extend into FY 2017. USAJOBS follows an Agile Development Methodology that allows for the release of enhancements in 8 week cycles. With this approach the first results of the development will be evident in first quarter of FY 2016.

The resources for the IT portion of USAJOBS are budgeted against Strategy 4.04 of the OPM Strategic Plan FY2014-2018, Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other Federal agencies to achieve their missions. OPM's continued progress toward meeting the performance outcomes for this strategy is tied to the USAJOBS application. The USAJOBS program has an imperative to create a seamless and consistent hiring process for the job seeker.

USA Staffing

USA Staffing supports Federal agencies in the effective recruitment, assessment, certification, and onboarding of candidates for Federal positions while complying with Federal rules and procedures. USA Staffing customers enjoy exceptional service, time savings from a simplified interagency agreement process and improved business processes, and cost savings from all-inclusive pricing and economies of scale. By focusing on the user experience, USA Staffing can proactively address customer needs through shared best practices and continuous user engagement, enabling the delivery of the best value for government agencies.

USA Staffing is currently in the midst of a multi-year project to rebuild or transform the system using agile software development methods. OPM is upgrading USA Staffing to: 1) ensure modern technologies are in place to support increased capacity demands on the system; 2) improve speed to mission by enabling USA Staffing to be more responsive to evolving customer requirements, USAJOBS changes, and OPM initiatives; and 3) expand data analytics that can be used by management to improve the hiring process.

It has been over 10 years since USA Staffing has upgraded its underlying technology. Without the upgrade to USA Staffing, the system will be vulnerable to security, capacity and customer risks given the increased demands placed on the system. The upgrade will strengthen the program by updating underlying technologies for future growth and increased usability, including enhancing government efficiency by facilitating direct collaboration between HR professionals and hiring managers to improve selection timeliness and candidate hiring quality. It will also enhance job analysis and assessment, expand reporting and workload management. In preparation for the upgrade, USAJOBS, USA Staffing and OCIO have significantly strengthened their enabling infrastructure, adopted agile IT principles, expanded interoperability with other OPM systems (e.g., EHRI), and aligned with the functions outlined in the acquire segment of the HR lifecycle.

Through the engagement of the USA Staffing agency customer base, there is a heightened focus on capacity, system enhancements, and data analytics. The USA Staffing upgrade is necessary to ensure USA Staffing is able to address evolving agency demands in these areas:

- Capacity - The new design and framework will ensure the system will continue to perform well in the areas of scalability, reliability, performance, and availability in light of the continued and expected increase in functionality, volume, and security demands. Accordingly, the new version includes enhancements to the following: system architecture; database design; tools to monitor performance and aid in troubleshooting and repair; business intelligence to equip customers with improved metrics and expanded reporting; and functional, security, and automated testing methodologies.

- Speed to Mission – The USA Staffing Upgrade and agile software development approach will allow USA Staffing to more quickly respond to customer demands, USAJOBS requirements, and Federal initiatives (e.g. Applicant Flow Data). Agile development promotes more incremental and rapid changes to the software compared with traditional lifecycle management.

- Data – The Upgrade is also concentrating efforts on rewriting the underlying data architecture and strengthening data standards to provide data and analytics to agencies for data driven decision making and downstream talent management systems.

The USA Staffing upgrade is currently underway and scheduled for deployment in FY15, in accordance with the timelines published in the OPM IT Plan. Specifically, USA Staffing initiated transition planning for its customers to implement the new technology and software in the summer of 2014. As the new

version launches in March 2015, we will run the legacy and new versions in parallel for about two years to allow for a full and orderly transition and decommission the legacy version in the summer of 2017

Throughout FY 2016, USA Staffing will work to fully deploy the upgraded USA Staffing system across its customer base. The upgrade will 1) ensure modern technologies are in place to support increased capacity demands on the system; 2) improve mission speed and agility by enabling USA Staffing to be more responsive to evolving customer requirements, and OPM initiatives; and 3) expand data analytics that can be used by management for data-driven decision making. The upgrade provides enhanced job analysis and assessment, expanded reporting and workload management tools and will introduce a streamlined, modern and user-friendly interface design.

The budget for USA Staffing is included under Human Resources Solutions (HRS), and the IT budget for USA Staffing for FY 2016 is $31 million. All of the funds for USA Staffing are from revolving funds that are collected from other federal agencies. The user fees support the cost of upgrading USA Staffing.

The resources for the IT portion of USA Staffing are contained in Strategy 8.03 which is to "Provide guidance, tools and training to help human capital management goals and meet OPM requirements." USA Staffing customer partners enjoy exceptional service, time savings from a simplified interagency agreement process and improved business processes, and cost savings from all-inclusive pricing and economies of scale. USA Staffing focuses on the user experience and proactively addressing customer needs through shared best practices and continuous user engagement allowing the delivery of the best value for government agencies. The purpose of USA Staffing is to support Federal agencies to effectively recruit, assess, certify, and onboard candidates for Federal positions while complying with Federal rules and procedures.

Benchmarking

Benchmarking OPM's cost and effectiveness of performing administrative activities against other Federal agencies provides management insight that could result in more efficient delivery of services and yield potential cost savings. As demonstrated through the Benchmarking activity, OPM is among the most efficient agencies in human capital management, acquisitions, and real property management. However, there is evidence that this efficiency is having a negative impact on the quality of the services provided and the morale of the staff involved.

Acquisitions

OPM is second lowest among Chief Human Capital Officer (CHCO) agencies in its cost to spend ratio for acquisitions; however, its acquisition employees' job satisfaction scores are among the lowest and there are very high turnover rates among acquisitions staff. Additionally, OPM is the second to last agency in terms of its use of the Past Performance Information Retrieval System (PPIRS), a measure of the quality of acquisition services. It appears that the relationship between efficiency and quality is out of balance. OPM is proposing to shift resources to its contracting offices to address these issues.

HR Servicing

OPM's HR servicing ratio, the number of employees served per HR professional, is about twice the government-wide median and is second highest among the 24 CHCO Act agencies. However, there is evidence that this high level of efficiency is due in part to shifting resources away from strategic activities such as workforce planning. Additionally, because of OPM's resident expertise in certain HR management areas, OPM's internal HR unit has been able to tap into OPM government-wide resources (e.g., Employee Viewpoint Survey analysis by the survey team), which is not sustainable.

Financial Management

In FY 2014, OPM entered into a shared service partnership with the Department of Transportation's Enterprise Service Center (ESC) to perform transactional processing for its accounts payable and accounts receivable components. The intent of this arrangement was to take advantage of the best practices established by the ESC in order to gain processing efficiencies and reduce operating costs on a per transaction basis. OPM developed internal metrics to facilitate governance of the services provided by Federal Aviation Administration (FAA). In addition to the internal metrics, OPM will use the refined benchmarking financial management metrics as an indicator of progress for cost reductions and increased productivity. We are confident that the metrics will continue to show that this partnership is yielding the desired results. Based on favorable benchmarking metrics and cost comparisons, OPM will continue to identify operational components that are legitimate candidates for transitioning to ESC in FY 2015. This transition is allowing OPM financial management components to focus more on analytical activities and data integrity that will ensure the proper accounting principles continue to be followed and yield consistent financial reporting results for the agency.

OPM has also embarked on an agency-wide managerial cost accounting initiative to provide improved cost alignment and transparent budgeting, and comply with government-wide cost management guidelines. A by-product of this initiative will be OPM's ability to improve the overall quality of data inputs provided for the benchmarking effort. The development of precise cost accounting methodologies will improve OPM's ability to provide more accurate data to support key benchmarking financial management metrics. An important component of the cost accounting initiative is to align FTE costs with activities that produce an output. This will correlate to supporting more accurate benchmarking by identifying all activities and associated cost components that produce outputs as defined in the benchmarking financial management metrics. By providing more accurate cost inputs into key financial management benchmarking components such as accounts payables, accounts receivables, and cumulative financial management spending, it will bring increased validity to agency government-wide comparisons. Decision-making will be based on actual costs and increase the probability that the agency is aligning budgetary resources where they are most needed and producing the desired outcome.

In FY 2016 OPM will invest in a managerial cost accounting system. These funds will be used to finalize and maintain a standard cost accounting methodology across the agency, complete financial system integration of data and configuration of costing models, and develop or enhance financial reporting needs.

By providing higher quality data to support the benchmarking initiative, OPM will be able to use the benchmarking metrics to ensure proper alignment of resources related to operational support of key responsibilities and priorities of the agency. These include providing excellent customer service, more efficient alignment of FTE to activities, improved IT infrastructure and delivery of services, and the effective utilization of the agency infrastructure. Most importantly, OPM will be able to more accurately determine how resources are being utilized to support the agency strategic plan and make decisions that are based on the most precise information available.

Organizational Framework

OPM's divisions and offices and their approximately 5,000 employees implement the programs and deliver the services that enable the Agency to meet its strategic goals. The Agency's organizational framework consists of program divisions and offices that both directly and indirectly support the Agency mission. This section contains descriptions of each organization and the key roles and responsibilities it plays in contributing to the achievement of OPM's overall mission.

Office of the Director

Reporting to the Office of the Director (left):
- Chief Financial Officer
- Facilities, Security, & Contracting
- Chief Information Officer
- Executive Secretariat
- Equal Employment Opportunity
- Diversity & Inclusion

Reporting to the Office of the Director (right):
- General Counsel
- Congressional, Legislative & Inter-governmental Affairs
- Office of Communications
- Planning & Policy Analysis
- Federal Prevailing Rate Advisory Committee
- Executive Director, Chief Human Capital Officer Council

Office of the Inspector General

Employee Services
- OPM HR (Dep CHCO)
- Pay & Leave
- Senior Executive Service & Performance Management
- Partnership & Labor Relations
- Veterans Services
- Recruitment & Hiring

Retirement Services
- Quality Assurance
- Retirement Operations
- Administrative Operations

Healthcare & Insurance
- National Healthcare Operations
- Federal Employees Insurance Operations
- Healthcare Program Development & Implementation

Merit System Accountability & Compliance
- Voting Rights & Resource Management
- Agency Compliance & Evaluation
- CFC
- Internal Oversight & Compliance

Federal Investigative Services
- Management Services
- External Affairs
- Quality
- Operations

Human Resources Solutions
- Center for Leadership Development
- Federal Staffing Group
- HR Strategy and Evaluation Solutions
  - Administrative Law Judges Program
- Training and Management Assistance Program

OPM's organizations are categorized into five different types of offices, which are detailed below:

Executive Offices

- The *Office of the Director (OD)* provides guidance, leadership and direction necessary to make the Federal Government the model employer in the United States, and OPM its model agency. The Office of the Director (OD) is the leadership of the U.S. Office of Personnel Management (OPM), the agency responsible for attracting and retaining an innovative, diverse and talented workforce to make the Federal government a model employer for the 21st century..

- *Office of the General Counsel (OGC)* provides legal advice and representation to the Director and OPM managers and leaders so they can ensure the Federal Government has an effective civilian workforce. OGC does this by rendering opinions, reviewing proposed policies and other work products, and commenting on their legal efficacy, serving as agency representatives in administration litigation, and supporting the Department of Justice in its representation of the Government on matters concerning the civilian workforce. OGC also carries out several programmatic, substantive functions that benefit other OPM offices or the Executive Branch as a whole, including, for example, administering the internal agency ethics program and playing a policy and legal role in the government-wide function of determining which Merit Systems Protection Board and arbitral decisions are erroneous and have a substantial impact on civil service law, and, thus, merit judicial review.

- *Congressional, Legislative and Intergovernmental Affairs (CLIA)* is the OPM component that fosters and maintains relationships with Members of Congress and their staff members. CLIA staff accomplishes its mission by keeping informed of issues related to programs and policies administered by OPM. CLIA staff attends meetings, briefings, mark ups and hearings in order to interact, educate and advise agency, congressional, and State, local and tribal government.

- *Office of the Executive Secretariat (OES)* is responsible for the administrative management and support for the Office of the Director, and other executive offices including coordination and review of agency correspondence, policy and program proposals, regulations and legislation. OES also manages the agency's international affairs program coordinating meetings and the transfer of information between OPM officials and foreign delegations.

- *Equal Employment Opportunity (EEO)* provides a fair, legally-correct and expedicious EEO complaints process (e.g., EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping).

- *Diversity & Inclusion (DI)* examines policy options, Government-wide data trends, and employee survey findings that affect OPM's management of HR policy, as it relates to Diversity & Inclusion throughout the Federal Government. DI develops comprehensive strategies to drive Diversity & Inclusion practices throughout the Federal Government and build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws. DI also designs and implements all required internal OPM Diversity and Inclusion efforts, to promote diversity management.

Program Divisions

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

- *Retirement Services (RS)* is responsible for administering, developing, and providing Federal employees, retirees and their families with benefits programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving nearly 2.6 million Federal retirees and survivors who receive monthly annuity payments. Even after a case is adjudicated and added to the annuity roll, OPM continues to serve annuitants by making address or tax status changes to their accounts, sending out 1099-Rs, surveying certain annuitants to ensure their continued eligibility to receive benefits, and other post adjudication activities.

- *Healthcare & Insurance (HI)* consolidates OPM's healthcare and insurance responsibilities into a single organization. This includes functions such as the Affordable Care Act's Multi-State Plan Option, OPM's responsibilities to perform External Review of consumer complaints plus existing responsibilities for the Federal Employees Health Benefits Program (FEHBP), Federal Employee Group Life Insurance (FEGLI), Federal Long Term Care Insurance Program (FLTCIP), the Federal Employee Dental Vision Insurance Plan (FEDVIP), and Flexible Spending Accounts for Federal Employees (FSAFEDS). HI comprises National Healthcare Operations and Federal Employee Insurance Operations.

- *Merit System Accountability & Compliance (MSAC)* ensures through rigorous oversight that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. MSAC carries out this responsibility with a staff of employees in five field offices across the nation and in Washington, D.C. The three key components of the oversight and compliance programs are (1) Delegated Examining Unit Evaluations, (2) Large Agency Human Resources (HR) Evaluations, and (3) Small Agency HR Evaluations. MSAC also manages the classification appeals program, which provides Federal employees with an independent third-party review of their classification decisions and provides evidence as to whether agencies are technically accurate in the use of delegated classification and job grading authority. MSAC has Government-wide oversight of the Combined Federal Campaign (CFC) and the Voting Rights (VR) programs. The mission of the CFC is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. The Voting Rights Program provides observers to cover political subdivisions (counties, cities, etc. as determined by the Attorney General) to monitor and report on those elections designated by the Attorney General. Finally, MSAC manages OPM's Office of Internal Oversight and Compliance (IOC). IOC drives the resolution of audit recommendations, conducts program evaluations, and oversees the review of capital investments to strengthen OPM's risk management and operational performance.

- *Federal Investigative Services (FIS)* mission is to ensure the Federal Government has a suitable workforce that protects national security and is worthy of the public trust. FIS is responsible for providing investigative products and services for over 100 Federal agencies to use as the basis for a variety of adjudicative decisions, including but not limited to security clearance and suitability decisions as required by Executive Orders and other rules and regulations. Over 95 percent of the Government's background investigations are provided by OPM.

- *Human Resource Solutions (HRS)* is a reimbursable organization offering a complete range of tailored and standardized human resources products and services designed to meet the unique and dynamic needs of the Federal Government. As such, HRS provides customer agencies with innovative, high quality Government-to-Government solutions to help them develop leaders, attract and build a high quality public sector workforce, and achieve long-lasting results. This includes recruiting and examining candidates for Administrative Law Judge positions for employment by Federal agencies nationwide, managing the Leadership for a Democratic Society program, automating the full range of Federal rules and procedures for external hires, developing specialized assessments and performance management strategies, and offering Federal customers an expedited procurement process to acquire mission-critical training.

Mission Support Services

- *Chief Financial Officer (CFO)* manages and oversees OPM accounting, billing, vendor payments, budgeting, strategic planning, performance, program evaluation, financial systems, internal control and financial policy functions which enable the agency to achieve its mission. CFO also ensures the completion of timely and accurate financial reports that improve decision-making, comply with Federal requirements and demonstrate effective management of taxpayer dollars.

- *Chief Information Officer (CIO)* develops the Information Resource Management Plan and defines the information technology vision and strategy to include information technology policy and security for OPM. CIO shapes the application of technology in support of the agency's strategic plan including the information technology that outlines the long term strategic architecture and systems plans for agency information technology capital planning. CIO supports and manages pre- and post-implementation reviews of major information technology programs and projects, as well as, project tracking at critical review points. CIO provides oversight of major information technology acquisitions to ensure they are consistent with the agency's architecture and the information technology budget, and is responsible for the development of the agency's information technology security policies. CIO directs the realization of the agency's information technology architecture to guarantee architecture integration, design consistency, and compliance with Federal standards; works with other agencies on Government-wide projects such as E-Government; and develops long range planning for human resource information technology strategies.

- *Facilities Security & Contracting (FSC)* manages the agency's personal and real property, building operations, space design and layout, mail management, realty, safety, physical security and occupational health programs. FSC provides personnel security and suitability and national security clearance determinations for OPM personnel and directs the operations and oversight of OPM's preparedness and emergency response programs. FSC's contracting group provides centralized contract management that supports the operations and Government-wide mission of OPM. FSC also manages OPM's small business program in conjunction with public law, Federal regulations, and OPM contracting policies. The organization also oversees publishing and printing management for internal and external design and reproduction, to include graphics design work.

Other Offices

- *Planning and Policy Analysis (PPA)* provides planning and analytical support to the Director and the agency. PPA assesses issues that affect OPM across the full array of human resources programs and benefits. A particular area of responsibility is the analysis of policy options, legislative changes and trends that affect OPM's management of health and retirement benefits for Federal employees. To assure benefits provide maximum value and are secure, the office conducts actuarial analyses, as well as statistical analyses using large databases such as the Enterprise Human Resources Integration – Statistical Data Mart (EHRI-SDM) (containing Federal employee data) and the Health Claims Data Warehouse (HCDW). PPA develops and standardizes data analysis policies related to evidence-based decisions and practices. The Director of PPA also serves as OPM's Performance Improvement Officer.

- *Federal Prevailing Rate Advisory Committee (FPRAC)* studies the prevailing rate system and other matters pertinent to the establishment of prevailing rates under subchapter IV of chapter 53 of Title V, United States Code, and advises the Director of OPM on the Government-wide administration of the pay system for blue-collar Federal employees.

Office of the Inspector General

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

FY 2016 Budget Request by Organization, Program and Strategy with FTE – All Resources

The table below shows how the resources budgeted in FY 2016 to each organization within OPM and are dedicated to achieving individual strategies in OPM's strategic plan. Resources shown are from all funding sources including:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council.
- Common Services which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative and leadership functions within the agency.

Organization	FY 2015 Enacted Dollars	FTE	FY 2016 Request Dollars	FTE
Chief Human Capital Officer Council	$718,847	4.8	$1,100,000	4.4
Chief Information Officer	$135,375,168	315.6	$169,657,693	327.2
Congressional, Legislative and Intergovernmental Affairs	$2,383,000	19.0	$2,383,000	19.0
Employee Services	$38,436,682	255.5	$41,755,602	266.5
Equal Employment Opportunity	$902,000	9.0	$902,000	7.0
Executive Secretariat	$1,565,000	13.0	$1,565,000	13.0
Facilities, Security & Contracting	$11,570,000	102.0	$11,592,500	92.1
Federal Investigative Services	$1,132,617,689	2,726.0	$1,131,789,824	2,727.0
Federal Prevailing Rate Advisory Committee	$219,000	1.0	$219,000	1.0
Healthcare & Insurance	$39,975,002	133.3	$43,182,180	150.9
HR Solutions	$392,613,817	354.1	$388,732,731	346.5
Merit System Accountability & Compliance	$16,199,533	97.0	$14,778,252	101.0
Office of Communications	$2,290,000	16.0	$2,290,000	16.0
Office of Diversity and Inclusion	$1,088,000	7.0	$1,975,310	12.0
Office of the Chief Financial Officer	$29,793,000	133.0	$32,147,260	141.6
Office of the Director	$3,159,000	14.5	$3,159,000	21.1
Office of the General Counsel	$6,005,000	34.0	$6,005,000	40.0
Office of the Inspector General	$25,724,000	145.0	$26,844,000	166.0
Planning and Policy Analysis	$32,230,000	105.2	$22,282,588	91.0
Rent/Centrally Funded Items	$26,321,000	0.0	$23,833,835	0.0
Retirement Services	$100,892,000	960.0	$99,796,000	972.0
White House Fellows	$772,000	4.0	$772,000	4.0
OPM Total	**$2,000,849,738**	**5,449.0**	**$2,026,762,775**	**5,519.2**

Performance Budget by Strategic Goal

This section of the OPM budget describes how each OPM organization will use its requested budgetary resources to achieve our strategic goals. It is intended to meet the requirements of OMB Circular A-11, Part 6, and Section 240 – *Annual Performance Planning*.

The Office of Personnel Management exists to support the men and women who serve the American people as Federal workers. Over the next four years, OPM's goals and strategies will guide the agency's efforts *to recruit, retain, and honor a world-class workforce and continue to be a model employer for the 21st Century*. The Agency's mission is to provide the highest quality of service to our customers: Federal employees, agencies, retirees, and uninsured Americans.

Strategic Goals

In this budget document, OPM details nine strategic goals. These include five management goals and four program outcome goals. This year the OPM Strategic Plan includes targeted goals for the management of the agency as well as for the program outcomes we are charged with delivering. The management goals are internally-focused on OPM systems and processes and the program outcome goals are externally-focused on OPM's responsibilities. The management goals of improved information technology, employee engagement, and evidence-based policy will ensure that OPM can deliver on its core mission. OPM's nine strategic goals and corresponding strategies are designed to help other Federal agencies achieve their missions and produce superior results.

1. Management Goal: Attract and engage a diverse and effective OPM workforce.

2. Management Goal: Provide timely, accurate, and responsive service that addresses the diverse needs of our customers.

3. Management Goal: Serve as the thought leader in research and data-driven human resource management and policy decision-making.

4. Management Goal: Manage information technology systems efficiently and effectively in support of OPM's mission.

5. Management Goal: Establish and maintain responsive, transparent budgeting and costing processes.

6. Outcome Goal: Provide leadership in helping agencies create inclusive work environments where a diverse Federal workforce is fully engaged and energized to put forth its best effort, achieve their agency's mission, and remain committed to public service.

7. Outcome Goal: Ensure that Federal retirees receive timely, appropriate, transparent, seamless, and accurate pension retirement benefits.

8. Outcome Goal: Enhance the integrity of the Federal workforce.

9. Outcome Goal: Provide high quality health benefits and improve the health status of Federal employees, Federal retirees, their families, and populations newly eligible for OPM-sponsored health insurance products.

Additional Government-wide Mandated or Compliance Functions Supported by OPM

OPM performs certain functions as required by law or Executive Order that do not align directly with a specific strategic goal or strategy within our strategic plan. Such functions include the administration of the Combined Federal Campaign, providing voting rights observations for the Department of Justice (DOJ), and operating the President's Commission on White House Fellows.

Enabling Structural Capacity Functions of OPM

OPM has also included in its budgetary request funds to cover information technology, contracting, facilities and security, financial management, and overhead functions. These administrative and executive leadership activities are grouped in our strategic plan as capacity-enabling functions.

This section presents a detailed description of the strategies within the strategic goals and the resources budgeted for each strategy. The following table shows the funding source of resources budgeted in FY 2016 to each of OPM's Strategic Goals. Resources shown for each goal include the full cost of activities including financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council.

- Common Services which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative and leadership functions within the agency.

FY 2016 Budget Request by Strategic Goal and Fund—All Resources

STRATEGIC_GOAL	FY 2016 Request Dollars	FTE
Diverse and Effective OPM Workforce	**$18,101,180**	**117.9**
Salaries & Expenses	$3,041,465	12.6
TF Limit - Annual	$1,782,461	5.2
Common Services	$9,814,572	78.1
Advances & Reimbursements To S&E	$80,066	0.2
RF - USAJOBS	$86,453	0.4
RF Employment Services (HRTT)	$237,685	0.7
RF Enterprise Human Resources Integration	$116,729	0.5
RF Investigative Services	$2,751,749	18.7
Trust Fund-Title V	$190,000	1.5
Timely, Accurate, and Responsive Customer Service	**$2,746,119**	**21.2**

STRATEGIC_GOAL	FY 2016 Request Dollars	FTE
Salaries & Expenses	$1,231,479	9.2
Common Services	$1,395,284	11.5
Advances & Reimbursements To S&E	$119,356	0.6
Evidence-Based Policy and Practices	**$2,843,444**	**17.8**
Salaries & Expenses	$2,331,817	14.5
Common Services	$511,627	3.3
Efficient and Effective Information Systems	**$294,158,639**	**334.9**
Salaries & Expenses	$33,201,045	32.5
TF Limit - Annual	$13,761,118	40.4
Common Services	$32,471,358	128.6
RF - USAJOBS	$12,807,202	14.6
RF Employment Services (HRTT)	$35,288,241	99.3
RF Enterprise Human Resources Integration	$37,619,691	16.5
RF HRLOB Activities	$3,000,000	0.0
RF Investigative Services	$122,736,984	0.0
Trust Fund-Title V	$3,273,000	3.0
Transparent and Responsive Budgets	**$8,604,998**	**53.9**
Salaries & Expenses	$675,282	4.5
TF Limit - Annual	$609,926	4.2
Common Services	$5,310,059	33.4
RF - Training Services (HRS)	$1,154,281	9.0
RF Investigative Services	$255,450	2.0
Trust Fund-Title V	$100,000	0.8
FIS Salaries & Expenses No-Year	$500,000	0.0
Engaged Federal Workforce	**$97,453,352**	**207.8**
Salaries & Expenses	$11,523,091	46.6
TF Limit - Annual	$2,500	0.0
Common Services	$517,627	3.3
Advances & Reimbursements To S&E	$84,448	0.4
RF - Training Services (HRS)	$82,621,869	151.0
RF Presidential Management Fellows (PMF)	$2,703,817	6.5
Improved Retirement Services	**$98,447,036**	**967.8**
TF Limit - Annual	$55,588,982	576.0
Common Services	$554,054	3.3
Trust Fund Title V - FERCCA	$2,109,000	12.0
Trust Fund-Title V	$40,195,000	376.5
Enhanced Federal Workforce Integrity	**$1,301,365,484**	**2,978.5**
Salaries & Expenses	$15,201,704	99.2
Common Services	$3,329,059	20.0

STRATEGIC_GOAL	FY 2016 Request Dollars	FTE
RF - Training Services (HRS)	$276,789,080	153.0
RF Investigative Services	$1,004,045,641	2,706.3
FIS Salaries & Expenses No-Year	$2,000,000	0.0
Healthier Americans	**$51,696,168**	**205.4**
Salaries & Expenses	$12,395,511	72.9
TF Limit - Annual	$19,857,558	120.6
Common Services	$497,598	3.5
TF Dental and Vision Benefits	$16,374,501	3.2
Trust Fund Title V - Long Term Care	$2,048,000	4.5
Trust Fund-Title V	$523,000	0.7
Additional Government-wide Mandated or Compliance Function Supported by OPM	**$36,034,481**	**176.0**
Salaries & Expenses	$20,187,370	129.4
Common Services	$5,387,381	18.0
Advances & Reimbursements To S&E	$211,046	1.6
RF - Training Services (HRS)	$10,248,684	27.0
Enabling Structural Capacity Functions of OPM	**$115,311,874**	**438.1**
Salaries & Expenses	$12,401,236	16.0
TF Limit - Annual	$22,792,455	51.7
Common Services	$36,400,899	202.8
Advances & Reimbursements To S&E	$605,084	1.6
OIG Salaries & Expenses	$4,365,000	19.0
OIG TF Limit - Annual	$22,479,000	126.0
RF - Revolving Fund Direct	$0	21.0
RF - Training Services (HRS)	$15,215,000	0.0
TF Dental and Vision Benefits	$34,500	0.0
Trust Fund Title V - FERCCA	$11,600	0.0
Trust Fund Title V - Long Term Care	$7,100	0.0
Trust Fund-Title V	$1,000,000	0.0
OPM Total	**$2,026,762,775**	**5,519.2**

The following table shows the operating resources budgeted to each strategy within the strategic goals. This includes financing from:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council (CHCOC).
- Resources spent as Common Services which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative and leadership functions within the agency.

FY 2016 Budget Request by Goal and Strategy—All Resources

STRATEGIC_GOAL	STR_NO	STRATEGY	FY 2016 Request Dollars	FTE
Diverse and Effective OPM Workforce	1.01	Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce	$3,455,058	33.8
	1.02	Create a work environment where OPM employees are fully engaged and energized to put forth their best efforts and achieve OPM's mission	$11,238,760	69.7
	1.03	Provide targeted learning and developmental opportunities for OPM's employees	$3,407,362	14.5
Strategic Goal Total			$18,101,180	117.9
Timely, Accurate, and Responsive Customer Service	2.01	Develop and implement a strategic plan for customer service that addresses each of our major program goals	$1,014,516	7.1
	2.02	Promote shared accountability for the customer service strategy	$480,462	3.3
	2.03	Improve IT Capabilities to interface with customers	$129,819	1.0
	2.04	Improve customers understanding of the policies and procedures that apply throughout the employee lifecycle	$1,121,322	9.9
Strategic Goal Total			$2,746,119	21.2
Evidence-Based Policy and Practices	3.01	Create an owner to drive focused attention to data analysis	$526,424	3.0
	3.02	Build strong data analysis, infrastructure and implementation tools and talent	$725,161	4.5
	3.03	Develop partnerships to access and analyze data	$1,428,463	9.3
	3.04	Make data analytics a fundamental part of OPM culture	$163,396	1.0

STRATEGIC_GOAL	STR_NO	STRATEGY	FY 2016 Request Dollars	FTE
Strategic Goal Total			**$2,843,444**	**17.8**
Efficient and Effective Information Systems	**4.01**	Commit to an enterprise-wide IT systems strategy based on principle that business drives IT strategy	$3,977,905	23.2
	4.02	Implement enabling successful practices and initiatives that strengthen IT leadership and IT governance	$12,667,969	38.2
	4.03	Implement enterprise initiatives that leverage capabilities and tools throughout OPM	$48,220,266	102.7
	4.04	Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other federal agencies to achieve their missions	$229,292,499	170.8
Strategic Goal Total			**$294,158,639**	**334.9**
Transparent and Responsive Budgets	**5.01**	Implement off-cycle cost re-baselining	$367,483	3.9
	5.02	Institutionalize corporate prioritization	$5,741,242	39.5
	5.03	Widely inform key stakeholders on new agency budget process	$463,355	4.0
	5.04	Configure and Deploy Agency-wide Cost Accounting Models	$2,032,918	6.5
Strategic Goal Total			**$8,604,998**	**53.9**
Engaged Federal Workforce	**6.01**	Design and deliver leadership training to increase employee engagement	$66,626,984	92.9
	6.02	Support agencies in hiring leaders strong in managing and leading high-performing organizations	$4,417,835	11.4
	6.03	Provide a comprehensive suite of engagement services and models for agencies and employees	$18,053,536	74.9
	6.04	Ensure agencies target, address, and measure key drivers of employee engagement	$7,793,539	23.6
	6.05	Partner with agencies to drive greater diversity, inclusion and employee engagement	$561,458	5.0
Strategic Goal Total			**$97,453,352**	**207.8**
Improved Retirement Services	**7.01**	Prepare the Federal workforce for retirement beginning from entry-on-duty across every stage of the employee life-cycle	$1,003,000	7.0
	7.02	Improve OPM service to Federal agency benefit officers	$2,451,054	10.3

STRATEGIC_GOAL	STR_NO	STRATEGY	FY 2016 Request Dollars	FTE
	7.03	Advance the 21st-century, customer-focused retirement processing system for claims adjudication in a timely and accurate manner	$94,992,982	950.5
Strategic Goal Total			**$98,447,036**	**967.8**
Enhanced Federal Workforce Integrity	8.01	Enhance policy, procedures and processes used to ensure people are fit to serve	$1,007,678,485	2,717.3
	8.02	Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems	$10,257,391	72.5
	8.03	Provide guidance, tools and training to help agencies attain human capital management goals and meet OPM requirements	$278,142,414	167.0
	8.04	Assure effective human capital management of Senior Executive Service (SES) and other senior employees	$5,287,194	21.7
Strategic Goal Total			**$1,301,365,484**	**2,978.5**
Healthier Americans	9.01	Sponsor high quality, consumer friendly, affordable insurance products	$28,515,983	59.5
	9.02	Optimize insurance-related business processes	$19,758,858	121.1
	9.03	Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans	$1,467,324	10.3
	9.04	Develop novel partnerships in support of population health	$897,499	5.9
	9.05	Enhance outreach and health literacy	$1,056,504	8.6
Strategic Goal Total			**$51,696,168**	**205.4**
Additional Government-wide Mandated or Compliance Function Supported by OPM	10.01	Direct customer-facing program activities have components that do not directly support a Goal or Strategy	$36,034,481	176.0
Strategic Goal Total			**$36,034,481**	**176.0**
Enabling Structural Capacity Functions of OPM	11.01	Indirect or internal-facing programs	$115,311,874	438.1
Strategic Goal Total			**$115,311,874**	**438.1**
OPM Total			**$2,026,762,775**	**5,519.2**

FY 2016 Budget Request Strategy by Organization—All Resources

The following table shows FY 2016 operating resources for each strategic goal by organization. This includes:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the Chief Human Capital Officers Council.

- Resources spent as Common Services which is an internal fund comprised of contributions from all of OPM's funding sources to finance the administrative and leadership functions within the agency.

Organization	Diverse and Effective OPM Workforce	Timely, Accurate, and Responsive Customer Service	Evidence-Based Policy and Practices	Efficient and Effective Information Systems	Transparent and Responsive Budgets	Engaged Federal Workforce	Improved Retirement Services	Enhanced Federal Workforce Integrity	Healthier Americans	Additional Government-wide Mandated or Compliance Function Supported by OPM	FY 2016 Request Total
Chief Human Capital Officer Council	$80,066	$119,356	$0	$0	$0	$84,448	$0	$0	$0	$816,130	$1,100,000
Chief Information Officer	$1,940,464	$0	$0	$163,462,655	$0	$0	$0	$0	$0	$4,254,574	$169,657,693
Congressional, Legislative and Intergovernmental Affairs	$974,044	$284,205	$37,534	$37,534	$37,534	$37,534	$37,534	$37,534	$37,534	$862,013	$2,383,000
Employee Services	$5,479,088	$1,553,316	$1,728,260	$153,563	$234,282	$6,373,086	$0	$6,605,073	$0	$19,628,934	$41,755,602
Equal Employment Opportunity	$290,030	$37,080	$0	$0	$0	$0	$0	$0	$0	$574,890	$902,000
Executive Secretariat	$511,551	$175,793	$29,371	$29,371	$468,635	$29,371	$29,371	$29,371	$29,371	$232,795	$1,565,000
Facilities, Security & Contracting	$552,141	$0	$0	$0	$122,158	$0	$0	$0	$0	$10,918,201	$11,592,500
Federal Investigative Services	$2,751,749	$0	$0	$122,736,984	$255,450	$0	$0	$1,006,045,641	$0	$0	$1,131,789,824
Federal Prevailing Rate Advisory Committee	$15,996	$0	$0	$0	$0	$0	$0	$0	$0	$203,004	$219,000
Healthcare & Insurance	$0	$0	$0	$2,505,000	$299,000	$0	$0	$0	$40,378,180	$0	$43,182,180
HR Solutions	$0	$0	$0	$0	$1,154,281	$85,325,686	$0	$276,789,080	$0	$25,463,684	$388,732,731
Merit System Accountability & Compliance	$1,810,722	$0	$372,082	$315,796	$291,500	$433,044	$0	$8,596,631	$0	$2,958,477	$14,778,252
Office of Communications	$201,666	$231,166	$189,566	$189,566	$189,566	$189,566	$189,566	$189,566	$189,566	$530,206	$2,290,000
Office of Diversity and Inclusion	$451,885	$67,620	$19,666	$0	$0	$561,458	$0	$0	$0	$874,681	$1,975,310
Office of the Chief Financial Officer	$870,981	$0	$0	$959,465	$5,025,009	$0	$0	$0	$0	$25,291,805	$32,147,260
Office of the Director	$310,263	$277,583	$255,156	$0	$277,583	$261,156	$297,583	$297,583	$241,127	$940,966	$3,159,000
Office of the General Counsel	$207,516	$0	$0	$0	$0	$0	$0	$2,775,005	$0	$3,022,479	$6,005,000
Office of the Inspector General	$0	$0	$0	$0	$0	$0	$0	$0	$0	$26,844,000	$26,844,000
Planning and Policy Analysis	$0	$0	$211,809	$3,768,705	$0	$4,158,003	$0	$0	$10,820,390	$3,323,681	$22,282,588
Rent/Centrally Funded Items	$0	$0	$0	$0	$0	$0	$0	$0	$0	$23,833,835	$23,833,835
Retirement Services	$1,653,018	$0	$0	$0	$250,000	$0	$97,892,982	$0	$0	$0	$99,796,000
White House Fellows	$0	$0	$0	$0	$0	$0	$0	$0	$0	$772,000	$772,000
OPM Total	**$18,101,180**	**$2,746,119**	**$2,843,444**	**$294,158,639**	**$8,604,998**	**$97,453,352**	**$98,447,036**	**$1,301,365,484**	**$51,696,168**	**$151,346,355**	**$2,026,762,775**

Strategic Goal: 1 Diverse and Effective OPM workforce

Strategic Goal Statement:

Attract and engage a diverse and effective OPM workforce.

Evidence demonstrates that organizations with a greater percentage of engaged employees outperform those with a lower percentage of engaged employees. Engaged employees are demonstrably more productive than their less engaged colleagues. OPM's performance is largely dependent on the performance of its employees. OPM products and services – whether policy analysis or claims processing – are labor intensive. In order to attract and engage a diverse and effective OPM workforce, the Agency must invest in its most valuable resource – its employees. It is critical that OPM make these investments in its people in order to achieve its mission.

To that end, OPM intends to pursue the following three strategies:

- Develop an agile set of recruitment and outreach approaches to attract talented and diverse new employees (i.e., OPM will leverage technology and social media to create communities around specific mission areas) and identify and address barriers to diversity.

- Deploy a comprehensive approach to employee engagement. OPM wants to build leadership commitment and ownership of the engagement approach through supervisory training and improved assessment and selection of supervisors. Further, the Agency will train supervisors in problem-solving methods that empower their teams to develop excellent solutions. OPM will increase communication to its employees and promote inclusion by identifying and using available communication vehicles, including OPM's intranet (*www.THEO.opm.gov*).

- Continue to support ongoing training and development by setting consistent standards across OPM for evidence-based decisions on training investments. The Agency will use OPM Learning and the LAB@OPM to close identified skills gaps in mission critical occupations and competencies – both agency-specific and government-wide. The Agency will focus on anticipated skills gaps in OPM's mission critical occupations (HR Specialist, Investigator, and Legal/Administrative Specialist); and competencies such as problem-solving, data analysis, influencing/negotiating, and strategic thinking. The Agency will support mentoring programs, define career paths for OPM occupations, and train OPM employees on the agency's core values and the problem-solving methods that support these values.

Some of the activities OPM will implement include opportunities to participate in our social media, recruiting activities, an emphasis on our core values, and experiential learning.

Progress Indicator Statements:

Increase the participation of employees, including groups that are under-represented within OPM, at all levels of the workforce.

Increase in OPM's employee engagement index score (especially with respect to the "Leaders Lead" sub index) and New Inclusion Quotient (New IQ).

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Diverse and Effective OPM Workforce		
1.01		
Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce	**$3,455,058**	**33.8**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$80,066	0.2
Employee Services		
Common Services	$2,250,489	25.6
Salaries & Expenses	$135,739	1.0
Equal Employment Opportunity		
Common Services	$37,083	0.3
Federal Prevailing Rate Advisory Committee		
Salaries & Expenses	$15,996	0.0
Office of Diversity and Inclusion		
Salaries & Expenses	$177,958	0.6
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$337,354	3.0
Executive Secretariat		
Common Services	$218,707	1.6
Office of Communications		
Common Services	$201,666	1.5
1.02		
Create a work environment where OPM employees are fully engaged and energized to put forth their best efforts and achieve OPM's mission	**$11,238,760**	**69.7**
Chief Information Officer		
Common Services	$913,671	1.3
RF - USAJOBS	$72,853	0.4
RF Employment Services (HRTT)	$115,692	0.7
RF Enterprise Human Resources Integration	$94,800	0.5
TF Limit - Annual	$95,187	0.6
Salaries & Expenses	$118,513	0.4
Employee Services		
Common Services	$2,121,537	19.1

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Equal Employment Opportunity		
Common Services	$252,947	1.3
Facilities, Security & Contracting		
Common Services	$362,742	6.3
Salaries & Expenses	$22,814	0.5
Federal Investigative Services		
RF Investigative Services	$2,751,749	18.7
Office of Diversity and Inclusion		
Salaries & Expenses	$158,898	0.6
Office of the Chief Financial Officer		
Common Services	$488,733	1.6
TF Limit - Annual	$101,157	0.6
Office of the Director		
Common Services	$310,263	2.1
Office of the General Counsel		
Common Services	$192,514	0.3
Retirement Services		
TF Limit - Annual	$801,006	4.0
Trust Fund-Title V	$190,000	1.5
Merit System Accountability & Compliance		
Common Services	$152,241	1.0
Salaries & Expenses	$1,456,676	4.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$318,345	2.8
Executive Secretariat		
Common Services	$146,422	1.4
1.03		
Provide targeted learning and developmental opportunities for OPM's employees	**$3,407,362**	**14.5**
Chief Information Officer		
Common Services	$288,693	0.0
RF - USAJOBS	$13,600	0.0
RF Employment Services (HRTT)	$121,993	0.0
RF Enterprise Human Resources Integration	$21,929	0.0
TF Limit - Annual	$35,400	0.0
Salaries & Expenses	$48,133	0.0
Employee Services		
Common Services	$366,998	4.5
Salaries & Expenses	$604,325	4.0
Facilities, Security & Contracting		
Common Services	$157,585	0.0
Salaries & Expenses	$9,000	0.0
Office of Diversity and Inclusion		
Salaries & Expenses	$115,029	1.5

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Office of the Chief Financial Officer		
Common Services	$193,392	0.0
TF Limit - Annual	$87,699	0.0
Office of the General Counsel		
Common Services	$15,002	0.3
Retirement Services		
TF Limit - Annual	$662,012	0.0
Merit System Accountability & Compliance		
Common Services	$23,421	0.0
Salaries & Expenses	$178,384	0.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$318,345	2.8
Executive Secretariat		
Common Services	$146,422	1.4
OPM Total	**$18,101,180**	**117.9**

Strategy: 1.01 Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce

Strategy Overview:

- Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce by:
- Further developing and implementing our approach to recruitment and outreach;
- Identifying OPM's unique value proposition as an employer to establish the "OPM Brand" to support both external and internal recruiting efforts;
- Developing and implementing an approach to internal recruitment with a focus on agility (e.g., connecting talent to project-based work through a Government-wide talent matching tool);
- Leveraging technology and social media to create communities around specific mission areas;
- Investing in application assessment tools and processes; and
- Identifying and addressing barriers to diversity.

Anticipated FY 2016 Accomplishments:

- In FY 2016, OPM Human Resources (HR) will manage the Agency's recruiting program, leveraging social media and ensuring that hiring managers actively participate in recruiting strategies. OPM will continue to use data analytics and workforce dashboards to track and report new hires. OPM continues to improve its ability to analyze applicant flow workforce composition by organization, by race and national origin, for veterans, and for employees with disabilities.

- OPM expects its veteran hiring, as a percentage of overall hires, to continue to meet or surpass goals established by OPM's Director and the Council on Veterans Employment. The Agency's veteran hiring trend continues to meet or surpass benchmarks. OPM anticipates continuing this trend in FY 2016.

- In FY 2016, OPM will continue to expand its recruiting and outreach efforts by leveraging available networks into which it has not previously tapped. OPM employees have personal networks and links to communities that differ from those of the Agency. For example, employees are members of professional associations and community organizations, have attended various universities, and have lived in locations throughout the world. The Agency will draw on this untapped resource by inviting its employees, including those in OPM's Employee Resource Groups (ERGs) to assist in recruitment and outreach through their social media networks. This will not only engage the Agency's employees but will also allow OPM to expand the Agency's social media presence, building around specific mission areas and with particular outreach to groups underrepresented in the OPM workforce as part of the overall recruitment program.

- In FY 2016, OPM will continue to actively engage hiring managers and senior leaders and provide the necessary tools to support their ownership of the hiring process. The Agency's applicant flow data has shown a diverse applicant pool, and its Hispanic hiring has increased as a

percentage of overall hires. OPM is committed to a diverse workforce, and will continue to involve hiring managers in recruiting and outreach, because their decisions directly impact the diversity of the workforce. Supervisors will receive further training on recruiting strategies to reach a diverse applicant pool and on the value of a diverse workforce, and human resources staff will assist organizations in actively sourcing their job opportunities. The Agency will also expand on OPM's unique value proposition as an employer. This will support the "OPM Brand" with both applicants and OPM employees.

- OPM will institutionalize OPMConnect, a talent exchange program being piloted in FY 2014 and FY 2015. OPMConnect will enable project-based recruitment for short-term rotational and developmental assignments through skills matching and crowd-sourcing tools. In FY 2016, OPM will evaluate OPMConnect pilot results, refine the program and expand it across the agency. OPMConnect will eventually be linked to other agencies' platforms in order to provide supervisors/managers access to talent across Government, and give employees opportunities to engage in rotational assignments for skills and career development.

Implementation Organizations:

Employee Services (ES), Office of Diversity & Inclusion (ODI), Office of Communications (OC), Chief Human Capital Officers Council (CHCOC), Equal Employment Opportunity (EEO), Federal Prevailing Rate Advisory Committee (FPRAC), Congressional Legislative and Intergovernmental Affairs (CLIA), and Executive Secretariat (OES)

Implementation Considerations:

All OPM organizations have a role in the recruitment of a diverse and talented workforce. Implementation of this strategy is dependent on the Employee Services (ES) (OPM Human Resources) staff, in coordination with the Office of Diversity & Inclusion, to provide program management, policy, guidance, and communication and coordination with hiring managers and employees. Additionally, ES' Veterans Employment Program Office supports the recruitment and outreach to the veterans' community. The goal also requires the participation and support of managers at all levels of the Agency.

Because this strategy involves leveraging social media and technology, it requires access to social media through official OPM accounts and the support of the Office of Communications. Additionally, the specific recruitment and outreach approaches outlined will require the support of OPM employees, who will extend the outreach of the Agency. Dashboard and data analysis tools, along with analytical expertise, are required for ongoing monitoring and feedback.

If Agency hiring continues to be constrained by budget limitations, the impact of this goal on the composition of the workforce is similarly constrained. Additionally, without broad hiring, the ability to generalize applicant flow data is limited and the results may not be representative of the Agency as a whole. For example, if the Agency only hires in one location, organization, or occupation, the data cannot

be meaningfully extended to represent hypothetical Agency-wide hiring, but rather only reflect those limited conditions.

OGC provides legal advice, renders opinions, reviews proposed policies and other work products and comments on their legal efficacy, serves as Agency representatives in administrative litigation, and supports the Department of Justice (DOJ) in its representation of the Government on matters concerning the civilian workforce. Diversity & Inclusion objectives can sometimes be in tension with the rules governing staffing and the provision of benefits under Title V of the United States Code, which OPM is responsible for administering. Accordingly, OGC has always closely reviewed all materials related to Diversity & Inclusion to ensure that they not only comply with the civil rights laws (i.e., our initiatives do not unwittingly result in reverse discrimination) but also that they are consistent with the laws for which OPM is responsible, e.g., Title V. Moreover, OGC is closely involved with revisions to regulations to improve the processes for staffing, performance management, and other personnel processes. Finally, OGC defends the Agency or liaises with DOJ when Diversity & Inclusion policies and practices are challenged.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of USA staffing applicant flow data reviewed by OPM hiring managers	N/A[*]	N/A*	N/A*	25%	-	75%

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[*] N/A - Not Available - no historical data available for this period.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Diverse and Effective OPM Workforce		
1.01		
Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce	**$3,455,058**	**33.8**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$80,066	0.2
Employee Services		
Salaries & Expenses	$135,739	1.0
Common Services	$2,250,489	25.6
Equal Employment Opportunity		
Common Services	$37,083	0.3
Federal Prevailing Rate Advisory Committee		
Salaries & Expenses	$15,996	0.0
Office of Diversity and Inclusion		
Salaries & Expenses	$177,958	0.6
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$337,354	3.0
Executive Secretariat		
Common Services	$218,707	1.6
Office of Communications		
Common Services	$201,666	1.5
OPM Total	**$3,455,058**	**33.8**

Strategy: 1.02 Create a work environment where OPM employees are fully engaged and energized to put forth their best efforts and achieve OPM's mission

Strategy Overview:

Employee engagement describes a range of behaviors that support mission accomplishment, most typically described as increased discretionary effort and a heightened sense of commitment and personal accountability for the work to be done. Research has shown that visionary leadership, caring supervision, a feeling of personal empowerment, opportunities to learn and advance, meaningful recognition for a job well done, and frequent communication that reinforce the organization's values work together to create employee engagement. Among these, the most significant factor is typically the relationship between an employee and his or her supervisor.

OPM will create a work environment where its employees are fully engaged and energized to put forth their best efforts and achieve OPM's mission by:

- building leadership commitment and ownership of the inclusion and engagement approach that incorporates:
  - supervisory training;
  - improved assessment and selection of supervisors;
  - training in problem-framing and problem-solving methods that empower their teams to develop excellent solutions;
  - ongoing support to supervisors; and
  - monitoring of supervisors' progress using an accountability tool;
- increasing communication to employees and promoting inclusion by identifying and using available communication channels, including *THEO.opm.gov* (OPM employee intranet);
- involving employees in design of programs, products and services through collaboration using the Innovation Lab and other internal resources;
- reflecting OPM core values in communications to employees, including recognition of employees who exhibit core values;
- involving employee labor/representative groups as vehicles to support the inclusion and engagement approach;
- providing New IQ training to managers and supervisors in team settings; and
- conducting Diversity & Inclusion Dialogue activities and training facilitators to promote employee inclusion.

Anticipated FY 2016 Accomplishments:

In FY 2014, OPM released a new strategic plan with an explicit focus on communication and development of internal employees. Through monthly town hall meetings and smaller in-person or virtual gatherings, senior leaders, division directors, and supervisors emphasized the value of employee empowerment, development and recognition. OPM used an inclusive process to identify the core values that define its employees. By engaging employees in the creation of a "culture of excellence" statement, OPM created a sense of ownership among all employees for accomplishing our mission together. In FY 2016, senior leaders, division directors and supervisors will continue to use all available communications vehicles to reinforce the culture of excellence and to recognize employees who embody our core values.

In FY 2016, (ES) (OPM HR, OPM Learning, and the Lab@OPM) will strengthen personal connections across OPM divisions by using the supervisory cohorts and the mentoring program to develop communities of practice. OPM will promote best-practices in employee empowerment, Diversity & Inclusion, trust-building and recognition to institutionalize effective approaches across the organization. To ensure that everyone makes time for these activities, OPM will require all supervisors, including Senior Executives, to spend at least 10 percent of their time participating in the cohorts, the mentoring program or engaging their employees through the identified promising practices.

In FY 2014, OPM implemented a supervisory training and development framework, focused on five competencies: strategic thinking, developing others, inclusion intelligence, accountability, and interpersonal skills. The Agency supported the framework by establishing supervisory cohorts – groups of supervisors from all parts of the Agency, brought together under a senior executive, serving as a senior advisor for the group. The cohort activities had few restrictions, allowing the senior advisors to build on their own strengths and leadership style, as they led their groups. In FY 2015 and FY 2016, the lessons learned through the cohort process will be used to bring consistency and quality to all components of OPM. Based on evaluation results, OPM is preparing to relaunch the supervisory training and development framework in FY 2015, by focusing on core developmental objectives and instructor led learning experiences. In FY 2016, OPM will continue this program, using ongoing evaluation for continuous improvement and responsiveness to participants' and OPM leadership needs.

OPM also used a mentoring program to support a culture where employees feel supported and connected to each other and the mission of the organization. Mentoring activities range from formal, one-on-one relationships that last a full year to informal peer mentoring through employee groups that meet on a regular basis to situational mentoring events to strengthen particular skills, such as problem solving, time management and public speaking. Based on evaluation results, OPM is relaunching the mentoring program in FY 2015 and plans to continue this program in FY 2016.

OPM included an accountability element for employee engagement and diversity and inclusion in the performance agreements of Senior Executives and all supervisors in FY 2014. In FY 2016, OPM will work through the internal Diversity & Inclusion Council to support Diversity & Inclusion throughout OPM.

OPM will continue to deliver problem-solving training to employees, managers and leaders in the Lab@OPM, through skill building workshops as well as participation in design-led innovation projects to address Government-wide human capital challenges throughout FY 2015. The Lab@OPM is supporting the USAJOBS redesign in 2015. OPM will continue providing training and support for innovation projects in FY 2016, incorporating Human Centered Design and Lean Six Sigma.

In FY 2014, OPM also began using pulse surveys to gather broad feedback from employees regarding key drivers of engagement such as empowerment, development and recognition. These methods will be refined in FY 2016 to provide supervisors with more actionable insights.

Implementation Organizations:

Chief Information Officer (CIO), Employee Services (ES), Equal Employment Opportunity (EEO), Facilities, Security & Contracting (FSC), Federal Investigative Services (FIS), Office of Diversity & Inclusion (ODI), Office of the Chief Financial Officer (OCFO), Office of General Counsel (OGC), Office of the Director (OD), Retirement Services (RS), Merit Systems Accountability & Compliance (MSAC), Congressional, Legislative and Intergovernmental Affairs (CLIA), and Executive Secretariat (OES).

Implementation Considerations:

Implementation of this strategy is dependent on the Human Resources staff, OPM Learning team, Diversity & Inclusion staff, and the Office of Communications staff to provide program management, policy, guidance, and communication and coordination with all supervisors and employees. It requires the participation and support of all OPM employees; including employees in the development and refinement of our activities is critical.

The OPM Learning team, within ES, coordinates and delivers supervisory training; the human resources staff develop and implement supervisory assessment, selection, and performance accountability tools, and manage OPM's labor relations program; the LAB@OPM provides training and support for internal problem-solving design innovation drawing on end-user research; the office of Diversity & Inclusion supports internal engagement programs; and all of the implementing organizations work together to provide ongoing support to supervisors.

Because this strategy involves leveraging internal social media (*THEO.opm.gov*) and other technology to include employees across OPM in activities such as mentoring and community building, clear rules of engagement and expectations on the use of time for these activities must be clarified. The Federal Employee Viewpoint Survey (FEVS) dashboard and data analysis tools are required for ongoing evaluation and refinement. Sufficient funding and time for these capacity-building activities must be maintained.

OGC provides legal advice, renders opinions, reviews proposed policies and other work products and comments on their legal efficacy, serves as agency representatives in administrative litigation, and supports the Department of Justice in its representation of the Government on matters concerning the civilian workforce.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
OPM's Federal Employee Viewpoint Survey Employee Engagement Index score	72%	71%	72%	72%	-	73%
Overall New IQ score	63%	63%	64%	64%	-	66%
Percent of USA staffing applicant flow data reviewed by OPM hiring managers	N/A*	N/A*	N/A*	25%	-	75%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Diverse and Effective OPM Workforce		
1.02		
Create a work environment where OPM employees are fully engaged and energized to put forth their best efforts and achieve OPM's mission	**$11,238,760**	**69.7**
Chief Information Officer		
Salaries & Expenses	$118,513	0.4
TF Limit - Annual	$95,187	0.6
Common Services	$913,671	1.3
RF - USAJOBS	$72,853	0.4
RF Employment Services (HRTT)	$115,692	0.7
RF Enterprise Human Resources Integration	$94,800	0.5
Employee Services		
Common Services	$2,121,537	19.1
Equal Employment Opportunity		
Common Services	$252,947	1.3
Facilities, Security & Contracting		
Salaries & Expenses	$22,814	0.5
Common Services	$362,742	6.3
Federal Investigative Services		
RF Investigative Services	$2,751,749	18.7
Office of Diversity and Inclusion		
Salaries & Expenses	$158,898	0.6
Office of the Chief Financial Officer		
TF Limit - Annual	$101,157	0.6
Common Services	$488,733	1.6

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Office of the Director		
Common Services	$310,263	2.1
Office of the General Counsel		
Common Services	$192,514	0.3
Retirement Services		
TF Limit - Annual	$801,006	4.0
Trust Fund-Title V	$190,000	1.5
Merit System Accountability & Compliance		
Salaries & Expenses	$1,456,676	4.0
Common Services	$152,241	1.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$318,345	2.8
Executive Secretariat		
Common Services	$146,422	1.4
OPM Total	**$11,238,760**	**69.7**

Strategy: 1.03 Provide targeted learning and developmental opportunities for OPM's employees

Strategy Overview:

Provide targeted learning and developmental opportunities for OPM's employees by:

- developing an Agency workforce plan that outlines OPM's workforce needs for the medium to long-term;

- developing consistent standards across OPM for using evidence to prioritize training investments and evaluate impact;

- conducting a skills gap analysis that identifies the skill requirements of the OPM workforce;

- aligning Learning Center and The Lab @ OPM's offerings with OPM needs identified through the skill gap analysis;

- training OPM employees on the Agency's core values as well as problem-solving methods that support those values;

- instituting a formal experiential development program (e.g., Fellows, details, cross-organization project opportunities);

- supporting shadowing and mentoring practices and programs;

- defining career paths for OPM occupations; and

- leveraging Employee Resource and Affinity Groups to help connect to employees at all levels of the organization.

Anticipated FY 2016 Accomplishments:

OPM will accomplish the following in FY 2016:

- execute OPM's first Corporate Workforce Plan after its design in FY 2015;

- establish criteria for OPM leaders, supervisors and managers to apply when prioritizing training investments and evaluating training impact;

- implement OPM's skills gap action plan, including use of OPMConnect's project-based rotational assignments to fill immediate skill gaps and enhance employees engagement;

- continue design, testing and assessment of cohort-based development programs;

- link OPM's mentoring program to Government-wide mentoring resources through the Human Resources University (HRU)'s Federal Mentorship Hub; and

- enhance online learning and development resources for employees in mission critical occupations.

Implementation Organizations:

Chief Information Officer (CIO), Employee Services (ES), Facilities, Security & Contracting (FSC), Office of Diversity & Inclusion (ODI), Office of the Chief Financial Officer (OCFO), Office of General Counsel (OGC), Retirement Services (RS), Merit Systems Accountability & Compliance (MSAC), Congressional, Legislative and Intergovernmental Affairs (CLIA), and Executive Secretariat (OES).

Implementation Considerations:

Employee Services will leverage Government-wide models, tools and best practices to support OPM HR's creation of a workforce plan and gap closure strategy. ES employees will partner throughout implementation of this initiative, so a unified project plan and coordinated leadership and management of the project will be critical to its success. Implementation of the workforce plan will be dependent on OPM HR staff availability to conduct data collection/analysis and coordinate agency-wide workforce planning for long term institutional sustainability. Access to Comprehensive Human Resources Integrated System (CHRIS), Enterprise Human Resources Integration (EHRI) and other data sources will be critical to apply the appropriate data analysis to forecasting OPM workforce directions/gaps, and creating plans to fill those gaps.

OPM Learning and the LAB@OPM space and staff will be required to successfully implement the programs. The OPM Learning team and the LAB@OPM will design, implement, manage and evaluate the programs to provide targeted learning and developmental opportunities for OPM's employees. These organizations will identify skills development priorities based on OPM's strategic goals and ongoing needs assessment, including skills gaps analysis, in collaboration with OPM leadership and HR; design programs to meet these priorities; develop content for training and development; and create technology-based solutions where appropriate to enable access to these opportunities. These organizations will use core staff to design and manage the programs, while leveraging OPM-wide resources to serve as adjunct faculty, design opportunities team members, or use mentors/coaches in support of specific content delivery.

OPM Connect will be designed as a pilot project under the Government-wide GovConnect initiative being implemented as part of the President's Management Agenda. OPMConnect's core team will be required to create project plans and methods in full coordination with the overall GovConnect project timeline and process. Labor-management cooperation, executive and management participation, and the support of the Office of Diversity & Inclusion and the Office of Communications will be key factors in OPMConnect design and implementation. Where needed, changes in practice and possibly in internal OPM policies may be required to enable talent exchange to succeed.

Chief Human Capital Officer Council (CHCOC) support for Government-wide skills gap analysis and workforce strategy is assumed to provide OPM a standard method for workforce planning and skill gap analysis.

OGC provides legal advice, renders opinions, reviews proposed policies and other work products and comments on their legal efficacy, serves as agency representatives in administrative litigation, and supports the Department of Justice in its representation of the Government on matters concerning the civilian workforce.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of employees participating in corporate training opportunities	N/A*	N/A*	N/A*	28%	50%	70%
Percent of employees satisfied with the opportunity to improve their skills as reported in the Employee Viewpoint Survey	66%	63%	65%	62%	-	68%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Diverse and Effective OPM Workforce		
1.03		
Provide targeted learning and developmental opportunities for OPM's employees	**$3,407,362**	**14.5**
Chief Information Officer		
Salaries & Expenses	$48,133	0.0
TF Limit - Annual	$35,400	0.0
Common Services	$288,693	0.0
RF - USAJOBS	$13,600	0.0
RF Employment Services (HRTT)	$121,993	0.0
RF Enterprise Human Resources Integration	$21,929	0.0
Employee Services		
Salaries & Expenses	$604,325	4.0
Common Services	$366,998	4.5
Facilities, Security & Contracting		
Salaries & Expenses	$9,000	0.0
Common Services	$157,585	0.0
Office of Diversity and Inclusion		
Salaries & Expenses	$115,029	1.5
Office of the Chief Financial Officer		
TF Limit - Annual	$87,699	0.0
Common Services	$193,392	0.0
Office of the General Counsel		
Common Services	$15,002	0.3
Retirement Services		

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* N/A - Not Available - no historical data available for this period.

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
TF Limit - Annual	$662,012	0.0
Merit System Accountability & Compliance		
Salaries & Expenses	$178,384	0.0
Common Services	$23,421	0.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$318,345	2.8
Executive Secretariat		
Common Services	$146,422	1.4
OPM Total	**$3,407,362**	**14.5**

Strategic Goal: 2 Timely, Accurate, and Responsive Customer Service

Strategic Goal Statement:

Provide timely, accurate, and responsive service that addresses the diverse needs of our customers.

OPM has a diverse set of customers that include Federal employees, retirees, Federal human resource professionals, Federal agencies, uninsured Americans, and job applicants. While it may not be possible to have a single approach to customer service to meet the diverse needs of such a wide range of customers, OPM's customer-facing components stand to gain much from sharing information and strategies with one another. The bottom line is that OPM's customers should expect a consistently high standard of service quality. Achieving success in this area will go a long way toward establishing an OPM brand that the Agency can be proud of.

Progress Indicator Statement:

All OPM employees (and contractors) in customer-facing units will receive training (delivered through a shared services model) in customer service based on objectives defined in the customer service strategic plan.

Each customer-facing unit of OPM will establish customer service standards and quantifiable performance targets for timeliness, accuracy, and quality.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Timely, Accurate, and Responsive Customer Service		
2.01		
Develop and implement a strategic plan for customer service that addresses each of our major program goals	$1,014,516	7.1
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$59,678	0.3
Employee Services		
Salaries & Expenses	$290,965	2.0
Common Services	$129,819	1.0
Office of the Director		
Common Services	$277,583	2.1
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.5
2.02		
Promote shared accountability for the customer service strategy	**$480,462**	**3.3**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$59,678	0.3
Employee Services		
Salaries & Expenses	$290,965	2.0
Common Services	$129,819	1.0
2.03		
Improve IT Capabilities to interface with customers	**$129,819**	**1.0**
Employee Services		
Common Services	$129,819	1.0
2.04		
Improve customers understanding of the policies and procedures that apply throughout the employee lifecycle	**$1,121,322**	**9.9**
Employee Services		
Salaries & Expenses	$581,929	4.0
Equal Employment Opportunity		
Common Services	$37,080	0.3
Office of Diversity and Inclusion		
Salaries & Expenses	$67,620	1.3
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$246,671	2.8
Executive Secretariat		
Common Services	$146,422	1.6
Office of Communications		
Common Services	$41,600	0.0
OPM Total	**$2,746,119**	**21.2**

Strategy: 2.01 Develop and implement a strategic plan for customer service that addresses each of our major program goals

Strategy Overview:

OPM will build on best practices from programs to create an OPM-wide Customer Service Strategy for each customer segment that will enhance our overall customer service. These best practices include:

- identifying how customer service improvement will drive achievement of program outcome goals through The LAB@OPM, human-centered design, and other collaborative methods;
- taking an inventory of OPM's points of contact within each customer segment in order to identify duplication, gaps, hidden gems, heroes, best practices, and centers of excellence (e.g., OPM's best help desks, most successful customer service training programs, effective customer councils); and
- developing a customer service investment plan that:
  - supports program goals and builds on Agency strengths,
  - leverages resources across OPM and across its partner agencies,
  - reallocates resources from unsuccessful customer service efforts to successful ones, and
  - ensures cross-channel integration so that service is centered on the customer—not organizational units.

Anticipated FY 2016 Accomplishments:

OPM will accomplish the following in FY 2016:

- perform customer journey exploration of two pilot organizations;
- incorporate customer experience training into New Employee Orientation; and
- incorporate a customer service performance element into every employee's performance standard

Implementation Organizations:

Employee Services (ES), Office of the Director (OD), Chief Human Capitol Officer Council (CHCOC), Office of Communication (OC), Executive Secretariat (OES), and Congressional, Legislative and Intergovernmental Affairs (CLIA).

Implementation Considerations:

Employee Services (ES) provides policy direction and leadership in designing, developing and promulgating Government-wide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, work/life/wellness programs, and labor and employee relations. ES provides technical support to agencies regarding the full range of human resources management policies and practices, to include veterans' employment and agency program evaluation. ES also manages the operation of OPM's internal human resources program.

The Office of the Director promotes initiatives, programs, and materials as the Agency seeks to recruit and hire the best talent; train and motivate employees to achieve their greatest potential; and constantly promote an inclusive workforce defined by diverse perspectives.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of external-facing program offices meeting their customer satisfaction score targets	N/A[*]	N/A*	N/A*	N/A*	-	Establish Baseline
Percent of OPM employees and contractors who took online customer service training	N/A*	N/A*	N/A*	N/A*	-	Establish Baseline

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Timely, Accurate, and Responsive Customer Service		
2.01		
Develop and implement a strategic plan for customer service that addresses each of our major program goals	**$1,014,516**	**7.1**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$59,678	0.3
Employee Services		
Salaries & Expenses	$290,965	2.0
Common Services	$129,819	1.0
Office of the Director		
Common Services	$277,583	2.1
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.5
OPM Total	**$1,014,516**	**7.1**

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[*] N/A - Not Available - no historical data available for this period.

Strategy: 2.02 Promote shared accountability for the customer service strategy

Strategy Overview:

OPM will focus on the following:

- assigning a cross-OPM lead for the customer service strategy responsible for the development of an agency-wide customer service strategic plan and ongoing performance improvement;

- developing customer service standards (timeliness, accuracy, and quality) to hold employees and units accountable and incentivizing exemplary customer service;

- reporting by program goal owners on their progress on customer service goals set in the strategic plan on a routine basis;

- engaging all customers as partners in meeting agency goals;

- aligning customers through the CHCO Council and Human Resources Line of Business (HRLOB);

- empowering employees, retirees, and applicants through self-service tools and better information about our services;

- increasing outreach to customers through customer councils, surveys, participatory design sessions in The LAB@OPM, and test beds; and

- setting customer service expectations across the agency.

Anticipated FY 2016 Accomplishments:

OPM will accomplish the following for this strategy in FY 2016:

- develop customer service goals;

- incorporate customer service performance element into every employee's performance standards;

- establish customer service standards and quantifiable performance targets for timeliness, accuracy, and quality;

- establish surveys and performance metrics across business lines;

- develop and implement action items based on customer feedback;

- develop an Agency-wide award for outstanding customer service; and

- train managers and supervisors on monetary and non-monetary awards options.

Implementation Organizations:

Employee Services (ES), and Chief Human Capital Officer Council (CHCOC)

Implementation Considerations:

The Lab@OPM will support this goal by helping customer project teams infuse service design methods into their design and testing of new customer service and business process approaches. The Lab will consult with project teams on optimal approaches to develop a customer-focused design, including empathy-based research, stakeholder collaboration, prototyping and end-user testing. The Lab will partner with select teams working on high priority customer service projects to provide ongoing service design training and support throughout the project lifecycle. OPMLearning will design and deliver customer service training available to all OPM employees.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of external-facing program offices measuring their customer service accuracy	N/A[*]	N/A*	N/A*	N/A*	-	Establish Baseline
Percent of external-facing program offices measuring their customer service responsiveness	N/A*	N/A*	N/A*	N/A*	-	Establish Baseline
Percent of external-facing program offices measuring their customer service timeliness	N/A*	N/A*	N/A*	N/A*	-	Establish Baseline

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Timely, Accurate, and Responsive Customer Service		
2.02		
Promote shared accountability for the customer service strategy	**$480,462**	**3.3**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$59,678	0.3
Employee Services		
Salaries & Expenses	$290,965	2.0
Common Services	$129,819	1.0
OPM Total	**$480,462**	**3.3**

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[*] N/A - Not Available - no historical data available for this period.

Strategy: 2.03 Improve IT Capabilities to interface with customers

Strategy Overview:

OPM will focus on the following:

- using multiple, integrated IT platforms to interface with customers from all communities and diverse backgrounds, including USAJOBS, USA Staffing, Retirement Services Online, Employee Express, and OPM.gov;

- providing web-based tutorials for customers;

- developing web-based media kits for customers; and

- sharing results of customer service surveys with the public in a meaningful way (e.g., metrics and a dashboard).

Anticipated FY 2016 Accomplishments:

OPM will accomplish the following for this strategy in FY 2016:

- build a public facing dashboard;

- develop real-time feedback mechanisms; and

- develop risk management tools.

Implementation Organizations:

Employee Services (ES)

Implementation Considerations:

ES will provide direct support for this strategy. Through updates to current data systems (e.g., ESCS), ES will improve its ability to collect data and array and analyze the resident information– enabling more relevant, accurate and timely support to customers. Additionally, ES will develop and provide new data systems (i.e., GovConnect) to Federal agencies, facilitating their ability to access and analyze timely and key information to proactively anticipate and address mission matters. The Lab@OPM will be available to help IT project teams infuse customer service design methods into their design and testing of new customer-facing IT systems and applications.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of Strategy 2.03 milestones from the Customer Experience Strategic Plan completed	N/A[*]	N/A[*]	N/A[*]	N/A[*]	-	10%

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[*] N/A - Not Available - no historical data available for this period.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Timely, Accurate, and Responsive Customer Service		
2.03		
Improve IT Capabilities to interface with customers	**$129,819**	**1.0**
Employee Services		
Common Services	$129,819	1.0
OPM Total	**$129,819**	**1.0**

Strategy: 2.04 Improve customers understanding of the policies and procedures that apply throughout the employee lifecycle

Strategy Overview:

OPM will continue to communicate key topics on multiple platforms, keep customers abreast of legal changes, and look at how HR information systems across the Federal government are aligned with OPM policy and guidance.

Effective communication strategies are also a key component of the customer service strategic plan to provide customers with updated results, changes in legal issues, and other operating procedures.

OPM will focus on the following:

- communicating key topics (inclusion, engagement, telework) on multiple platforms;
- keeping customers abreast of legal changes; and
- ensuring that all HR information systems across the Federal Government are aligned with OPM policy and guidance.

Anticipated FY 2016 Accomplishments:

OPM anticipates accomplishing the following for this strategy in FY 2016:

- review/revise OPM websites, publications, etc. to be more customer focused;
- communicate key topics on multiple platforms;
- share survey results, definitions, and the measurement scale with external customers; and
- perform a customer journey exploration of two pilot organizations.

Implementation Organizations:

Office of Communications (OC), Employee Services (ES), Congressional, Legislative and Intergovernmental Affairs (CLIA), and Office of Diversity & Inclusion (ODI), Equal Employment Opportunity (EEO), and Executive Secretariat (OES).

Implementation Considerations:

The level of support from each implementing organization will be detailed in the specific customer service plan. Each implementing office will be in research and discovery mode, as they conduct studies of their policies and procedures in the employee lifecycle to determine the best approach for communicating, informing, and synchronizing with HR information systems across the Federal Government.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of Strategy 2.04 milestones from the Customer Experience Strategic Plan completed	N/A*	N/A*	N/A*	N/A*	-	10%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Timely, Accurate, and Responsive Customer Service		
2.04		
Improve customers understanding of the policies and procedures that apply throughout the employee lifecycle	**$1,121,322**	**9.9**
Employee Services		
Salaries & Expenses	$581,929	4.0
Equal Employment Opportunity		
Common Services	$37,080	0.3
Office of Diversity and Inclusion		
Salaries & Expenses	$67,620	1.3
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$246,671	2.8
Executive Secretariat		
Common Services	$146,422	1.6
Office of Communications		
Common Services	$41,600	0.0
OPM Total	**$1,121,322**	**9.9**

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* N/A - Not Available - no historical data available for this period.

Strategic Goal: 3 Evidence-Based Policy and Practices

Strategic Goal Statement:

Serve as the thought leader in research and data-driven human resource management and policy decision-making.

As the Federal Government's human resource leader, OPM designs and executes policies that touch all Federal agencies, their leaders, workers, applicants, retirees and survivors. Effective policy leadership, design and enforcement requires evidence-based decision-making. The objective of this strategic goal is to transform OPM into a leader on HR policy by enabling OPM employees involved in HR policy and program design to ask meaningful and significant questions about the policy's context, components and potential impacts; design strong research methods and analytic tools to understand root causes, correlations and possible future scenarios; and communicate results of analyses to drive solid decisions and policy design. Through this goal, OPM will create standard operating procedures for assuring human resources management and policy decisions are informed by evidence generated through rigorous data analytics.

This goal supports the Administration's data strategy and focuses on evidence-based policy and program design and management, positioning OPM to create policies and programs founded on reliable, valid and appropriate data from a range of sources and to communicate policy and program options and decisions in ways that better enable stakeholders to understand the basis for HR decisions. The complexities and challenges of HR policy and management in 21st century Government requires OPM to position HR policy and management for current and future requirements.

As part of OPM's mission, the Agency collects, manages, and analyzes a range of HR data from a variety of sources. In order to optimize policy design and practices, OPM needs a cohesive structure to manage, integrate and apply data across the agency and with external partners. This focus on data quality standards, research design and analytic tools will support OPM's policy development and operations and enable OPM to contribute further to rigorous research and evaluations. The Agency will be vigilant with respect to the need to protect Personally Identifiable Information (PII) and other confidential information in compliance with the law and accepted practice.

Progress Indicator Statement:

Increase in the production and dissemination of evidence-based policy papers, evaluations, and research.

A growing number of collaborative relationships with universities, think tanks, and others using OPM data.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Evidence-Based Policy and Practices		
3.01		
Create an owner to drive focused attention to data analysis	**$526,424**	**3.0**
Employee Services		
Salaries & Expenses	$417,520	2.5
Office of the Director		
Common Services	$3,000	0.0
Planning and Policy Analysis		
Salaries & Expenses	$105,904	0.5
3.02		
Build strong data analysis, infrastructure and implementation tools and talent	**$725,161**	**4.5**
Employee Services		
Salaries & Expenses	$420,624	3.0
Merit System Accountability & Compliance		
Salaries & Expenses	$198,632	1.0
Planning and Policy Analysis		
Salaries & Expenses	$105,905	0.5
3.03		
Develop partnerships to access and analyze data	**$1,428,463**	**9.3**
Employee Services		
Salaries & Expenses	$736,553	5.0
Office of Diversity and Inclusion		
Salaries & Expenses	$9,833	0.0
Office of the Director		
Common Services	$252,156	1.6
Merit System Accountability & Compliance		
Salaries & Expenses	$173,450	1.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.5

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
3.04		
Make data analytics a fundamental part of OPM culture	**$163,396**	**1.0**
Employee Services		
Salaries & Expenses	$153,563	1.0
Office of Diversity and Inclusion		
Salaries & Expenses	$9,833	0.0
OPM Total	**$2,843,444**	**17.8**

Strategy: 3.01 Create an owner to drive focused attention to data analysis

Strategy Overview:

Create an owner to drive focused attention to data analysis by:

- developing and standardizing policies and procedures for all data governed by OPM;

- establishing an internal and external governance structure overseeing data analysis; and

- setting an annual research agenda to focus attention on current and projected issues affecting the Federal workforce and the relevant data important to those issues.

OPM will begin to improve the capability to use administrative data to improve program services in FY 2015 by:

- standing up a Research and Analysis Governance Board;

- designing and executing a communication plan to help leaders and staff across OPM meet standards and implement business processes; and

- developing standard operating procedure (SOP) for budgeting, submitting, selecting and completing projects for the research agenda.

Anticipated FY 2016 Accomplishments:

OPM will focus attention on data analysis in FY 2016 by:

- institutionalizing Research and Analysis Governance Board activities;

- executing communication strategies to help leaders and staff across OPM meet standards and implement business processes; and

- implementing SOPs for budgeting, submitting, selecting, and completing projects for the OPM research agenda.

Implementation Organizations:

Employee Services (ES), Office of the Director (OD), and Planning and Policy Analysis (PPA)

Implementation Considerations:

OPM's ES and PPA will directly support this strategy to designate a driver, structure, and standards for corporate data analysis. ES and PPA will provide policy direction and program support in establishing and institutionalizing a corporate data governance structure that will facilitate coordination and collaboration across the Agency with the purpose of establishing enterprise data analytics quality and management standards and a unified OPM research agenda. Various program contingencies and constraints may affect the achievement of the strategies, accomplishments, and milestones planned for Strategy 3.01 – resourcing availability being at the forefront of these challenges. Other factors include OPM leadership and management willingness to provide internal and (in some cases) external access to data required to achieve this strategic goal, and addressing PII protection and other data security issues.

FY 2016 Milestones
Release the first annual OPM research agenda
Establish a governance board overseeing data analysis

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Evidence-Based Policy and Practices		
3.01		
Create an owner to drive focused attention to data analysis	**$526,424**	**3.0**
Employee Services		
Salaries & Expenses	$417,520	2.5
Office of the Director		
Common Services	$3,000	0.0
Planning and Policy Analysis		
Salaries & Expenses	$105,904	0.5
OPM Total	**$526,424**	**3.0**

Strategy: 3.02 Build strong data analysis, infrastructure and implementation tools and talent

Strategy Overview:

Build strong data analysis, infrastructure and implementation tools and talent by:

- integrating data received by OPM through use of a common identifier;
- developing shared communication and decision-making tools to manage data; and
- building internal consulting and tools to drive evidence-based policy practices.

OPM will improve the capability to use administrative data to improve program services in FY 2015 by:

- baselining OPM current spending on data analytic tools and talent;
- standardizing policy and business processes established for OPM-wide evidence-based decision-making; and
- developing shared data analysis, visualization, communication and decision-making tools.

Anticipated FY 2016 Accomplishments:

OPM will begin to build strong data analysis tools in FY 2016 by:

- tracking OPM spending on data analytic tools and talent;
- overseeing and refining standardized policy and business processes established for OPM-wide evidence-based decision-making; and
- identifying and acquiring additional shared data analysis, visualization, communication and decision-making tools aligned with research agenda goals.

Implementation Organizations:

Employee Services (ES), Policy, Planning and Analysis (PPA), and Merit System Accountability & Compliance (MSAC)

Implementation Considerations:

OPM's ES, PPA and MSAC will oversee an integrated, consistent, enterprise-wide data analytics infrastructure and associated tools, and ensure requisite skills to conduct data analytics. ES and PPA will provide policy direction and program support in identifying data integration strategies and in identifying and developing or acquiring data analytics tools. These strategies and tools will be aligned with OPM's research agenda, as well as operational needs. CIO will provide technical advice on data integration strategies and data tools.

Various program contingencies and constraints may affect the achievement of the strategies, accomplishments, and milestones planned for Strategy 3.02 – resourcing being at the forefront of these constraints. This internal OPM initiative will also support OPM's effort to create a data integration

strategy for Government-wide human resource information technology systems. While not critically dependent on the Government-wide effort, implementation decisions will optimally be fully aligned with the broader HRIT data integration strategy.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Number of user accounts on the Federal Employee Viewpoint Survey Online Reporting and Analysis Tool	N/A*	567	1,233	1,458	-	1,700
Number of users on the Federal Talent Dashboard	N/A*	N/A*	N/A*	540	-	3,700

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Evidence-Based Policy and Practices		
3.02		
Build strong data analysis, infrastructure and implementation tools and talent	**$725,161**	**4.5**
Employee Services		
Salaries & Expenses	$420,624	3.0
Merit System Accountability & Compliance		
Salaries & Expenses	$198,632	1.0
Planning and Policy Analysis		
Salaries & Expenses	$105,905	0.5
OPM Total	**$725,161**	**4.5**

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* N/A - Not Available - no historical data available for this period.

Strategy: 3.03 Develop partnerships to access and analyze data

Strategy Overview:

Develop partnerships to access and analyze data by:

- working with universities, other academic institutions, and industry to access data sets and ensure that OPM is using the most current analytic methods;
- developing work groups with agencies to assess the most commonly used data and information;
- establishing a data analysis community of practices and standards through the CHCO Council and HRLOB; and
- partnering with think tanks to share best practices and compare methods.

OPM will begin to improve the capability to use administrative data to improve program services in FY 2015 by:

- establishing a Chief Human Capital Officer Council (CHCOC) and cross-sector HR data analytics community to identify commonly used data and emerging research agenda and initiatives.

Anticipated FY 2016 Accomplishments:

OPM will develop partnerships to access and analyze data in FY 2016 by:

- developing collaboration agreements with agencies, academic institutions, and think tanks to leverage data sets, analytic capabilities, and research findings; and
- piloting use of crowd sourcing and explore challenges of leveraging external analytic capabilities.

Implementation Organizations:

Employee Services (ES), Office of Diversity & Inclusion (ODI), Office of Communications (OC), Office of the Director (OD), Executive Secretariat (OES), Congressional, Legislative and Intergovernmental Affairs (CLIA), and Merit System Accountability & Compliance (MSAC)

Implementation Considerations:

Various program contingencies and constraints may affect the achievement of the strategies, accomplishments, and milestones planned for Strategy 3.03 – resourcing availability being at the forefront of these potential constraints. Other factors include cross-sector segments (e.g., universities, agencies and industry segments) in collaboration and data sharing, regulatory restraints to sharing proprietary data, and addressing PII protection and other data security issues. The objective also assumes availability of an open platform for data sharing, and budgetary resources for challenge prizes in support of crowd sourcing initiatives. MSAC will participate to inform on data necessary used to ensure compliance with Merit Systems.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Number of signed research agreements with academic institutions, professional associations, think tanks, or industry	N/A[*]	N/A*	N/A*	N/A*	-	5

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Evidence-Based Policy and Practices		
3.03		
Develop partnerships to access and analyze data	**$1,428,463**	**9.3**
Employee Services		
Salaries & Expenses	$736,553	5.0
Office of Diversity and Inclusion		
Salaries & Expenses	$9,833	0.0
Office of the Director		
Common Services	$252,156	1.6
Merit System Accountability & Compliance		
Salaries & Expenses	$173,450	1.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.5
OPM Total	**$1,428,463**	**9.3**

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[*] N/A - Not Available - no historical data available for this period.

Strategy: 3.04 Make data analytics a fundamental part of OPM culture

Strategy Overview:

Make data analytics a fundamental part of OPM culture by:

- providing training to OPM employees on data analysis and navigating cross-agency data sets;
- creating business processes to manage the access to and use of and data by employees and ensure compliance with applicable legal requirements;
- publishing an annual report discussing progress and challenges related to data analysis;
- providing tools directly linked to findings;
- providing advanced data analytics, visualization and decision-making training to OPM employees responsible for data analysis and/or policy design; and

OPM will begin to improve the capability to use administrative data to expand program services in FY 2015 by:

- developing a basic data analytics training course through the OPM's Learning Center;
- providing advanced data analytics, visualization and decision-making training to OPM employees responsible for data analysis, policy design and leadership; and
- implementing a redesigned architecture of USA Staffing system, in line with OPM's enterprise architecture, that supports recruitment data standards for reporting and system integrations.

Anticipated FY 2016 Accomplishments:

OPM will make data analytics a fundamental part of OPM culture in FY 2016 by:

- continuing to provide basic and advanced data analytics, visualization and decision-making training to OPM employees responsible for data analysis, policy design and leadership; and
- issuing the first annual data analytics and research report; and
- implementing USA Staffing customer data delivery through data warehouse and ad hoc reporting Application Programming Interface (APIs) further expanding the business availability of recruitment and staffing data. This data delivery will be enabled by new OPM recruitment and staffing data standards aligned to OPM's enterprise architecture.

Implementation Organizations:

Employee Services (ES) and Office of Diversity & Inclusion (ODI)

Implementation Considerations:

ES will directly support this strategy to become skilled in and apply data analytics in day-to-day practices and decision-making. ES will provide leadership and program support through the Learning Center to

train employees on data analytics, and use HR University to link OPM employees to data analytics and policy design training resources available across Government.

Various program contingencies and constraints may affect the achievement of the strategies, accomplishments, and milestones planned for Strategy 3.04 – resourcing availability being at the forefront of these potential constraints. Other factors include delays in OPM systems integration efforts that could impact timely delivery of the USA Staffing system upgrade.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Number of employees (students) who completed a data analytics course	N/A[*]	N/A*	N/A*	N/A*	-	150

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Evidence-Based Policy and Practices		
3.04		
Make data analytics a fundamental part of OPM culture	**$163,396**	**1.0**
Employee Services		
Salaries & Expenses	$153,563	1.0
Office of Diversity and Inclusion		
Salaries & Expenses	$9,833	0.0
OPM Total	**$163,396**	**1.0**

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[*] N/A - Not Available - no historical data available for this period.

Strategic Goal: 4 Efficient and Effective Information Systems

Strategic Goal Statement:

Manage information technology systems efficiently and effectively in support of OPM's mission.

A significant portion of OPM's budget is spent on information technology (IT). For the most part, these expenditures are dedicated to the development and support of IT systems for specific Human Resource (HR) business functions, such as retirement, background investigations, hiring, etc. The remainder of the expenditures support OPM's workforce to include such tools as email, calendaring, remote access, internet access, file storage, etc. There is an opportunity to manage OPM's IT systems more efficiently and effectively through the development and implementation of the OPM-wide IT strategy, published in February 2014. Through this corporate approach, OPM will leverage IT capabilities in one program area to support other program areas, benefitting the entire Federal Government.

Given the critical importance of information to HR management, OPM will have a clear, unified IT strategy that will assure scarce resources are spent wisely based on agency business priorities.

Progress Indicator Statement:

Compliance of IT services and systems.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Efficient and Effective Information Systems		
4.01		
Commit to an enterprise-wide IT systems strategy based on principle that business drives IT strategy	$3,977,905	18.2
Chief Information Officer		
Salaries & Expenses	$1,000,000	4.5
Common Services	$2,666,444	11.7
Employee Services		
Salaries & Expenses	$153,563	1.0
Merit System Accountability & Compliance		
Salaries & Expenses	$157,898	1.0
4.02		
Implement enabling successful practices and initiatives that strengthen IT leadership and IT governance	**$12,667,969**	**38.2**
Chief Information Officer		

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Salaries & Expenses	$3,049,820	17.5
Common Services	$2,592,973	11.7
RF HRLOB Activities	$3,000,000	0.0
Office of the Director		
Common Services	$0	2.1
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.2
Office of Communications		
Common Services	$189,566	1.5
Planning and Policy Analysis		
TF Limit - Annual	$3,768,705	5.0
4.03		
Implement enterprise initiatives that leverage capabilities and tools throughout OPM	**$48,220,266**	**107.7**
Chief Information Officer		
Salaries & Expenses	$21,106,898	5.5
Common Services	$25,996,005	94.3
Office of the Chief Financial Officer		
Common Services	$959,465	6.9
Merit System Accountability & Compliance		
Salaries & Expenses	$157,898	1.0
4.04		
Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other federal agencies to achieve their missions	**$229,292,499**	**170.8**
Chief Information Officer		
Salaries & Expenses	$6,074,968	2.0
TF Limit - Annual	$8,987,413	32.4
Trust Fund-Title V	$3,273,000	3.0
RF - USAJOBS	$12,807,202	14.6
RF Employment Services (HRTT)	$35,288,241	99.3
RF Enterprise Human Resources Integration	$37,619,691	16.5
Federal Investigative Services		
RF Investigative Services	$122,736,984	0.0
Healthcare & Insurance		
Salaries & Expenses	$1,500,000	0.0
TF Limit - Annual	$1,005,000	3.0
OPM Total	**$294,158,639**	**334.9**

Strategy: 4.01 Commit to a Federal enterprise-wide IT systems strategy based on the principle that business drives IT strategy

Strategy Overview:

OPM will continue to implement a sustainable IT program driven by business priorities, as published in its Strategic IT Plan. OPM will utilize and update the Human Resources Line of Business (HRLOB) Business Reference Model (BRM) as a framework for process and data standards across the HR life cycle. OPM will also implement its Open Data plan to openly share HR data, both publicly and with key Federal stakeholder communities, such as Federal agencies to the extent consistent with the Privacy Act and other applicable legal requirements. OPM will continue to refine its IT cost accounting, including a business perspective and a technology perspective, to ensure alignment of IT to OPM's mission priorities.

OPM commits to an enterprise-wide IT systems strategy based on the principle that business drives strategy by:

- delivering a framework for a set of standards that supports the entirety of the Human Resources (HR) life cycle as documented in the HRLOB Business Reference Model (BRM) that recognizes and synergizes the technology and tools within OPM, Shared Service Centers, and industry;
- establishing a culture of openness and trust throughout the HR IT community and among key Federal stakeholder communities; and
- establishing a practice of transparent IT cost accounting throughout OPM.

Anticipated FY 2016 Accomplishments:

OPM will continue to implement and refine robust service level agreements (SLAs) for IT services with each stakeholder community to ensure transparency of costs and methods for measuring success. These SLAs will serve as benchmarks by which costs can be managed and efficiencies can be analyzed. Additionally, OPM will continue to implement its Open Government/Open Data plan.

Further, OPM will build a Digital Service team of experts with modern digital product design, software engineering, and product management skills. The team will manage those OPM digital services that have the greatest impact to citizens and businesses, in alignment with our Strategic IT Plan commitments, to provide improved IT capabilities to Agency stakeholders and enhanced IT leadership and governance. By dedicating the team to these services, OPM will not only provide improved services to stakeholders, but also identify practices and tools to improve other OPM services and design future services. OPM has plans for a Chief Technology Officer, and before FY 2016, we will identify the high impact, high value services to which the Digital Services team will lend its expertise.

Implementation Organizations:

Office of the Director (OD), Chief Information Officer (CIO), Employee Services (ES), and Merit System Accountability and Compliance (MSAC).

Implementation Considerations:

In February 2014, OPM published its Strategic IT Plan that provides a framework for a set of standards that supports the entirety of the HR life cycle using the HRLOB BRM. This framework will enable shared data and performance outcomes across the HR life-cycle while allowing flexibility for Shared Service Centers (SSCs) and agencies to adopt IT tools and technologies that best meet the mission of the Federal Government. The framework will enable a culture of openness and trust through common practices and transparent IT spending while providing accountability for IT decisions. OPM has worked with the Chief Human Capital Officers (CHCO) Council to define the framework and business requirements for the delivery of Federal HR IT.

All OPM systems will need to eventually conform to the data and system standards established in the strategic and implementation plans. ES and MSAC are assigning resources to assist CIO with the Enterprise Human Resources Integration, Health Claims Data Warehouse, and HRLOB projects to achieve this goal. OPM's CFO and contracting staff will coordinate with the CIO to ensure compliance with Agency standards.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of HR life cycle for which NIEM data standards are published[*]	N/A[*]	N/A[*]	N/A[*]	0%	5%	15%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Efficient and Effective Information Systems		
4.01		
Commit to an enterprise-wide IT systems strategy based on principle that business drives IT strategy	**$3,977,905**	**18.2**
Chief Information Officer		
Salaries & Expenses	$1,000,000	4.5
Common Services	$2,666,444	11.7
Employee Services		
Salaries & Expenses	$153,563	1.0
Merit System Accountability & Compliance		
Salaries & Expenses	$157,898	1.0
OPM Total	**$3,977,905**	**18.2**

[*] N/A - Not Available - no historical data available for this period.

Strategy: 4.02 Implement enabling successful practices and initiatives that strengthen IT leadership and IT governance

Strategy Overview:

OPM will implement enabling successful practices and initiatives that strengthen IT leadership and governance by:

- enhancing the OPM Director's ability to establish strategy and policy across the HR life cycle;
- enabling the CHCOC to work with the OPM Director to translate the HR strategy and policy into business and policy requirements for HR IT systems;
- positioning the OPM CIO as the Federal HR CIO responsible for setting Government-wide HR IT strategic direction and standards for HR IT service providers;
- establishing a flexible capital planning and investment management process within OPM that provides transparency of IT expenditures and IT program/project performance;
- establishing client and stakeholder engagement practices focused on measuring the cost, quality and compliance of Shared Service Center IT capabilities;
- developing an enterprise architecture that supports the HR life cycle as documented in the HRLOB BRM;
- establishing standards for managing OPM IT programs / projects and providing oversight to measure their performance;
- identifying qualified and trained/certified IT customer relationship managers for each OPM business unit to ensure partnership and collaboration between the OPM CIO and the Associate Directors and Office Heads;
- establishing service level agreements and program plans that document expectations of the CIO and business unit leaders to achieve affordable, responsive HR IT capabilities;
- establishing a data management program that provides greater access to HR data and enables data analytics that informs policy and decisions; and
- incorporating portfolio goals into SES performance management system.

During 2016, OPM will implement and continuously evaluate enabling initiatives to ensure a sustainable IT program in support of OPM's Strategic Plan. The Agency will adopt six successful practices and undertake associated enabling initiatives to ensure the Agency's IT supports and aligns to OPM's Strategic Plan:

1. Through strengthened IT leadership, OPM will create a flexible and sustainable CIO organization and IT program that will focus on accountability, responsiveness, engagement, transparency, and innovation. IT leadership will set the expectation that OPM will take a lifecycle approach to IT (especially IT integration) and data.

2. Via a renewed and comprehensive IT governance, OPM will align IT planning and execution; ensure proper oversight and quality and cost control of IT services; and support strategic decision-making by leadership and innovation throughout the Federal Government.

3. Robust enterprise architecture (EA) will provide the fundamental process, structure, and quality to ensure our technology is aligned to meet OPM's complex, integrated business and data requirements.

4. OPM will adopt agile IT principles to ensure speed in adapting to evolving policies and business needs. The Agency will design for the HR lifecycle and increased integration of IT systems and interchange of data.

5. OPM will inform decisions and drive policy throughout the Federal government as we properly manage data and strengthen our data analytics capabilities. The Agency will also enable citizens to better understand Federal career opportunities and Federal agencies to better understand where the best, most diverse talent is located and what motivates them to Federal service.

6. Finally, OPM will improve information security to continue to protect the data, and therefore identities and privacy, of Federal employees and their beneficiaries, as well as applicants to Federal positions, just as they expect and deserve.

OPM will use an iterative approach to plan, implement, and assess our progress in adopting these successful practices throughout OPM. HRS has been rebuilding the Government-wide talent acquisition system using Agile Development Methods, which allow for shorter development increments and more rapid responses to customer requirements and feedback. This transformation of the USA Staffing underlying system technologies will improve assessment capability, increase system capacity, improve usability for all user groups, and expand metrics to enable customers to make data-driven workforce decisions, all while promoting active customer engagement in the development process.

Anticipated FY 2016 Accomplishments:

OPM will:

- refine the CIO organization and IT program focusing on accountability, responsiveness, engagement, transparency, and innovation, to ensure OPM's IT staff has updated technical and management skills necessary for addressing OPM's technology opportunities;

- refine the IT governance model to engage more stakeholders, including agencies, in planning of Government-wide HR solutions;

- continue to implement robust EA to ensure the Agency's technology meets OPM's complex, integrated business and data requirements;

- adopt agile IT principles throughout OPM's IT portfolio to ensure speed in adapting to evolving policies and business needs;

- expand opportunities to enable citizens to better understand Federal career opportunities and Federal agencies to better understand where the best, most diverse talent is located and what motivates them to Federal service; and

- maintain rigorous information security practices to protect the data, and therefore identities and privacy, of Federal employees and their beneficiaries, as well as applicants to Federal positions, just as they expect and deserve.

Implementation Organizations:

Office of the Director (OD), Chief Information Officer (CIO), Congressional, Legislative and Intergovernmental Affairs (CLIA), Executive Secretariat (OES), and Planning and Policy Analysis (PPA).

Implementation Considerations:

OPM's Director, CIO, and PPA are dedicating resources in FY 2016 to ensure the systems they operate are compliant with, or moving toward compliance with OPM's enterprise architecture and meet other external compliance standards.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of major investments with IT program managers certified in Federal Acquisition Institute Training Application System	N/A[*]	N/A*	N/A*	N/A*	-	80%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Efficient and Effective Information Systems		
4.02		
Implement enabling successful practices and initiatives that strengthen IT leadership and IT governance	**$12,667,969**	**38.2**
Chief Information Officer		
Salaries & Expenses	$3,049,820	17.5
Common Services	$2,592,973	11.7
RF HRLOB Activities	$3,000,000	0.0
Office of the Director		
Common Services	$0	2.1
Congressional, Legislative and Intergovernmental Affairs		

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[*] N/A - Not Available - no historical data available for this period.

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.2
Office of Communications		
Common Services	$189,566	1.5
Planning and Policy Analysis		
TF Limit - Annual	$3,768,705	5.0
OPM Total	**$12,667,969**	**38.2**

Strategy: 4.03 Implement enterprise initiatives that leverage capabilities and tools throughout OPM

Strategy Overview:

OPM will implement enterprise initiatives that leverage capabilities and tools throughout OPM by:

- consolidating platforms to enhance interoperability and reduce duplication;
- implementing collaboration tools that will provide easy access to all data, information, and systems that individuals are authorized to access, while using the strong controls required for enhanced information security;
- implementing a shared case management solution that provides case tracking and reporting, and workflows;
- implementing a single, virtual data warehouse and sharing capability that better meets business needs while reducing redundancies;
- operating an efficient intranet and providing web services for OPM employees;
- operating an effective secure network, data center, and desktop environment; and
- strengthening financial controls and reporting to enable spending transparency across funding types and programs.

During 2016, OPM IT business and enterprise systems is being measured against benchmarks for satisfaction, cost, and compliance using a balanced scorecard. These business systems support more than 14,500 users, handle more than 587 million emails, process more than 2.6 million Federal annuitant retirement payment transactions valued at more than $5.2B on a monthly basis, monitor and prevent more than 30 million network attacks, support more than 5,600 teleworkers, and process more than 2.3 million personnel background investigations. Systems development will leverage shared data among its business systems.

Anticipated FY 2016 Accomplishments:

OPM stores more personally identifiable information (PII) than almost any other Federal agency, including banking information for more than 2 million annuitants and suitability, fitness, credentialing, or national security investigations for more than 30 million people, including applicants for Federal positions, Federal workers, employees of Federal contractors, and military personnel. It is imperative that this information be secured to protect the identities, lives, and livelihoods of these people, and the family members and associates identified as part of these records. The threats to privacy, identity theft, financial espionage, etc., are real and dynamic and must be averted.

OPM will implement and sustain agency network upgrades and security software maintenance to ensure a stronger, more reliable and protected OPM network architecture. The Agency will defend its IT network against cybersecurity incidents and maintain critical updates deployed in FY 2014 and FY 2015. Throughout FY 2014 and FY 2015, OPM has invested and will continue to invest resources to design and

build a more modern, flexible, and secure network to meet its mission needs and vastly improve the security and resiliency of its network against cyber-attacks. This updated network must be maintained over time to ensure it does not revert to antiquity and insecurity but continues to employ the best security tools to protect OPM's IT infrastructure from ever-increasing and exponentially sophisticated network attacks.

OPM continues to partner closely with Department of Homeland Security's (DHS) U.S. Computer Emergency Readiness Team in addressing identified vulnerabilities and is proactively taking steps to enforce and enhance its network security architecture to minimize or eliminate impacts to OPM's IT networks. OPM is working with DHS to implement Continuous Diagnostics and Mitigation using Government-wide Information Security Continuous Monitoring (ISCM) tools to enhance its ability to identify and respond, in real time or near real time, to the risk of emerging cyber threats. Through this implementation, we will automate the following information security capabilities: software and hardware inventories, configuration management, and vulnerability assessments. Continuous Monitoring will also reduce the risk and associated costs of data breaches.

OPM will maintain a sustained security operations center to provide critical oversight of its security posture and real-time 24/7 monitoring of network servers to detect and respond to malicious activity. Further, OPM will use stronger firewalls and storage devices for capturing security log information used for analysis should a cyber-attack occur.

OPM will support real-time cyber security intelligence to dynamically manage cyber threats and improve the effectiveness of the safeguards and countermeasures protecting information for Federal jobseekers, Federal employees, Federal retirees, and their survivors.

Implementation Organizations:

Chief Information Officer (CIO), Office of the Chief Financial Officer (OCFO), and Merit System Accountability & Compliance (MSAC).

Implementation Considerations:

To achieve interoperability, take advantage of synergies across OPM and throughout the Federal Government, and best use the Agency's resources, OPM is instituting six enterprise-level initiatives for programs and systems throughout OPM. The enabling initiatives will help OPM organize to take advantage of these synergies to leverage similarities that support the business initiatives. This work to combine efforts and leverage similarities will, in turn, support the business initiatives by laying much of the groundwork for fundamental capabilities.

1. Platform Consolidation: OPM will take a "shared first" approach to its systems. Enterprise architecture, with its focus on integration and standardization, will drive platform consolidation. OPM will incrementally align legacy applications and systems to the new platform. Examples of activities under this initiative will include re-hosting legacy mainframe systems, increasing the use of shared service centers, and modernizing our automated suite of investigative systems

known as EPIC to make it more agile, adaptable, and capable of rapid change to meet current and evolving needs. Please see OPM's IT Strategic Plan for more information on the Agency's shared platform approach. Through platform consolidation, OPM will:

- o enhance interoperability, increasing data sharing;
- o reduce duplication, saving on licensing fees;
- o support agile IT and modular design; and
- o comply with the Digital Government Strategy (separating the information, platform, and presentation layers).

2. Collaboration Tools: On this platform we will host collaboration tools that will enable teams and other groups to share documents and perform work virtually in a secure and easy-to-use manner. These collaboration tools will:

- o support efforts to break down silos between program offices, making data management, and therefore data analytics, easier to achieve;
- o make work processes seamless for employees, reducing frustration and increasing productivity;
- o enable us to better fulfill business requirements; and
- o enable two initiatives that are under consideration, GovUniversity and GovConnect. GovUniversity would provide career maps, training curricula, courses, and other developmental resources to employees throughout the Federal Government. GovConnect would provide a Government-wide space for talent matching, project-based collaboration, and resource sharing.

3. Business Process Management and Case Management Tools: Many, if not most, program offices would benefit from business process management and case management tools. Currently, offices with documented processes and automated workflows have them in the form of custom engineered code. By providing these tools at the enterprise level, the Agency will:

- o track and report on cases, such as applications for retirement, at a more granular level than we are currently capable of doing;
- o enable offices to collaborate on workflows. For example, OPM will better manage its correspondence and review process, thereby improving the Agency's responsiveness;
- o save on licensing costs;
- o improve standardization which reduces training costs;
- o flatten the learning curves for new employees and existing employees who move into new positions;
- o support shorter and more agile implementation of rule changes; and

o surface excellent processes for reuse or emulation throughout the agency. For example, many offices have Resource Management Officers (RMOs) with different collaboration tools and business process management tools. With standard tools, they will be better able to learn from each other's processes.

4. Data Management and Warehousing: OPM will leverage economies of scale by coordinating its work on each of these data warehouses and reusing technologies and controls where possible. A strong data management and warehousing architecture will allow the Agency to eliminate redundant data and better associate data to meet business information needs. Our architecture will include robust security controls to enable strict information security access and protections. OPM are responsible for several data warehouses:

   o Health Claims Data Warehouse;

   o Retirement Data Repository;

   o Electronic Individual Retirement Records; and

   o EHRI Data Warehouse.

   With improved data analytics capabilities, the Agency's requirements will continue to grow.

5. Financial Management: OPM will maintain financial management steady-state operations of the existing financial systems to meet Federal financial management requirements and mandates, in addition to providing a comprehensive corporate resource of financial, budgeting and performance information. OPM will ensure controls and reporting activities support financial transparency and provide current financial management information to program managers to improve business decision-making by:

   o maintaining financial management capabilities in support of OPM operations, Federal retires, payroll providers, and customer agencies:

      ▪ collecting retirement, health benefits, and life insurance withholdings and contributions information from Federal payroll providers;

      ▪ collecting and managing service credit deposits, voluntary contributions, direct premium remittances, and debt repayments through Pay.gov;

      ▪ financial oversight of Experience Rated Carriers and life insurance carriers;

      ▪ cash management and asset allocation;

      ▪ payment disbursements and tracking of payment confirmations and history;

      ▪ managing of improper payments;

      ▪ sustaining cross validation functionality within the financial system implemented in FY 2015 to prevent erroneous accounting transactions; and

      ▪ aligning and simplifying the accounting code structure to enable better reporting of expenses at the goal/strategy level.

- o advancing OPM's financial management systems to gain enterprise-wide efficiencies by:
  - exploring viable solutions for the modernization of financial management systems;
  - enhancing processes and reporting to improve visibility of tracking cost at the strategic goal level;
  - identifying lines of business activities and cost drivers to support better management decisions;
  - standardizing the relationship of cost accounting models to cost estimation, budgeting, labor, capital expenditures, and procurement;
  - identifying alternatives for developing an Enterprise Managerial Cost Accounting Infrastructure; and
  - improving overall cost accounting transparency.

6. Electronic Recordkeeping: OPM will leverage a consolidated platform, robust business process management, and improved data management to automate recordkeeping and integrate electronic recordkeeping into employees' everyday workflows. The Agency will ensure its electronic records, especially email, are captured and maintained effectively so they are usable and retrievable. OPM will also put in place plans to migrate records to new storage media to avoid data loss due to media decay or technological obsolescence. Electronic recordkeeping will not only ensure compliance with the Managing Government Records Directive, but also facilitate openness by making it easier to respond to Freedom of Information Act (FOIA) requests and easing the burden of the discovery phase in litigation. With seamless electronic recordkeeping, much of the Agency's work to manage its records will happen without employees' intervention and, where employees must take action, recordkeeping will occur within the flow of employees' work. This will make recordkeeping less onerous for employees and increase the likelihood of compliance. Finally, by preserving records that are the subject of litigation holds and destroying other records on time (at the appropriate point in their lifecycle and according to the records schedule approved by the Archivist of the United States) and no sooner, OPM will save on server costs, appropriately address legal discovery, avoid the burden of having to produce out-of-cycle documents in response to FOIA requests, and have the records the Agency needs to work efficiently and effectively.

The majority of resources budgeted to this strategy are from the CIO and OCFO to continue the migration of systems they manage to common platforms. RS, ES and MSAC will help ensure that shared data meets their programmatic needs. The OD, CFO, FSC and the CIO will be involved in the coordination of all major procurements that are aligned with the Agency's priorities and Agency standards. All major OPM IT projects are budgeted under this strategy.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Customer satisfaction with OPM infrastructure services	N/A [*]	N/A*	N/A*	N/A*	3 Satisfied	4 Highly Satisfied
Deviation from SLA cost of OPM infrastructure services	N/A*	N/A*	N/A*	N/A*	Establish Baseline	Establish Baseline
IT security compliance rating for OPM infrastructure services	N/A*	N/A*	N/A*	N/A*	3 Secure	4 Highly Secure
Number of public-facing OPM systems using single sign on capability	N/A*	N/A*	N/A*	N/A*	Establish Baseline	Establish Baseline
Number of internal OPM systems using single sign on capability	N/A*	N/A*	N/A*	N/A*	Establish Baseline	Establish Baseline

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Efficient and Effective Information Systems		
4.03		
Implement enterprise initiatives that leverage capabilities and tools throughout OPM	**$48,220,266**	**107.7**
Chief Information Officer		
Common Services	$25,996,005	94.3
Salaries & Expenses	$21,106,898	5.5
Office of the Chief Financial Officer		
Common Services	$959,465	6.9
Merit System Accountability & Compliance		
Salaries & Expenses	$157,898	1.0
OPM Total	**$48,220,266**	**107.7**

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[*] N/A - Not Available - no historical data available for this period.

Strategy: 4.04 Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other Federal agencies to achieve their missions

Strategy Overview:

Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other Federal agencies to achieve their missions by:

- supporting integrity of background investigations through innovative technology;

- supporting modern IT systems for retirement processing;

- supporting IT service delivery for customer agencies;

- supporting health and insurance initiatives; and

- supporting current and planned business initiatives for which IT is an enabler.

During 2015, OPM will create a baseline for IT business services to track improvements in effectiveness and efficiency, and will continue to sharpen these improvements during 2016. OPM will expand on the Enterprise Case Management System being developed from resources provided by Congress in 2014 by initiating the migration of legacy retirement processing systems to a common platform shared with other OPM applications. In doing so, the Agency hopes to avoid anticipated future cost increases associated with maintaining mainframe hardware and software systems, and mitigate the difficulty in obtaining and retaining personnel with the knowledge of code written in archaic languages. This will also facilitate future incremental retirement processing improvements that take advantage of data gathered by OPM throughout the employee's lifecycle.

Anticipated FY 2016 Accomplishments:

OPM will build upon the foundational successes in FY 2014 and FY 2015 by:

- continuing to track improvements in effectiveness and efficiency and monitor the IT service metrics baselined in FY 2014 and FY 2015;

- expanding the use of toolsets, such as the Enterprise Case Management System, to other lines of business to reduce the number of toolsets providing the same functional capability throughout OPM;

- supporting the Enterprise Case Management System with incremental improvements and further enhancing and leveraging the common platform for Retirement Solutions;

- operating and maintaining systems for Retirement Services, OCFO, HI and Actuaries. Major projects that will be developed during FY 2016 are the Enterprise Case Management System, Online Retirement Application, further development of the data bridge to FACES, and develop/implement online natural transaction menu and the Payroll Office Master File replacements;

- implementing four major releases of the next generation of the USAJOBS website. The roadmap for the next generation will be approved through the USAJOBS Executive Steering Committee (ESC) in FY 2015, and the program office will keep the ESC informed of all activities, including any necessary changes that may arise during the implementation phase. Lastly, the program office will conduct extensive performance testing and usability testing throughout the design and implementation phases to ensure the product meets user needs; and
- implementing systems to support HI's Multi-State Plan Program.

Implementation Organizations:

Chief Information Officer (CIO), and Federal Investigation Services (FIS), and Healthcare & Insurance (HI)

Implementation Considerations:

Beginning FY 2015, resources planned for retirement system improvements are budgeted with the CIO. FIS aligns resources associated with improvement and maintenance of investigations systems with this strategy. ES aligns the resources devoted to operation of OPM's internal human resources systems. All OPM components can benefit from foundational elements under development, such as a modern case management and workflow system.

Updating and Conversion of Retirement Systems

The information technology improvements included in the budget request are based on the Retirement Services Strategic Plan and 10-point improvement plan, and are based upon similar successful information technology initiatives in other OPM program offices (e.g., Federal Investigation Services). In addition, OPM is working closely with major commercial providers of information technology services that support agencies' retirement application processing to ensure that Retirement Services information technology systems are compatible and consistent with current technology.

This includes a variety of system activities focused on making changes to OPM's existing retirement systems. Updates mandated by law or regulation include:

- conversion of all retirement payments to Electronic Fund Transfers;
- updates to annuity calculators to factor increased retirement contributions for certain Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE) employees;
- updates to annuity calculators to increase phased credit for unused sick leave under the Federal Employees Retirement System (FERS);
- updates to annuity calculators for voluntary Roth contributions;
- system change requests to support business owner's changes in processes and procedures; and
- numerous updates to existing calculators or support systems to automate complex business rules, currently applied manually as "work around" by processing specialists.

The result will be improvements in processing time, increased automation in current and future business practices, and enhanced ability to accept and process data received from agencies in an electronic format. The mainframe hardware and software systems OPM currently uses for retirement processes are expensive to maintain. OPM anticipates cost increases at magnitudes of 10-15 percent annually, as personnel with necessary Adabas/Natural coding skill retire and cannot easily be replaced. Because other OPM programs are already transitioning away from mainframe environments, escalating future costs would need to be taken from discretionary sources – reducing flexibility for other program areas. To avoid these challenges, OPM will outline a technology strategic plan which will determine the next generation of hardware and software for the retirement systems. The funding requested would enable OPM to take action on the improvement plan. Over the long-term, this investment will enable Retirement Services to accomplish the following objectives:

- reduce the claims inventory and decrease paper usage by 25 percent;
- improve claims adjudication processes by 15 percent;
- reduce Retirement error rate to less than 3 percent;
- increase customer satisfaction by 10 percent;
- reduce call center calls by 20 percent;
- reduce mass mailing by 30 percent;
- reduce printing cost by 50 percent (based on 1099 and booklets being on line);
- create a digital retirement submission and enable the secure electronic internet-based filing of retirement applications;
- create self-services retirement application processes; and
- automate retirement business processes of administrative paper handling to reduce associated costs, and establish a simplified shared infrastructure that reduces the costs of Retirement Services information technology operation and maintenance by leveraging state of the art technologies.

Maintenance and Continued Expansion of the Data Viewer

The Data Viewer is a web based application in the Enterprise Human Resources Integration (EHRI) retirement data repository environment. The Data Viewer enhances productivity and reduces errors by aggregating information from multiple systems and enabling users to see retirement related data submitted via data feeds and imaged documents based on their defined roles and responsibilities in the system. Retirement Services employees use it to review test submissions from providers as a part of the technical compliance process, view scanned documents, and access data in other systems through a single interface while adjudicating a retirement case file. Several agencies participated in a pilot to use the Data Viewer in FY 2013 to view scanned retirement documents used for pre-retirement counseling, to review files during the technical compliance process and to review errors and discrepancies in their submissions that need to be addressed.

Currently, 11 agencies (over 120 users) are in production, and they have viewed more than 33,000 documents to help make the retirement case packet more complete and accurate. The requested resources will allow OPM to complete deployment of the Data Viewer to all agencies by providing a help desk and user access management function. Based upon results OPM has seen to date, continued investment in the Data Viewer will result in a significant increase in completeness of the retirement case or accurate dates within the case files from these agencies. These results translate to better service for retirees and more efficient use of staff time at OPM and participating agencies.

Services Online for Retirement

Services Online is a web-based application that allows retirees to view their individual information, make changes and update their information. Effectively, it is the equivalent of Employee Express for retirees. Services Online has empowered the individual retiree to have retirement services on demand. Currently, Services Online averages more than 46,775 visitors per week, and more than 783,000 page views. There were more than 4.1 million transactions processed in Services Online during FY 2013, nearly 4.3 million transactions in FY 2014, and 1.3 million transactions during the first quarter of FY 2015. The requested resources will permit OPM to expand the capabilities of Services Online to include the ability to receive information electronically (paperless), transmit alert notices of changes/updated information, permit opt in/out of paperless tax forms, and generate Verification of Life Insurance statements. As the capabilities of Services Online are expanded, acceptance of online self-servicing will increase among the annuity roll. The results of this investment within Services Online will be reduced use of the call center; fewer improper payments, due to increased accuracy of the individual retiree's file; and proper tax collection based upon the individuals' updating of information and status.

Increased Paper Records Imaging Capacity

Digitizing existing paper-based retirement records has immediate benefits to new retirees, and provides long-term benefits to OPM's goal of significantly automating the retirement process. The first benefit to new retirees could come before they retire as their employing agency can utilize OPM's Data Viewer to review the retirement-related records of a prospective retiree, thereby enabling them to better counsel the retiree, and ensure a complete, accurate retirement application package. This in turn enables OPM to process the retirement claim without waiting for clarification or additional information. Furthermore, it enhances the customer service experience of the retiree if they need to contact OPM, because the customer service specialist assisting them can see the retiree's supporting record. Long-term, imaging retirement records facilitates eventual automation of the retirement process. Retirement is currently utilizing Federal Investigative Services imaging equipment during off hours to image incoming paper records with a staff of 34. This request will enable OPM to increase the size of imaging staff by 15 imaging technicians and 4 quality review technicians and purchase additional applications licenses. This in turn will allow Retirement, in approximately 2-3 years, to image all of the historical non-case records in the FERS Open File and continue to image the historical non-case records of CSRS applicants at the time the of retirement. Without additional staffing and licenses, it will take approximately 8 years to accomplish the same.

Multi-State Plan Management System

OPM is authorized by the Patient Protection and Affordable Care Act of 2010 (i.e., the Act) to implement and manage the Multi-State Plan (MSP) Program. Under § 1334 of the Act, Health Insurance Issuers (i.e., Issuers) contract with OPM to offer health insurance options (i.e., MSP Options) for sale in the Health Insurance Marketplace in each State and the District of Columbia.

OPM has invested in web systems to fulfill this responsibility. Funding is needed to develop, design, test, secure, maintain, operate, and enhance MSP web systems enabling OPM to:

1) evaluate applications and manage contract performance in a paperless environment (e.g., Issuers apply online to become an MSP Issuer; contract management and issuer performance is tracked online);
2) offer enrollees the opportunity to submit and track their appeal online when an Issuer denies coverage of a health benefit, and
3) collaborate with MSP Issuers, and also with the appropriate departments of insurance in each state and the District of Columbia, to resolve complaints from enrollees and consumer rights groups.

This investment will have residual costs for on-going maintenance and operations of roughly $1.1 million per year.

The Act allows for a phased-in approach to provide coverage to individuals and small employers. This means that after OPM contracts with an Issuer and certifies their MSP options for sale, the Issuer's MSP Options must be available in:

- 60% of States in their first year of participation (31 States);
- 70% of States in their second year (36 States);
- 85% of States in their third year (44 States); and
- all States and District of Columbia by the fourth year.

Plan year 2014 (January 1, 2014 – December 31, 2014) was the first year MSP Options were offered in the Marketplace to consumers. There were approximately 150 MSP Options in 30 States and the District of Columbia, and the number of consumers who enrolled in the MSP program was approximately 370,000 as of June 20, 2014.

Finally, MSP web systems will also enable OPM to maintain staff at a reasonable level because the technology has already proven valuable in implementing and managing the program.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Aggregate customer satisfaction rating with OPM IT business systems	N/A[*]	N/A*	N/A*	N/A*	3 Satisfied	4 Highly Satisfied
Percent of HR lifecycle examined for automation opportunities	N/A*	N/A*	N/A*	N/A*	5%	15%
IT security compliance rating for OPM business systems	N/A*	N/A*	N/A*	N/A*	3 Secure	4 Highly Secure

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Efficient and Effective Information Systems		
4.04		
Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other federal agencies to achieve their missions	**$229,292,499**	**170.8**
Chief Information Officer		
Salaries & Expenses	$6,074,968	2.0
TF Limit - Annual	$8,987,413	32.4
Trust Fund-Title V	$3,273,000	3.0
RF - USAJOBS	$12,807,202	14.6
RF Employment Services (HRTT)	$35,288,241	99.3
RF Enterprise Human Resources Integration	$37,619,691	16.5
Federal Investigative Services		
RF Investigative Services	$122,736,984	0.0
Healthcare & Insurance		
Salaries & Expenses	$1,500,000	0.0
TF Limit - Annual	$1,005,000	3.0
OPM Total	**$229,292,499**	**170.8**

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[*] N/A - Not Available - no historical data available for this period.

Strategic Goal: 5 Transparent and Responsive Budgets

Strategic Goal Statement:

Establish responsive, transparent budgeting and costing processes.

The uncertain budget environment imposes an imperative on all Agency officials to better manage financial resources to position the Agency to meet strategic priorities. OPM has allocated and aligned Agency budgets to Agency strategies and is tracking expenditures and resources allocations aligned to program areas and object classes. Aligning budget setting and expenditure tracking to Agency strategies will ensure a continuous focus on achievement of the Agency's strategic goals. Other tools, such as activity-based costing and common services allocation methodology, will improve clarity for senior managers as they collectively target resources toward achieving the Agency's strategic goals. The final result must be a transparent process that supports the Director's and senior officials' ability to prioritize and adjust resources to align with current and future priorities.

In 2014, OPM implemented a new budget prioritization process that better identifies funding requirements, validates justifications, assesses priorities, and offers a platform for making decisions corporately. The Agency utilized Lean Six Sigma process improvement methods and human centered design techniques and facilitation to establish this process and develop a tool that is being utilized by Agency senior leaders, program offices and financial management officials. The progress made in FY 2014 on activities for Strategies 5.01 and 5.03 under this goal establishes the foundation for more visibility and transparency in OPM's overall budget process. In FY 2016, OPM will continue efforts to ensure that the budget is appropriately aligned to support Agency strategic goals, requirements are properly justified, and spending is monitored routinely to ensure resources are utilized efficiently. OPM has added Strategy 5.04, incorporating a managerial cost accounting program, to build on prior year accomplishments. This will further enhance transparency and support OPM's methodology for determining, assigning, tracking and managing costs within the Agency.

In FY 2016, the following activities will sustain and enhance this goal:

- a corporate prioritization process;
- deployment of an Agency-wide managerial cost accounting model that directly traces costs and accurately aligns costs to core OPM activities and strategies; and
- timely monthly financial reports that reliably display OPM actual expenditures versus budget for each major organizational component, program, and strategic outcome and performance metric; and that can be segmented by activity.

To successfully complete Goal 5 activities, all OPM program offices, managers, and financial analysts must fully engage and provide technical knowledge and expertise regarding specific program areas. Their involvement will ensure tools and processes meet the needs of their business structure and produce results that are actionable and support corporate decision-making. Support and oversight from OPM senior leadership will provide direction, focus and accountability.

Progress Indicator Statement:

Agency budget and spending are aligned to strategic goals. Critical cost information is produced and shared allowing OPM's Revolving Fund and other programs to strategically price or fully cost products and services.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Transparent and Responsive Budgets		
5.01		
Implement off-cycle cost re-baselining	**$367,483**	**3.9**
Office of the Chief Financial Officer		
TF Limit - Annual	$71,530	0.5
Common Services	$295,953	2.0
Executive Secretariat		
Common Services	$0	1.4
5.02		
Institutionalize corporate prioritization	**$5,741,242**	**39.5**
Employee Services		
Salaries & Expenses	$234,282	1.5
Facilities, Security & Contracting		
Common Services	$122,158	1.1
Federal Investigative Services		
RF Investigative Services	$255,450	2.0
HR Solutions		
RF - Training Services (HRS)	$1,154,281	9.0
Office of the Chief Financial Officer		
TF Limit - Annual	$167,366	1.0
Common Services	$2,364,160	15.1
Office of the Director		
Common Services	$277,583	2.1

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Retirement Services		
TF Limit - Annual	$75,000	0.6
Trust Fund-Title V	$50,000	0.4
Merit System Accountability & Compliance		
Salaries & Expenses	$235,793	1.5
Healthcare & Insurance		
TF Limit - Annual	$149,500	1.0
Salaries & Expenses	$149,500	1.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$468,635	3.0
5.03		
Widely inform key stakeholders on new agency budget process	**$463,355**	**4.0**
Office of the Chief Financial Officer		
TF Limit - Annual	$71,530	0.5
Common Services	$202,259	2.0
Office of Communications		
Common Services	$189,566	1.5
5.04		
Configure and Deploy Agency-wide Cost Accounting Models	**$2,032,918**	6.5
Office of the Chief Financial Officer		
Common Services	$1,352,211	5.0
FIS Salaries & Expenses No-Year	$500,000	0.0
Retirement Services		
TF Limit - Annual	$75,000	0.6
Trust Fund-Title V	$50,000	0.4
Merit System Accountability & Compliance		
Salaries & Expenses	$55,707	0.5
OPM Total	**$8,604,998**	**53.9**

Strategy: 5.01 Implement Cost Re-baselining

Strategy Overview:

OPM has completed activities under this strategy during FY 2014. Specifically, OPM implemented off-cycle cost re-baselining by:

- issuing re-baselining "how-to" guidance;
- determining activities and cost; and
- building up budget (cost) for mandatory functions.

Anticipated FY 2016 Accomplishments:

OPM will continue to maintain and institutionalize the improvements initiated in FY 2014 to build and execute budgets. Using the new corporate prioritization approach instituted in FY 2014 for all resource requests assures requirements are identified and prioritized and resources are directed to those priorities. It also is a key component to implementing transparent budgets and costing processes, and will result in:

- alignment of resources to mandatory functions and agency priorities;
- support of pricing models for reimbursable programs; and
- better analytics and reporting of actual spending against strategic goals and strategies.

Implementation Organizations:

Office of the Chief Financial Officer (OCFO)

Implementation Considerations:

Achievement of this strategy resulted from support from all OPM program offices. The Accounting Code Structure (ACS) of OPM's financial system was revised to support reporting of expenditures against strategic goals beginning FY 2015. The ACS modifications will be maintained and refined in FY 2016. Results will be impacted by program offices' continued due diligence, thorough review, analysis and reporting of information.

The CFO, all OPM leaders, program offices, and budget and financial management staff will support this strategy by evaluating FY 2015 activities and aligning budget resources to support agency priorities. Program offices will provide staff resources to complete prioritization activities using a standard approach developed by the CFO. Program offices (specifically FIS and HRS) will also re-examine FY 2016 pricing models and realign resources as appropriate to ensure competitive pricing and relevant offerings to meet the immediate and future needs of Federal customers. The results of the prioritization exercise will be presented by the CFO to Agency leaders and will inform FY 2016 operating plans and budget execution.

Various program contingencies and constraints may affect the achievement of activities, accomplishments, and milestones planned for Strategy 5.01. These factors are:

- FTE needed to complete prioritization efforts;

- an accepted common approach and process for prioritization exercise;

- development of skills needed to complete prioritization exercise;

- completion of revised accounting code structure to align resources by strategy;

- ability to react to unfunded mandates; and

- resource constraints that may alter customer agencies' demand for Revolving Fund services, impacting re-baselined budgets.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Actual resource variance from plan^	N/A*	1.23%	0.98%	0.76%	-	<1%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Transparent and Responsive Budgets		
5.01		
Implement off-cycle cost re-baselining	**$367,483**	**3.9**
Office of the Chief Financial Officer		
Common Services	$295,953	2.0
TF Limit - Annual	$71,530	0.5
Executive Secretariat		
Common Services	$0	1.4
OPM Total	**$367,483**	**3.9**

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^ This measure is related to strategies 5.01 and 5.02. Includes the following funding sources: Salaries & Expenses, Trust Fund, and Common Services.

* N/A - Not Available - no historical data available for this period.

Strategy: 5.02 Institutionalize Corporate Prioritization

Strategy Overview:

Institutionalize corporate prioritization by:

- defining roles of Associate Directors, Office Heads, and the Director in the prioritization process;

- informing senior leadership on the prioritization process and its associated criteria drivers;

- aligning and tracking OPM's budget and expenditures to strategic goals;

- prioritizing discretionary activities and advising senior leadership of prioritization recommendations; and

- aligning, tracking and reporting the Agency's budget by strategic goal for all funds quarterly.

Anticipated FY 2016 Accomplishments:

Sustain corporate prioritization that:

- informs strategic decision-making;

- improves leadership accountability for resource allocation;

- identifies available spending to make better use of resources; and

- enhances the Agency Financial Management Dashboard to deliver and monitor financial information and analytics.

Implementation Organizations:

Employee Services (ES), Facilities, Security and Contracting (FSC), Executive Secretariat (OES), Federal Investigative Services (FIS), HR Solutions (HRS), Office of Chief Financial Officer (OCFO), Office of the Director (OD), Retirement Services (RS), Merit System Accountability & Compliance (MSAC), Congressional, Legislative and Intergovernmental Affairs (CLIA), and Healthcare & Insurance (HI).

Implementation Considerations:

Achievement of this goal will depend on support from all OPM program offices. Results will be dependent on their participation, due diligence and thorough review, analysis and reporting of information. Also, use of the revised ACS discussed in strategy 5.01 (which includes strategy criteria) will be critical to the goal's success. As priorities change, the established process will be used to re-prioritize funding requirements. Efforts to refine and upgrade the prioritization tool will continue to support corporate decision-making. As roles and responsibilities change, training on the prioritization process will also continue.

The CFO's Office, all OPM leaders, program offices, and budget and financial management staff will directly support this strategy. Program Office managers and financial management staff will participate by providing resources and FTE needed to facilitate responsive budgeting and transparency. Throughout the fiscal year, quarterly Performance Point reviews will be conducted by strategic goal to monitor

financial results, align resources to priorities, and address under-funded priorities. The CFO Office will ensure timely reporting of information such as actual spending against strategic goal and available balances to aid in the decision-making process. The Office of General Counsel has already been and anticipates it will continue to be heavily involved in the Agency's efforts to achieve a transparent budgeting process under Goal 5 by providing guidance on mandatory and regulatory requirements. This is a critical component in the prioritization exercise to determine funding needs. Contingencies and constraints that may impact the success of Strategy 5.02 include:

- timely decision-making and corporate buy-in;
- unplanned mandates that impact current priorities; and
- ability to provide timely reporting of information and metrics.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Actual resource variance from plan^	N/A*	1.23%	0.98%	0.76%	-	<1%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Transparent and Responsive Budgets		
5.02		
Institutionalize corporate prioritization	**$5,741,242**	**39.5**
Employee Services		
Salaries & Expenses	$234,282	1.5
Facilities, Security & Contracting		
Common Services	$122,158	1.1
Federal Investigative Services		
RF Investigative Services	$255,450	2.0
HR Solutions		
RF - Training Services (HRS)	$1,154,281	9.0
Office of the Chief Financial Officer		
Common Services	$2,364,160	15.1
TF Limit - Annual	$167,366	1.0
Office of the Director		

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^ This measure is related to strategies 5.01 and 5.02. Includes the following funding sources: Salaries & Expenses, Trust Fund, and Common Services.

* N/A - Not Available - no historical data available for this period.

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Common Services	$277,583	2.1
Retirement Services		
TF Limit - Annual	$75,000	0.6
Trust Fund-Title V	$50,000	0.4
Merit System Accountability & Compliance		
Salaries & Expenses	$235,793	1.5
Healthcare & Insurance		
TF Limit - Annual	$149,500	1.0
Salaries & Expenses	$149,500	1.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$468,635	3.0
OPM Total	**$5,741,242**	**39.5**

Strategy: 5.03 Widely inform key stakeholders on new agency budget process

Strategy Overview:

OPM completed the following activities under this strategy during FY 2014:

- developed a statement of policy to institutionalize the budget process;

- developed a document to explain the new budget process (including common services); and

- trained program managers and Resource Management Officers on the budget process and program responsibilities.

Anticipated FY 2016 Accomplishments:

OPM will continue to maintain improvements initiated in FY 2014 by informing stakeholders of all modifications to the budget process. By doing so, stakeholders will:

- contribute to enhancing budget transparency; and

- use tools and guidance for formulating and executing good budgets.

Implementation Organizations:

Office of Communications (OC) and Office of the Chief Financial Officer (OCFO)

Implementation Considerations:

This strategy was achieved with support from all OPM program offices. The results obtained will continue to be impacted by their due-diligence and thorough review, analysis and reporting of information.

Also, use of the revised ACS discussed in Strategy 5.01 (which includes strategy criteria) will be critical to maintaining the goal's success.

The success of Strategy 5.03 resulted from a unified commitment from all OPM leaders, managers, and budget and financial analysts to ensure budget transparency and accountability to achieve Agency strategic goals. The CFO Office assisted by developing tools and processes to educate and inform all stakeholders on the new budget process and governance structure; clarifying roles and responsibilities, modifying business processes, identifying performance indicators, and developing accountability measures. Having key program office staff play a role in formulating and/or executing budgetary resources will continue to build their understanding of OPM's corporate approach and the use of Agency resources, and build knowledge in prioritization techniques by participating in training and information sessions. Contingencies and constraints for Strategy 5.03 include:

- an established governance structure;

- participation of stakeholders who contribute to enhancing budget transparency; and

- training and knowledge enhancement tools for building skill sets and executing a corporate funding approach.

FY 2016 Milestone
Train agency stakeholders on key aspects of OPM's cost accounting program, resulting in increased awareness and application of cost accounting models and toolsets.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Transparent and Responsive Budgets		
5.03		
Widely inform key stakeholders on new agency budget process	**$463,355**	**4.0**
Office of the Chief Financial Officer		
TF Limit - Annual	$71,530	0.5
Common Services	$202,259	2.0
Office of Communications		
Common Services	$189,566	1.5
OPM Total	**$463,355**	**4.0**

Strategy: 5.04 Configure and Deploy Agency-wide Cost Accounting Models

Strategy Overview:

Configure and deploy Agency-wide Cost Accounting models by:

- completing a review and refinement of the agency-wide Cost Accounting Methodology (CAM), ensuring it is compliant with accounting standards and aligns all organizational business activities and costs;

- using compliant methodologies developed and approved by organizational Subject Matter Experts (SME);

- continuous deployment of a viable technical solution to implement cost accounting methodologies; and

- performing an annual review of the Accounting Code Structure (ACS) to ensure continued proper alignment with goals and strategies.

Anticipated FY 2016 Accomplishments:

OPM ensures cost accounting models that:

- better align cost to strategic goals and strategies;

- are implemented using cost accounting toolsets;

- ensure more disciplined and consistent approach for aligning and tracing costs;

- help build better pricing policies and methodologies using forecasting techniques;

- facilitate the production of mandated financial reports; and

- produce more accurate data and transparency in spending and cost data.

Implementation Organizations:

Office of the Chief Financial Officer (OCFO), Retirement Services (RS), and Merit System Accountability & Compliance (MSAC).

Implementation Considerations:

Successful achievement of this goal will depend on acceptance and support from all OPM program offices through participation in the development of cost accounting toolsets and models. Greater success and efficiency would be achieved by developing an automated solution that is integrated and aligned with other OPM systems. Contingencies and constraints that will impact the success of Strategy 5.04 include:

- agreed upon Cost Accounting Methodology (CAM);

- support and acceptance of OPM's cost accounting program by program offices; and

- a well informed and trained workforce with the skills and knowledge to use and manage OPM's cost accounting program.

Deploy automated Cost Accounting Technical model that traces direct and indirect agency costs using the pre-defined agency-wide cost accounting.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Transparent and Responsive Budgets		
5.04		
Configure and Deploy Agency-wide Cost Accounting Models	**$2,032,918**	**6.5**
Office of the Chief Financial Officer		
Common Services	$1,352,211	5.0
FIS Salaries & Expenses No-Year	$500,000	0.0
Retirement Services		
TF Limit - Annual	$75,000	0.6
Trust Fund-Title V	$50,000	0.4
Merit System Accountability & Compliance		
Salaries & Expenses	$55,707	0.5
OPM Total	**$2,032,918**	**6.5**

Strategic Goal: 6 Engaged Federal Workforce

Strategic Goal Statement:

Provide leadership in helping agencies create inclusive work environments where a diverse Federal workforce is fully engaged and energized to put forth its best effort, achieve their agency's mission, and remain committed to public service.

To foster a heightened connection between employees, their work, and their organizations, Federal agencies and managers must ensure employees find personal meaning in their work, take pride in their work and their organization, and believe they are valued contributors. To this end, employee engagement is a priority in the President's Management Agenda (PMA). Specifically, People and Culture is a Cross-Agency Priority Goal that proposes to, in part, "Create a Culture of Excellence and Engagement to Enable Higher Performance; and foster a culture of excellence by using data-driven approaches to enhance management, performance, and innovation across the current Federal workforce. Specifically, OPM will focus on employee engagement (measured by employee views about their leaders, supervisors, and work experience), as multiple evaluations have demonstrated a strong correlation between employee engagement and an organization's productivity."

This section outlines and summarizes OPM's plans, actions and anticipated accomplishments for FY 2016 for creating an engaged Federal workforce. While the focus of this strategic goal is employee engagement, this goal is closely related to the Cross-Agency Priority Goal "People and Culture".

Engaged employees are passionate and dedicated to their jobs and to their organizations. They feel a special bond with their agencies and put forth discretionary effort needed to improve their own performance and agency results. Employee engagement is linked to important outcomes, including agency performance, sick-leave usage, EEO complaints, and turnover. Engaged employees are less likely to leave their agency, while those who are unengaged will likely start to look for opportunities elsewhere. Key drivers of employee engagement are communication, employee inclusion, opportunities for development, and recognition. Strong leadership and supervision also are critical to ensuring an engaged workforce as they have a great deal of influence over the factors that drive engagement.

OPM's Employee Services (ES), Human Resources Solutions (HRS), Office of Diversity & Inclusion (ODI), Planning and Policy Analysis (PPA) and Merit System Accountability and Compliance (MSAC) will directly support this strategy to ensure agencies target, address and measure key drivers of employee engagement. ES will provide policy direction and leadership in designing, developing and promulgating Government-wide systems and programs; HRS will offer standardized as well as customized products and services to agencies on a reimbursable basis; ODI will provide leadership and efforts focused on developing, driving and monitoring strategies and initiatives designed to create a more diverse and inclusive Federal workforce; PPA will develop and provide metrics and analysis, as well as overall oversight for the People & Culture engagement initiatives; and MSAC will monitor and assess Agency participation and training effectiveness.

Having researched the drivers, components and outcomes of engagement as a foundation, OPM will implement five strategies to address this strategic goal. Recognizing the critical role of leaders and the importance of having tangible actions and measures, OPM will: 1) provide leadership training to increase employee engagement; 2) support agencies in hiring leaders strong in managing and leading high performing organizations; 3) provide a comprehensive suite of engagement services and models for agencies and employees; 4) ensure agencies target, address, and measure key drivers of employee engagement; and 5) partner with agencies to drive greater diversity, inclusion and employee engagement.

OPM anticipates that accomplishment of these strategies will provide positive outcomes Government-wide. Increased employee engagement can improve performance, and lead to employee and Agency effectiveness. OPM will use existing and new measures to evaluate the implementation of inclusion and engagement efforts and related outcomes. OPM and other partner agencies have designed the Unlocking Federal Talent dashboard for data-driven reviews of employee engagement and launched GovConnect Phase I pilots. FY 2016 will be a critical period for OPM to build on and expand the engagement strategies of FY 2015.

Moreover, the investments requested for FY 2016 will expand Government-wide efficiencies and improved employee engagement. For example, investment in rigorous assessments for hiring leaders will allow agencies to identify individuals with the capabilities required to effectively build, manage, and retain an engaged workforce. Similarly, investment in GovConnect will further the suite of engagement services and make the Federal workforce talent more agile and collaborative, both within and across agencies.

Various program contingencies and constraints may affect the achievement and the level of achievement of the strategies, accomplishments and milestones planned for strategies associated with this goal. The primary recurring factors are available resources within OPM and other agencies, as well as the active participation of other agencies.

Progress Indicator Statements:

Increase in the number of CHCO agencies that improved employee engagement related Human Capital metrics and the employee engagement scores as measured by FEVS.

Monitoring of both (1) the participation rates of agencies' supervisors and managers in training designed to improve employee engagement and (2) the effectiveness of the training provided.

Increase in the percentage of hiring actions across the Federal Government where managers utilize applicant flow data delivered by OPM business intelligence tools.

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Engaged Federal Workforce		
6.01		
Design and deliver leadership training to increase employee engagement	**$66,626,984**	**92.9**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$3,072,706	15.8
HR Solutions		
RF - Training Services (HRS)	$63,335,629	76.0
Office of the Director		
Common Services	$3,000	0.0
Merit System Accountability & Compliance		
Salaries & Expenses	$194,537	1.0
6.02		
Support agencies in hiring leaders strong in managing and leading high-performing organizations	**$4,417,835**	**11.4**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$1,692,906	4.8
HR Solutions		
RF Presidential Management Fellows (PMF)	$2,703,817	6.5
6.03		
Provide a comprehensive suite of engagement services and models for agencies and employees	**$18,053,536**	**74.9**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$803,737	5.5
HR Solutions		
RF - Training Services (HRS)	$16,714,060	66.0
Office of the Director		
Common Services	$258,156	1.6
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Engaged Federal Workforce		
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.5
6.04		
Ensure agencies target, address, and measure key drivers of employee engagement	**$7,793,539**	**23.6**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$803,737	5.5
HR Solutions		
RF - Training Services (HRS)	$2,572,180	9.0
Merit System Accountability & Compliance		
Salaries & Expenses	$238,507	2.0
Planning and Policy Analysis		
TF Limit - Annual	$2,500	0.0
Salaries & Expenses	$4,155,503	7.0
6.05		
Partner with agencies to drive greater diversity, inclusion and employee engagement	**$561,458**	5.0
Office of Diversity and Inclusion		
Salaries & Expenses	$561,458	5.0
OPM Total	**$97,453,352**	**207.8**

Strategy: 6.01 Design and deliver leadership training to increase employee engagement

Strategy Overview:

Design and deliver leadership training to increase employee engagement by:

- promoting, developing and providing supervisor and manager training and professional development as a critical element of organizational performance; including training on the new inclusion index ratings (New IQ);

- offering OPM leadership development programs to help Federal leaders improve employee engagement consistent with revalidated/revised Executive Core Qualifications (ECQs) framework;

- partnering with agencies to develop common solutions to implement the Supervisory Training Framework and Managerial Training Framework; and

- holding agencies accountable for ensuring supervisors and managers participate in training designed to improve employee engagement and to meet training requirements outlined in 5 CFR 412

Increased attention has been placed on the importance of leaders in the culture and management of organizations. For example, one of the three vision points for the PMA People and Culture goal is to build a world-class Federal management team, starting with the SES, which is directly related to both Strategies 6.01 and 6.02. Additionally, engagement has been identified as a concept that is related to important organizational processes and outcomes. Therefore, leaders should be informed and prepared to recognize and implement methods to create work environments that increase employee engagement. Leaders need the knowledge and tools to perform in this capacity.

OPM has extensive experience in developing and delivering training, including leader training at all levels. This strategy will be a precursor to the outcome of increased employee engagement as measured through both direct and indirect measures, using existing and new measurement tools.

Anticipated FY 2016 Accomplishments:

To support leader training regarding engagement, OPM will:

- promulgate improved onboarding of senior executives, with emphasis on employee engagement after a pilot ends in FY 2015; and continued integration of improvement targets related to employee engagement in SES performance plans;

- increase OPM training delivery to managers and supervisors to achieve more inclusive and engaged workforces, as reflected in increased FEVS scores and New IQ scores;

- deliver professional leadership development via expanded e-Learning options that will provide emerging, established and executive leaders the required skills for supporting employee engagement;

- deliver a series of professional leadership development courses/programs that will provide continuous learning and networking opportunities for leaders that are designed to encourage executive leadership engagement with their workforces and to foster the creation of workplace environments that promote engagement opportunities for all workers;

- provide access to common/shared training and resources that support improved employee engagement; and

- continue to hold agencies accountable, through OPM's HR Oversight Program, for meeting training requirements outlined in 5 CFR 412.

Implementation Program Organizations:

Chief Human Capital Officers Council (CHCOC), Employee Services (ES), Human Resources Solutions (HRS), Office of the Director (OD), and Merit System Accountability & Compliance (MSAC)

Implementation Considerations:

OPM's Chief Human Capital Officers Council (CHCOC), Employee Services (ES), Human Resources Solutions (HRS), Office of Diversity & Inclusion (ODI), and Merit System Accountability & Compliance (MSAC) will directly support and guide this strategy to design and deliver leadership training to increase employee engagement. ES will provide policy direction and leadership in designing, developing and promulgating Government-wide systems and programs; HRS will provide training, workshops, and courses on HR University for succession planning, supervisory/executive assessment, the Quality Review Board (QRB) review process, and supervisory/executive selection; ODI will provide leadership and efforts focused on developing, driving and monitoring strategies and initiatives designed to create a more diverse and inclusive Federal workforce; and MSAC will monitor and assess agency participation and training effectiveness.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of components of CHCO organizations that increased employee engagement scores^	N/A*	N/A*	N/A*	36%	41%	50%
Percent of participating leaders who achieve mastery of competencies at the end of certificate programs	N/A*	N/A*	N/A*	N/A*	-	Establish Baseline
Number of CHCO agencies using Manager and Executive level certificate programs	N/A*	N/A*	N/A*	N/A*	-	Establish Baseline

^ This measure is related to strategies 6.01, 6.02, 6.03, 6.04, and 6.05.
* N/A - Not Available - no historical data available for this period.

FY 2016 Milestone

Develop and deliver two successful certification of mastery programs with employee engagement as a focus area of learning

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Engaged Federal Workforce		
6.01		
Design and deliver leadership training to increase employee engagement	**$66,626,984**	**92.9**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$3,072,706	15.8
HR Solutions		
RF - Training Services (HRS)	$63,335,629	76.0
Office of the Director		
Common Services	$3,000	0.0
Merit System Accountability & Compliance		
Salaries & Expenses	$194,537	1.0
OPM Total	**$66,626,984**	**92.9**

Note: HR Solutions spending represents the estimated value of leadership training offered to Federal agencies on a fee basis.

Strategy: 6.02 Support agencies in hiring leaders strong in managing and leading high performing organizations

Strategy Overview:

Support agencies in hiring leaders strong in managing and leading high performing organizations by:

- promoting rigorous, competency-based selection (e.g., consistent with the revalidated/revised Executive Core Qualifications (ECQs) framework) for supervisors, managers, and executives that targets the unique talents it takes to effectively manage people and build and retain an engaged workforce;

- partnering with agencies to develop common solutions for succession management and hiring supervisors, managers, and executives that are valid and cost effective;

- offering a line of exclusive assessments for Government leaders and leverage existing assessments to bridge the best of the private sector with OPM's own internal capacity;

- improving and streamlining the process for recruiting and hiring for SES positions; and

- continually improving SES development.

This strategy aims to address a primary factor in having good agency leaders--identifying and selecting those who are strong in managing and leading high performing organizations. The initiative associated with this strategy will help agencies build a "pipeline" of supervisors, managers, and executives with the knowledge, skills and experience to effectively lead in ways that are related to engagement and performance. For the Federal Government to be competitive and effective, having the right talent is critical. Developing rigorous, competency-based assessments that directly target the unique capabilities required to effectively manage people and build and retain an engaged workforce directly supports OPM's Strategic Plan in supporting customer agencies. The use of rigorous assessments also supports the People and Culture goal of the PMA, providing tools and support to agencies that will have lasting impact on employee engagement in the Federal workforce. Selecting top quality leaders who possess competencies critical to maximizing employee engagement is critical to Agency success across the Government. A consistent approach to assessing leaders for selection will also support Government-wide approaches to continuous development for leaders and executives, by providing a consistent baseline from which new and incumbent leaders can design their Individual Development Plans.

The benefits realized from hiring effective leaders will be both immediate and long lasting. The assessments will be developed and made available for hiring actions in a year or less. The benefits to Government begin with each supervisor, manager, and/or executive hired using these more valid assessments and continue for the duration of their tenure in Government and beyond, to the extent they cultivate high performers who stay with the Federal Government and successfully contribute to mission accomplishment.

In conjunction with Strategy 6.01 on leadership training, OPM seeks to provide an extensive set of initiatives related to Federal leaders and employee engagement. OPM will play a leadership role in promoting good practices, sharing information, and developing efficient processes. In addition, OPM has responsibility for providing support for specific hiring functions, such as SES hiring. As noted in strategy 6.01, this is closely related to the PMA goal of building a world-class Federal management team starting with the SES. These activities will support agencies in identifying, assessing, and retaining effective leaders.

Anticipated FY 2016 Accomplishments:

To support hiring of leaders strong in managing and leading high performing organizations, OPM will:

- continue to identify opportunities and partnerships that will support Federal agencies with leadership assessments and succession planning activities;
- continue business process innovations that leverage opportunities to deliver off the shelf solutions applicable to multiple agencies, and refine and enhance the scalability of existing products and services, while maintaining customizable features where necessary to meet client needs;
- work with agencies to improve the Qualifications Review Board (QRB) process;
- expand Interagency Rotation Program to all PMC agencies and interested regional areas and to include SES members; and
- develop rigorous, competency-based assessments that directly target the unique capabilities required to effectively manage people and build and retain an engaged workforce.

Implementation Program Organizations:

Chief Human Capital Officers Council (CHCOC), and Employee Services (ES).

Implementation Considerations:

OPM's CHCOC, ES and HRS will directly support this strategy to support agencies in hiring leaders who are strong in managing and leading high performing organizations. ES will provide policy direction and leadership in designing, developing and promulgating Government-wide systems and programs; and ODI will provide leadership and efforts focused on developing, driving and monitoring strategies and initiatives designed to create a more diverse and inclusive Federal workforce. Various program contingencies and constraints may affect the achievement of the strategies, accomplishments and milestones planned for Strategy 6.02, including:

- OPM's offering of free sessions to be provided through the Federal Executive Boards (FEBs), and
- local agencies' sharing of job opportunity announcements with the FEBs.

Resourcing to address and improve upon disconnected and disparate systems currently being used across the Federal Government may make it overly ambitious to achieve a certified performance management system.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of components of CHCO organizations that increased employee engagement scores^	N/A*	N/A*	N/A*	36%	41%	50%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Engaged Federal Workforce		
6.02		
Support agencies in hiring leaders strong in managing and leading high-performing organizations	**$4,417,835**	**11.4**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$1,692,906	4.8
HR Solutions		
RF Presidential Management Fellows (PMF)	$2,703,817	6.5
OPM Total	**$4,417,835**	**11.4**

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^ This measure is related to strategies 6.01, 6.02, 6.03, 6.04, and 6.05.

* N/A - Not Available - no historical data available for this period

Strategy: 6.03 Provide a comprehensive suite of engagement services and models for agencies and employees

Strategy Overview:

Provide a comprehensive suite of engagement services and models for agencies and employees by:

- designing, providing, and promoting employee engagement tools, products, and services accessible to agencies and employees;

- partnering with agencies to promote and share promising practices and metrics on employee engagement; and

- testing, scaling and adopting new workforce approaches, promising practices and technologies for flexibly assembling and deploying talent within and across agencies through GovConnect.

Relevant information and tools are needed to provide the Federal workforce with the ability to increase engagement. Strategies 6.01 and 6.02 are focused specifically on training and hiring leaders, and this strategy encompasses a broad set of initiatives to provide an even more complete engagement toolkit for agencies and employees.

OPM has identified programs, products and services that will support employee engagement by addressing factors such as diversity, inclusion, work-life programs, and several processes for information sharing among agencies. By focusing on the following factors and processes that have been linked to engagement, these activities will support agency engagement goals and efforts, and in the aggregate, increase engagement and performance.

Anticipated FY 2016 Accomplishments:

To provide a comprehensive suite of engagement services and models for agencies and employees, OPM will:

- continue to support Community of Practice to promote best practices in employee engagement Government-wide;

- continue to implement hybrid course delivery methods to provide a comprehensive suite of engagement, work-life, and leadership development tools and training for HR professionals;

- consult with agencies on Federal Employee Viewpoint Survey (FEVS) action plan development and implementation;

- provide agencies with assessment, human resources strategy and training services that help agencies drive employee engagement by hiring and promoting qualified employees, evaluating the workforce, increasing organizational effectiveness and measuring results;

- provide agencies with learning strategies that improve employee engagement through OPM contracting vehicles;

- leverage HR University, the Diversity & Inclusion (D&I) Strategic Partnership (the Partnership), and Federal Employee Resource Groups to promote successful practices;
- promote and share promising practices and metrics on employee engagement during and as the result of agency human capital self-accountability audits and OPM's HR oversight audits;
- conduct multi-agency pilots to test programs and technologies to share talent within and across agencies through GovConnect;
- promote and deliver low-cost, effective learning solutions for the Federal community through expanded distance and blended-learning solutions, skills immersion mini-workshops, and open enrollment course offerings through HR Training On Demand program;
- train HR professionals across the Federal Government through HR University (HRU) and the HR Training on Demand program and assisting HR specialists with additional policy and guidance;
- continue to identify opportunities and partnerships that will support Federal agencies with leadership assessments and succession planning activities;
- continue to develop, enhance, and integrate our three components in the USA Suite of Services: USA Hire^{SM}, USA Performance^{SM}, and USA Survey^{SM} to achieve end-to-end capability with other OPM HR systems;
- continue business process innovations that leverage opportunities to deliver off the shelf solutions applicable to multiple agencies, and refine and enhance the scalability of existing products and services, while maintaining customizable features where necessary to meet client needs; and
- work with agencies to improve the Qualifications Review Board (QRB) process.

Implementation Program Organizations:

Chief Human Capital Officers Council (CHCOC), Employee Services (ES), Human Resources Solutions (HRS), Congressional, Legislative and Intergovernmental Affairs (CLIA), Executive Secretariat (OES), Office of Communications (OC), and Office of the Director (OD).

Implementation Considerations:

OPM's CHCOC, ES, HRS, ODI, PPA, and OD will directly support this strategy to provide a comprehensive suite of engagement service and models. ES will provide policy direction and leadership in designing, developing and promulgating Government-wide systems and programs; HRS will offer standardized as well as customized products and services to agencies on a reimbursable basis; ODI will provide leadership and efforts focused on developing, driving and monitoring strategies and initiatives designed to create a more diverse and inclusive Federal workforce; PPA will develop and provide metrics and analysis as well as overall oversight on People & Culture engagement activities, and MSAC will monitor and assess results of agency activities.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of CHCO Act agencies that access the Employee Viewpoint Survey Online Reporting & Analysis Tool	N/A[*]	N/A*	N/A*	N/A*	-	100%
Percent of CHCO Act agency components that access the Employee Viewpoint Survey Online Reporting & Analysis Tool	N/A*	N/A*	N/A*	N/A*	-	75%
Percent of CHCO Act agency lower-level components that access the Employee Viewpoint Survey Online Reporting & Analysis Tool	N/A*	N/A*	N/A*	N/A*	-	50%
Percent of users satisfied with Unlocktalent.gov	N/A*	N/A*	N/A*	N/A*	-	75%
Percent of components of CHCO organizations that increased employee engagement scores[^]	N/A*	N/A*	N/A*	36%	41%	50%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Engaged Federal Workforce		
6.03		
Provide a comprehensive suite of engagement services and models for agencies and employees	**$18,053,536**	**74.9**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$803,737	5.5
HR Solutions		
RF - Training Services (HRS)	$16,714,060	66.0
Office of the Director		
Common Services	$258,156	1.6
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.5
OPM Total	**$18,053,536**	**74.9**

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[*] N/A - Not Available - no historical data available for this period.

[^] This measure is related to strategies 6.01, 6.02, 6.03, 6.04, and 6.05.

Strategy: 6.04 Ensure agencies target, address, and measure key drivers of employee engagement

Strategy Overview:

Ensure agencies target, address, and measure key drivers of employee engagement by:

- working with agencies to evaluate employee engagement based on Federal Employee Viewpoint Survey (FEVS) results and other human capital metrics so agencies make data-driven decisions and build and execute effective strategies; and

- monitoring agency results on targeted employee engagement areas through agency human capital self-accountability audits and OPM's HR oversight audits.

To determine the impact and effectiveness of the Goal 6 Strategies, OPM is prepared to monitor and measure key drivers and agency efforts related to employee engagement. On the basis of previous research, OPM anticipates positive outcomes from the many initiatives included in these strategies. However, it is by targeting, addressing and measuring engagement factors and outcomes that OPM can determine what results have actually been achieved. Under Strategy 6.05, OPM monitors and measures results of other agencies through oversight and requested assistance.

Anticipated FY 2016 Accomplishments:

To ensure agencies target, address, and measure key drivers of employee engagement, OPM will:

- provide activities and training delivered by commercial partners to develop and monitor key employee metrics;

- provide organizational assessment and program evaluation related services designed to enhance organizational effectiveness and assist agencies in improving their FEVS results;

- provide at least two training sessions for agency supervisors and managers on effective action planning to address employee engagement challenges;

- provide learning to managers and supervisors that will create more inclusive and engaged workforces, as reflected in increased FEVS scores within diverse demographics;

- assist agencies in implementing HRStat quarterly reviews as an agency-driven mechanism to use data for effective HR decision making;

- assess, through OPM's HR Oversight Program, agency activities designed to enhance employee engagement, after target areas have been identified and agencies have executed their action plans; and

- provide agencies with efficient and effective performance management products and services, including the USA Performance℠ automated performance management system; performance management strategies and program development; performance appraisal program development;

performance plan reviews; supervisor, manager, and executive performance management training; and telework services.

Implementation Program Organizations:

Chief Human Capital Officers Council (CHCOC), Employee Services (ES), Human Resources Solutions (HRS), Planning and Policy Analysis, (PPA), and Merit System Accountability & Compliance (MSAC)

Implementation Considerations:

OPM's CHCOC, ES, HRS, PPA MSAC, and OD will directly support this strategy to ensure agencies target, address and measure key drivers of employee engagement. ES will provide policy direction and leadership in designing, developing and promulgating Government-wide systems and programs; HRS will offer standardized as well as customized products and services to agencies on a reimbursable basis; ODI will provide leadership and efforts focused on developing, driving and monitoring strategies and initiatives designed to create a more diverse and inclusive Federal workforce; PPA will develop and provide metrics and analysis; and MSAC will monitor and assess results of agency activity results. The following program contingencies and constraints may affect the achievement of the strategies, accomplishments and milestones planned for Strategy 6.04:

- technology access to conduct virtual training sessions that reach Federal leaders across the country, and not just in DC;
- cooperation of CHCOC and agencies;
- availability of inter-agency and internal data;
- HR Skills Initiative and SME input for the training of HR professionals on key drivers of employee engagement;
- course availability;
- resourcing, including:
  - o OPM staff availability;
  - o volatility in agencies' annual Federal Budget appropriations resulting in the contraction of the market for Federal staff engagement activities; and
  - o resources agencies continue to dedicate to their own accountability and independent audit programs;
- options that may be available to strengthen OPM enforcement authorities, including possible incentives and penalties, which will requirement commitment from leadership and may involve the need for regulatory changes;
- competition from private sector providers of similar services; and
- coordination with EEOC and other agencies.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of components of CHCO organizations that increased employee engagement scores^	N/A*	N/A*	N/A*	36%	41%	50%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Engaged Federal Workforce		
6.04		
Ensure agencies target, address, and measure key drivers of employee engagement	**$7,793,539**	**23.6**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$21,112	0.1
Employee Services		
Salaries & Expenses	$803,737	5.5
HR Solutions		
RF - Training Services (HRS)	$2,572,180	9.0
Merit System Accountability & Compliance		
Salaries & Expenses	$238,507	2.0
Planning and Policy Analysis		
TF Limit - Annual	$2,500	0.0
Salaries & Expenses	$4,155,503	7.0
OPM Total	**$7,793,539**	**23.6**

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^ This measure is related to strategies 6.01, 6.02, 6.03, 6.04, and 6.05.
* N/A - Not Available - no historical data available for this period.

Strategy: 6.05 Partner with agencies to drive greater diversity, inclusion and employee engagement

Strategy Overview:

Partner with agencies to drive greater diversity, inclusion and employee engagement by:

- providing "the New IQ" (Inclusion Quotient) training to agencies, managers, supervisors and employees;

- working with agencies to evaluate employee inclusion and engagement based on Federal Employee Viewpoint Survey (FEVS) results and other Diversity & Inclusion metrics so agencies make data driven decisions and build and execute effective action plans;

- training agencies on organizational network analysis to identify communication centers and mechanisms and expand information sharing throughout the entire network to enable greater employee engagement;

- conducting agency-wide Diversity & Inclusion Dialogues to build employee understanding and trust while improving organizational communication and knowledge sharing;

- collaborating with all Federal employee resource groups (ERGs) and affinity groups to enlist their support and effort to achieve common agency wide goals and objectives;

- working with agencies to evaluate inclusive work environments through the use of the new IQ (inclusion quotient), which is based upon data from the FEVS;

- executing a new FY2015-FY 2018 Agency-wide Diversity & Inclusion Strategic Plan, posting department and agency demographic data, and timely publishing the New IQ index on OPM's website;

- monitoring agency results on targeted employee inclusion and engagement through Feedback Assistance Roundtables with 60 strategic partners; and

- coordinating and collaborating within OPM and with other Federal agencies.

OPM's ODI will provide policy direction and leadership in the usage and analysis of applicant flow-data that will encourage strategic outreach and recruitment external and internal to Federal agencies. These activities will occur in close collaboration with HRS and ES and will reflect agency efforts to attract and retain employees from historically underrepresented groups, including people with disabilities, at all levels of government. Moreover, ODI will provide leadership to agencies as they seek to create inclusion within their workforces, an antecedent to engagement, by providing individual training, through train-the-trainer sessions and supporting the New IQ index on OPM's website. OPM will further assist agencies in incorporating the latest research related to organizational network analysis, a mechanism by which to identify communication centers and expand information sharing, and supporting Diversity & Inclusion Dialogue facilitators.

To further accountability and innovation related to these efforts, ODI will continue to educate and leverage agency-successful practices through the 60 Diversity & Inclusion Strategic Partners and Feedback Assistance Roundtables, conducted with agency Chief Human Capital Officers, EEO Directors, and DI Directors, where they exist. Department and agency demographic data and the New IQ index will be published in a timely fashion on OPM's website; and affinity groups and employee resource groups will be enlisted to provide support and feedback on Government-wide efforts.

Partnering with agencies as outlined in strategy 6.05 aligns with the work plan developed for the PMA's People and Culture goal. For example, the work plan for Driving Greater Employee Engagement specifically refers to milestones regarding inclusion index ratings using the New IQ; New IQ training resources, strategies, and products; and supporting relevant communities of practice.

Anticipated FY 2016 Accomplishments:

To enable agencies to target, address and measure key drivers of employee inclusion and engagement, OPM will:

- conduct "train-the-trainer" sessions for New IQ and other training to help agencies address key drivers of inclusion and engagement;
- develop organizational network analysis training for ODI and HR professionals on key drivers of employee inclusion and engagement;
- advance awareness of the President's management agenda and how employee inclusion and engagement is critical to mission success, especially by working with agencies to ensure that EVS results are provided to managers soon after results are available and working with the President's Management Council to share best practices around improving employee engagement;
- provide feedback to agencies on their FEVS and New IQ action plans;
- provide Diversity & Inclusion dialogue activities and train facilitators throughout Government to promote employee inclusion and engagement; and
- assist agencies to create more inclusive and engaged workforces, as reflected in increased FEVS scores, to make data driven decisions through mechanisms such as the HRStat quarterly reviews by integrating PMA engagement metrics, and to employ tailored approaches to existing barriers for groups with lower FEVS satisfaction rates.

Implementation Program Organizations:

Office of Diversity & Inclusion (ODI)

Implementation Considerations:

OPM's Office of Diversity & Inclusion (ODI) will directly support this strategy by partnering with agencies; providing policy direction and leadership; and focusing on strategies and initiatives designed to create a more diverse, inclusive and engaged Federal workforce.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of components of CHCO organizations that increased employee inclusion scores	N/A*	N/A*	N/A*	N/A*	-	Establish Baseline
Percent of non-seasonal, full-time permanent employees onboard in the Federal Government with targeted disabilities	0.96%	0.99%	1.02%	N/A*	-	1.1%
Percent of components of CHCO organizations that increased employee engagement scores^	N/A*	N/A*	N/A*	36%	41%	50%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Engaged Federal Workforce		
6.05		
Partner with agencies to drive greater diversity, inclusion and employee engagement	**$561,458**	5.0
Office of Diversity and Inclusion		
Salaries & Expenses	$561,458	5.0
OPM Total	**$561,458**	**5.0**

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* N/A - Not Available - no historical data available for this period.
^ This measure is related to strategies 6.01, 6.02, 6.03, 6.04, and 6.05.

Strategic Goal: 7 Improved Retirement Benefit Service

Strategic Goal Statement:

Ensure that Federal retirees receive timely, appropriate, transparent, seamless, and accurate retirement benefits.

The Federal Government's commitment to its employees does not end when someone retires from service. OPM administers retirement and insurance benefits for nearly 2.6 million annuitants, survivors, and family members. The Agency must ensure quality delivery of those benefits and respond to retiree questions and concerns in a caring and timely manner. While real progress has been made over the last four years and the strategies outlined below have been implemented in part, they have not yet been fully achieved. Additionally, it is important to recognize that successful benefits processing is not only a result of an efficient processing system and communication with agencies, but also a fully engaged employee who is preparing to retire.

Progress Indicator Statements:

Exceed established targets on processing retirement and survivor claims accurately as published in the Annual Performance Report.

Improve the level of customer satisfaction as measured by customers satisfied with overall retirement services.

Exceed the targets established to reduce improper payments in the retirement program as outlined in the annual Agency Financial Report.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Improved Retirement Services		
7.01		
Prepare the Federal workforce for retirement beginning from entry-on-duty across every stage of the employee life-cycle	**$1,003,000**	**7.0**
Office of the Director		
Common Services	$3,000	0.0
Retirement Services		
TF Limit - Annual	$1,000,000	7.0
7.02		
Improve OPM service to Federal agency benefit officers	**$2,451,054**	**10.3**
Office of the Director		

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Common Services	$294,583	2.1
Retirement Services		
TF Limit - Annual	$1,900,000	7.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.0
7.03		
Advance the 21st-century, customer-focused retirement processing system for claims adjudication in a timely and accurate manner	**$94,992,982**	**950.5**
Retirement Services		
TF Limit - Annual	$52,688,982	562.0
Trust Fund-Title V	$40,195,000	376.5
Trust Fund Title V - FERCCA	$2,109,000	12.0
OPM Total	**$98,447,036**	**967.8**

Strategy: 7.01 Prepare the Federal workforce for retirement from entry-on-duty across every stage of the employee life-cycle

Strategy Overview:

By using the strategies listed below, OPM will help prepare Federal workers for retirement from the moment they come on the job through every stage of the employee life-cycle, including post-retirement assistance and account maintenance. Benefits officers are a critical part of this process as they ensure that employees transition easily into retirement when the time comes. OPM helps prepare the Federal workforce for retirement by:

- establishing shared responsibilities among OPM offices and agencies to ensure consistent information, tools, and counseling to employees;
- establishing Government-wide data elements and standards spanning the employee life-cycle for management and receipt of timely and accurate employee data required for retirement;
- eestablishing and enforcing standards for information systems used for management of retirement counseling and application preparation, and application transmittal;
- promulgating policy harmonization and standards across Government and issue requirements for all agencies and payroll centers to provide data in an appropriate format;
- ccontinuing agency audits to improve quality of retirement submissions; and
- engaging employees across the employee life-cycle in preparation for retirement.

Anticipated FY 2016 Accomplishments:

OPM will:

- advise and provide technical assistance to all OPM offices and Congress on Federal retirement policy matters;
- perform on-going audits of submissions by agencies;
- provide monthly feedback to agencies and to alert agencies of trends and improvement opportunities; and
- identify training needs for agencies and develop job aids, on-line training modules, and conduct workshops on the retirement application process.

Implementation Organizations:

Retirement Services (RS) and Office of the Director (OD)

Implementation Considerations:

The benefits officers at all Federal agencies are a critical part of this process as they ensure that employees transition easily into retirement when the time comes. RS is responsible for Government-wide administration of developing and providing Federal employees, retirees and their families with benefits

programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving nearly 2.6 million Federal retirees and survivors who receive monthly annuity payments.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Relative ratio of complete retirement submissions versus incomplete cases	82%	85%	90%	84%*	85%^	87%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Improved Retirement Services		
7.01		
Prepare the Federal workforce for retirement beginning from entry-on-duty across every stage of the employee life-cycle	**$1,003,000**	**7.0**
Office of the Director		
Common Services	$3,000	0.0
Retirement Services		
TF Limit - Annual	$1,000,000	7.0
OPM Total	**$1,003,000**	**7.0**

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^ Note: FY 2015 and FY 2016 targets were adjusted based on a change in measurement methodology. On October 1, 2013, the error definitions were expanded to include 19 additional error conditions that had not previously been changed as errors. Rather than change the FY 2014 target, OPM used FY 2014 as a baseline. Given this expanded definition and the result; OPM adjusted the FY 2015 target to 85%.

Strategy: 7.02 Improve OPM service to Federal agency benefit officers

Strategy Overview:

- develop an agency benefits officers' service delivery model emphasizing shared responsibility for benefits/retirement among Federal employees, OPM and other Federal agencies;
- define standards for agency benefit officers, measuring their results, and recognizing them for exceptional customer service;
- develop training certification for agency benefit/retirement officers on retirement services;
- provide services to Congressional benefit offices regarding retirement and other benefits for current and retired Members of Congress and congressional staff. Constituent Services will monitor inquiries from and develop educational and outreach activities to the Senate Disbursing Office and the Office of the House Chief Administrative Officer regarding preparation and processing of congressional retirement benefits; and
- develop recognition program for exceptional customer service.

Anticipated FY 2016 Accomplishments:

OPM will:

- define standards for agency benefit officers,
    - o setting standards,
    - o communicating standards, and
    - o measuring results;
- develop a recognition program for exceptional customer service,
    - o defining exceptional customer service,
    - o defining types of recognition,
    - o determining resource/funding availability, and
    - o creating a recognition plan; and
- present monthly webcasts for benefits officers on important areas of benefits and retirement administration, scheduling webcasts and tracking attendance.

Implementation Organizations:

Retirement Services (RS), Office of the Director (OD), and Congressional, Legislative and Intergovernmental Affairs (CLIA), Executive Secretariat (OES), and Office of Communications (OC).

Implementation Considerations:

Agency benefits officers are a critical part of this process as they ensure that employees transition easily into retirement when the time comes. RS is responsible for Government-wide administration of developing and providing Federal employees, retirees and their families with benefits programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), serving nearly 2.6 million Federal retirees and survivors who receive monthly annuity payments. Further, the CIO's Benefits Systems Group (BSG) develops solutions and manages systems that support OPM's activities related to retirement and benefits. Additionally, they make feasibility and technology-related recommendations regarding technology improvement efforts.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of benefits officers trained per year	60%	55%	53%^	52%	52%	52%
Overall customer satisfaction with guidance material, webinars, virtual conference, live conference, and training	N/A*	N/A*	N/A*	N/A*	-	Establish Baseline

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Improved Retirement Services		
7.02		
Improve OPM service to Federal agency benefit officers	**$2,451,054**	**10.3**
Office of the Director		
Common Services	$294,583	2.1
Retirement Services		
TF Limit - Annual	$1,900,000	7.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.0
Office of Communications		
Common Services	$189,566	1.0
OPM Total	**$2,451,054**	**10.3**

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^ In FY 2013, webinar trainings took the place of the regularly scheduled Benefits Officer's Conference because of budget constraints. The FY 2013 result reflects the number of webcast log-ins to show the number of Benefits Officers trained via the webcasts.

* N/A - Not Available - no historical data available for this period.

Strategy: 7.03 Advance the 21st century customer-focused retirement processing system for claims adjudication in a timely and accurate manner

Strategy Overview:

OPM provides assistance through every stage of employee life-cycle, including post-retirement assistance and retirement account maintenance. Post-adjudication includes adjusting monthly annuity payments as mandated by law/regulation or based on additional information received; updating retirement records to reflect address changes, tax status, or any other statistical data; conducting surveys and matches to confirm annuitants'/survivors' eligibility for continued benefits; and performing other related activities. RS will focus on the following strategies to advance our customer-focused retirement processing system:

- investing in information technology tools and solutions such as the implementation of a full case management and workflow capability to facilitate payment of accurate and timely benefits payments;

- using performance measures to ensure quality customer service;

- strengthening quality assurance processes, policies, and procedures;

- ensuring continued focus on addressing and reducing improper payments;

- using all tools available including the Compassion, Accuracy, Responsiveness, and Empowerment (CARE) Team, the Legal Administrative Specialists (LAS) survey, Lean Six Sigma process improvement techniques, and the Customer Service Survey to identify customer service trends and prioritize areas where change is needed;

- delivering optimal customer service experiences by improving processes;

- implementing best practices for receipt and use of electronic data;

- issuing data standards for agencies and payroll providers and investing in the capability to receive data in appropriate standards; and

- issuing data standards for electronic application.

Anticipated FY 2016 Accomplishments:

OPM will:

- implement initiatives from the IT Plan, including
    - a Guide to Retirement Data Reporting Feeds,
    - a case management system,
    - data bridge functionality,
    - an online retirement application, and
    - a Retirement Data Repository (RDR) Data Viewer expansion and enhancement;
- re-host current RS applications to another platform on the mainframe; and

- identify customer service trends and implement process improvements to deliver optimal customer service experiences.

Implementation Organizations:

Retirement Services (RS)

Implementation Considerations:

RS is responsible for the Government-wide administration of developing and providing Federal employees, retirees and their families with benefits programs and services that offer choice, value and quality to help maintain the Government's position as a competitive employer. RS is responsible for administering the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), nearly 2.6 million Federal retirees and survivors who receive monthly annuity payments.

CLIA supports, informs, and advises the Director, OPM officials and Congressional staff on human resources policies and legislative priorities through hearings, briefings and reports.

One challenging component to accomplishing this strategy is the unexpected surges in normal retirement and phase retirement applications. When agencies make Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Program (VSIP) offers, OPM may see a significant increase in retirement applications. OPM works closely with agencies to understand upcoming retirement offers; however, surges in retirement applications can operate outside of OPM's control and predictions.

OPM tries to anticipate legislative challenges that may impact the strategy. For example, this may include a change in how retirement annuities are calculated (e.g., the White House initiative on advanced sick leave).
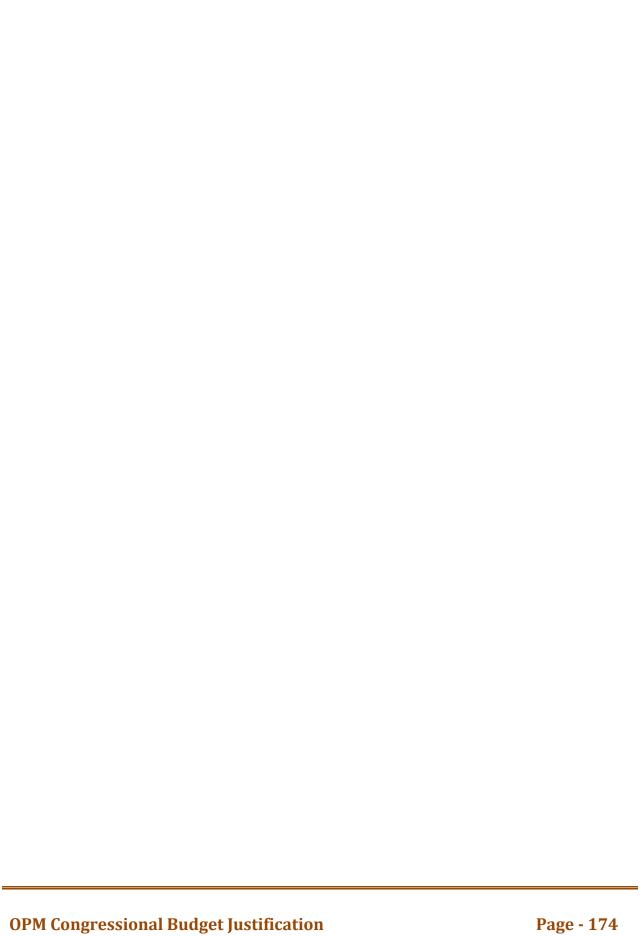
Information technology resources also play a critical role in accomplishing this strategy. These resources are budgeted to OPM's Chief Information Officer, and are aligned to strategy 4.04. Being able to implement process improvements and increasingly rely on electronic systems will assist OPM in providing accessible retirement systems. RS is dependent on the CIO to successfully implement and continue the RSIT Modernization Initiative and is also dependent on the funding and completion of a case management system, an online retirement application, data bridge functionality, a departure from the mainframe, and a Retirement Data Repository (RDR) Data Viewer expansion and enhancement.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Average unit cost (direct labor only) for processing retirement claims	$107.62	$101.89	$91.37	$129.83^	$129.01	$128.47
Percent of retirement and survivor claims processed accurately	94%	92%	93%	94%	95%	95%
Percent of retirement claims processed within 60 days	N/A*	N/A*	N/A*	79%	90%	90%
Percent of customers satisfied with overall retirement services	76%	73%	76%	78%	75%	75%
Rate of improper payments in the retirement program	0.34%	0.36%	0.36%	0.38%	0.37%	0.36%
Percent of retirement program customer calls handled	83%	81%	82%	76%	75%	78%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Improved Retirement Services		
7.03		
Advance the 21st-century, customer-focused retirement processing system for claims adjudication in a timely and accurate manner	**$94,992,982**	**950.5**
Retirement Services		
TF Limit - Annual	$52,688,982	562.0
Trust Fund Title V - FERCCA	$2,109,000	12.0
Trust Fund-Title V	$40,195,000	376.5
OPM Total	**$94,992,982**	**950.5**

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^ OPM was able to decrease the inventory of cases because of productivity improvements following Lean Six Sigma process improvement efforts. The goal of the improvement was to increase throughput, decreasing the number of cases in the claims inventory. The increases in throughput resulted in a decrease in the average time to adjudicate a claim. These process improvements permitted OPM to apply resources and increase the quality of claims, though it resulted in an increased unit cost per claim.

* N/A - Not Available - no historical data available for this period.

Strategic Goal: 8 Enhanced Federal Workforce Integrity

Strategic Goal Statement:

Enhance the integrity of the Federal workforce

The integrity of the Federal workforce is enhanced through the review of the suitability of individual applicants, ongoing reviews of Federal employees, and the oversight of agency Human Resource systems that promote fairness and merit in all hiring and assessment processes.

Under the Civil Service Rules, the Director of OPM establishes suitability standards for the competitive service, conducts suitability investigations, and makes (or delegates) suitability determinations. As the Suitability Executive Agent, the Director is responsible for ensuring that those whom agencies select and retain to serve the United States Government and the American people are fit to serve. To do this, OPM must develop and implement consistent uniform policies, tools, and processes for determinations of suitability, assignment to sensitive positions, and access to Federal facilities and information systems. Executing these responsibilities encompasses the collection of background investigation information. OPM's activity in support of this goal helps protect our national security and provides the American people a reliable and responsible employee team they can trust in fulfilling important Government functions.

OPM is mandated by statute to ensure delegated human resource authorities are carried out in accordance with merit system principles and OPM standards. In addition, Executive Order 13197 (*Government-wide Accountability for Merit System Principles; Workforce Information*) authorizes OPM to hold executive departments and agencies accountable to the President for effective Human Capital Management.

The objective of this strategic goal is to ensure trustworthy and well qualified applicants are hired into Federal service and that agencies operate efficient and effective Human Capital Management programs within Merit System Principles. This goal also supports the Administration's data strategy and focuses on evidence-based policy and management by ensuring OPM's decision-making is data driven.

Progress Indicator Statements:

Percent of all investigations determined to be quality complete.

Percent of Delegated Examining Units with severe problems that demonstrate satisfactory level of competence within one year or cease to independently operate.

Increase in the percentage of HR specialists and agency benefit officers trained and certified by HR University.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Enhanced Federal Workforce Integrity		
8.01		
Enhance policy, procedures and processes used to ensure people are fit to serve	**$1,007,678,485**	**2,717.3**
Federal Investigative Services		
RF Investigative Services	$1,004,045,641	2,706.3
FIS Salaries & Expenses No-Year	$2,000,000	0.0
Office of the Director		
Common Services	$297,583	2.1
Office of the General Counsel		
Common Services	$1,078,790	7.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.2
Office of Communications		
Common Services	$189,566	1.5
8.02		
Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems	**$10,257,391**	**72.5**
Employee Services		
Salaries & Expenses	$681,806	4.5
HR Solutions		
RF - Training Services (HRS)	$2,494,280	11.0
Office of the General Counsel		
Common Services	$565,405	3.0
Merit System Accountability & Compliance		
Salaries & Expenses	$6,515,900	54.0
8.03		
Provide guidance, tools and training to help agencies attain human capital management goals and meet OPM requirements	**$278,142,414**	**167.0**
Employee Services		
Salaries & Expenses	$1,201,478	8.0
HR Solutions		
RF - Training Services (HRS)	$274,294,800	142.0
Office of the General Counsel		

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Common Services	$565,405	3.0
Merit System Accountability & Compliance		
Salaries & Expenses	$2,080,731	14.0
8.04		
Assure effective human capital management of Senior Executive Service (SES) and other senior employees	**$5,287,194**	**21.7**
Employee Services		
Salaries & Expenses	$4,721,789	18.7
Office of the General Counsel		
Common Services	$565,405	3.0
OPM Total	**$1,301,365,484**	**2,978.5**

Strategy: 8.01 Enhance policy, procedures and processes used to ensure people are fit to serve

Strategy Overview:

The Federal Investigative Services (FIS) provides personnel background investigative services to determine individuals' suitability and fitness for Federal civilian, military, and contract employment, and eligibility for access to classified national security information. FIS performs background investigations for Federal agencies on a fee-for-service basis and conducts over 95 percent of all background investigations for the Federal Government. The mandates of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) and the Director of National Intelligence (DNI) continue to be a primary focus of the background investigations program. FIS continues to strive to complete initial Top Secret clearances in less than 80 days and overall Top Secret and Secret initial clearance investigations in less than 40 days, as required by the DNI and IRTPA, respectively. This has been achieved through significant investments in information technology and streamlined product realignment that have made the gathering, processing, and disseminating of investigative information more efficient and cost-effective. In February 2014, FIS' Federal staff began performing the final quality reviews on all investigations products to support ensuring investigations meet investigations standards and that 99 percent of all investigations are deemed quality complete. OPM co-chairs an interagency Quality Assessment Working Group tasked with developing standardized means to measure the quality of investigations. OPM has and will enhance policy, procedures, and processes used to ensure people are fit to serve by:

- defining executive branch wide quality standards for background investigations in collaboration with the Director of National Intelligence (DNI);

- revising tools and measures to universally assess quality in collaboration with the DNI and the Suitability and Security Clearance Performance Accountability Council (PAC);

- automating front-end processes to reduce hardcopy investigation requests in support of background investigations timeliness standards;

- implementing the revised Federal Investigative Standards;

- establishing and enforcing standards for information systems used for management of agency adjudication decisions and data;

- developing tools to deliver appropriate emerging information to decision makers;

- developing automated tools to support efficiency and consistency in background investigation processes;

- completing the implementation of recommendations from the 120-day review accepted by the President through the PAC process;

- co-chairing the Records Access Task Force effort required by Section 907 of the National Defense Authorization Act of 2014;

- completing the joint promulgation of 5 CFR part 1400 with the DNI;

- jointly preparing revisions to guidance that align with the new regulations;

- jointly completing the renewal of the Standard Form 86;

- handling the welter of suitability appeals and EEO litigation arising from the investigative and adjudicative programs that will materialize throughout the year;

- administering the ethics program at OPM by:
    - completing annual ethics training; reviewing required financial reports and transmitting the reports to the Office of Government Ethics, in accordance with regulatory deadlines and administering legal advice on an as-needed basis; and completing review of financial disclosure forms and timely submitting the forms to the Office Government Ethics;

- in coordination with OMB, responding to legislative proposals in a manner calculated to support the goals adopted by the President, including the accomplishment of the 120-day review's goals; and

- advocating on behalf of program offices before the fora that may affect the programs relating to investigative processes, litigating before administrative tribunals, and providing effective assistance to the Department of Justice when it advocates for these programs in the Federal Courts.

Anticipated FY 2016 Accomplishments:

FIS will continue efforts to deliver high-quality background investigation products that meet or exceed security clearance timeframes established in IRTPA and by the DNI. FIS will strive to complete all initial national security background investigations within the defined IRPTA target of 90 percent completed in an average of 40 days or less. In addition, FIS will strive to meet or exceed the DNI target to complete the fastest 90 percent of initial Top Secret investigations in an average of 80 days, and Secret initial clearance investigations in less than 40 days. To continually meet this standard, FIS will allocate resources to support personnel needs, modernize the information technology infrastructure, offer expanded internal and external investigative and adjudicative training, and provide continuous monitoring of the investigative process to streamline standards and procedures.

In FY 2016, FIS will apply $2 million in appropriated funding to implement the 2012 mandated Federal Investigative Standards. These new standards were issued by the Security and Suitability Executive Agents and endorsed by the President's Security and Suitability Process Review. which found that the Standards will provide needed improvements to the methods and scope of investigative processes. The resources will enhance and modify technology, processes, and tracking of records checks and other critical information to improve decision making. These planned enhancements in FY 2016 will assist FIS in accomplishing Strategy 8.01, and set the stage for further expansion of effective, efficient, and timely completion of investigation and adjudications relating to background investigations in future fiscal years.

FIS will remain committed to pursuing increased sharing of criminal records for background investigations, and upfront scanning to reduce paper usage and increase electronic records. FIS will continue to implement new quality measures, metrics, and tools regarding increased Federal oversight of background investigations performed by contractors. These planned enhancements will set the stage for further expansion of effective, efficient, and timely completion of investigation and adjudications relating to background investigations in future fiscal years.

Implementation Organizations:

Federal Investigative Services (FIS), Office of the Director (OD), Office of General Counsel (OGC), Congressional, Legislative and Intergovernmental Affairs (CLIA), Executive Secretariat (OES), and Office of Communications (OC)

Implementation Considerations:

OPM's FIS is the primary program executing this goal. FIS will be supported by other OPM organizations that will assist in such areas as information technology development and operations (Chief Information Officer), legal advice and counsel (OGC), definition of HR data standards (Planning and Policy Analysis and Human Resources Line of Business), policy advice (Employee Services), and budgetary build and financial operations (CFO).

FIS will continue to employ its long-standing investigative processes to execute this goal. These processes and activities include Field Investigation, Manual Searches of Automated Databases, FBI Name Checks and Database Searches, State Criminal History Record Checks, Bureau of Vital Statistics Searches, Credit Checks, Case Review and Quality Activities, Support Services, Customer Service, Application/Standard Form Ingesting, Fingerprint Transaction, Case Management, Imaging and Retention, Investigator Fieldwork Reporting, Freedom of Information/Privacy Act, Fleet Services Management and Control, Integrity Activities, Human Resources Activities, Adjudications, Statistical Analysis and Reporting, Secure Portal Management, Central Verification System (CVS) Management, Internal Training, Facilities Management, and Records Access Activities.

FIS requires employees with a plethora of skill sets covering a variety of professional disciplines, to include investigating, quality review, information technology development and operations, leadership/management, administration, contract oversight, data analysis & reporting, financial management, and adjudications.

Technology to support this goal includes the Personnel Investigation Processing System (PIPS), CVS, Dashboard, Electronic Questionnaires for Investigations Processing (e-QIP), Fieldwork System (FWS), OPM PIPS Imaging System (OPIS), the Secure Portal, and the Fingerprint Transaction System (FTS). OPM will employ a mix of skilled Federal employees and contractor support to execute this goal. A long-established full-cost recovery Revolving Fund will be used to fund and manage operations. The Office of the CIO designs, develops, enhances, and maintains mainframe, distributed, and browser-based systems to support FIS with products and services such as:

- front-end Portal access for the personnel security suite of systems;

- enhancements to systems that submit data to the case processing system;

- interfaces with other investigative entities;

- functionality of end-to-end automated support for the processing of personnel security investigations; and

- Government-wide database of security clearance information for Federal employees and contractors.

Related to this strategy, the result of current U.S. Department of Justice actions and activities may affect FIS' contractor and Federal investigative workforce.

In FY 2016, OGC will advocate on behalf of Employee Services and the Federal Investigative Services. For example, OGC will help prepare the OPM Director and staff to testify on Congressional hearings; comment upon proposed guidance from agencies with which OPM partners, draft Executive Orders and Presidential Memoranda; and provide opinions and technical advice to OPM's Office of Congressional, Legislative, and Intergovernmental Affairs (CLIA) with respect to incipient and proposed legislation to help ensure that OPM's unique perspectives and expertise informs such proposals.

Further, OGC will provide legal advice and support with respect to OPM's own products to guide the investigative and adjudicative processes, including regulations and guidance. Also, OGC advocates on behalf of OPM programs relating to investigative processes and subsequent adjudications before administrative tribunals such as the MSPB and the EEOC, and provide effective assistance to the U.S. Department of Justice when it advocates for these programs in the Federal Court.

Lastly, OGC will administer OPM's ethics program through training, day-to-day advice, and the processing of required disclosure reports.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of investigations determined to be quality complete	99.9	99.9	99.8	99.9	99	99
Average number of days to complete the fastest 90 percent of all initial national security investigations	40	36	35	35	40	40
Average number of days to complete the fastest 90 percent of initial Secret national security investigations^	N/A*	N/A*	N/A*	30	40	40
Average number of days to complete the fastest 90 percent of initial Top Secret national security investigations^	N/A*	N/A*	N/A*	75	80	80

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^ New measures established for FY 2013 and beyond to meet the DNI goal.
* N/A - Not Available - no historical data available for this period.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Enhanced Federal Workforce Integrity		
8.01		
Enhance policy, procedures and processes used to ensure people are fit to serve	**$1,007,678,485**	**2,717.3**
Federal Investigative Services		
RF Investigative Services	$1,004,045,641	2,706.3
FIS Salaries & Expenses No-Year	$2,000,000	0.0
Office of the Director		
Common Services	$297,583	2.1
Office of the General Counsel		
Common Services	$1,078,790	7.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.2
Office of Communications		
Common Services	$189,566	1.5
OPM Total	**$1,007,678,485**	**2,717.3**

Strategy: 8.02 Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems

Strategy Overview:

OPM will hold agencies accountable for maintaining efficient, effective, and compliant Human Capital Management programs and accountability systems by:

- evaluating agencies' Human Capital Management programs and accountability systems for effectiveness, efficiency, and compliance with the law;

- ensuring OPM's products and services are designed to help agencies maintain efficient, effective and compliant Human Capital Management programs;

- ensuring agencies take corrective actions when high-risk vulnerabilities and violations of law in human capital management programs are identified;

- exploring options to strengthen OPM's enforcement authorities or measures when agencies fail to meet regulatory requirements;

- developing work products and processes that increase transparency and strengthen agency senior leader commitment and support in ensuring their Human Capital Management programs are efficient, effective, and compliant, including;

    o a dashboard of management targets to increase agency awareness and drive improvement efforts; and

    o information on effective Human Capital Management programs, practices, and strategies Government-wide and agency-specific problematic trends, root causes, and improvement strategies.

- explain OPM's legal positions and policies to the U.S. Department of Justice or recalcitrant agencies as needed (difficult to predict particular topics).

Anticipated FY 2016 Accomplishments:

OPM will:

- ensure agencies are compliant with applicable delegated examining and Human Capital Management regulatory and statutory requirements;

- further leverage available OPM and HRS technology to provide the most cost-effective services to Federal customers;

- undergo an OPM evaluation of agency hiring levels for Administrative Law Judges (ALJ) to determine whether the ALJ examination should be re-administered to refresh the qualified candidates register;

- ensure the ALJ examination is up-to-date with current examination methodologies and occupational requirements;

- use the Human Capital (HC) Framework to inform Strategic Human Capital Management;

- with advice from counsel, review any necessary revisions to regulations and guidance for legal sufficiency as the work arises;

- establish CHCOC workgroup and obtain input from agencies to identify meaningful content, Government-wide metrics, and general parameters of the dashboard;

- identify multi-year trend analysis database sources and conduct test analysis of Government-wide data;

- complete evaluations of HC offices and assess program improvements of Delegated Examining Units (DEU) identified as "severe";

- develop Government-wide Strategic Workforce Planning (SWP); and

- provide legal advice and counsel to MSAC as needed (difficult to predict particular topics).

Implementation Organizations:

Merit System Accountability & Compliance (MSAC), Human Resources Solutions (HRS), Office of General Counsel (OGC), and Employee Services (ES).

Implementation Considerations:

Successful implementation of Strategy 8.02 is dependent on MSAC ACE obtaining adequate staffing levels and adequate appropriations to support OPM's HR oversight and evaluation program; partnering with agency CHCOs and continuing collaboration with CHCO agency accountability program staff. All current resources will be needed to maintain a modicum of oversight of agencies' Human Capital programs and offices. Further cuts will erode OPM's ability to carry out this core statutory mission. If additional resources/funding were provided, OPM's oversight and evaluation work would increase exponentially thus allowing us to better achieve this strategy.

The creation of a Government-wide dashboard for reporting Human Capital Management targets will require facilitation of a contract to develop a web-based platform. The accuracy of the data relied upon for reporting dashboard outcomes will be critical as will the development of targets to ensure the findings reported are placed in their proper context. Agency Compliance and Evaluation (ACE) will continue to leverage ES information about agencies' performance management systems, workforce planning efforts and time to-hire-data, Federal Viewpoint Survey (FEVS) results, and the data agencies report as part of the HR Stat initiative. While MSAC ACE has begun working with other OPM offices to identify data it needs to carry out these strategies, ACE may be more dependent on agencies to maintain and share their Human Capital Management (HCM) information upon request. MSAC will also need access to the data collected from agencies through annual performance plans and reports that include Human Capital goals and outcomes, respectively. In order to provide agencies with agency-specific and Government-wide

multi-year data analysis, MSAC must overcome skills gaps and build capacity in data analytics among its evaluator staff.

Options that may be available to strengthen OPM enforcement authorities, including possible incentives and penalties, also will require commitment from OPM leadership, and support from OGC, CLIA and ES. OGC will continue to provide legal advice and counsel to MSAC as needed.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of agency human capital or human resources offices evaluated by OPM that demonstrate progress in improving their human capital programs	N/A*	N/A*	75%	89%	70%	70%
Percent of required actions cited in reports that are addressed by agencies within prescribed timeframes	N/A*	N/A*	91%	88%	80%	80%
Percent of Delegated Examining Units found to have severe problems that demonstrate satisfactory level of competence or cease to independently operate within one year following completion of an audit	N/A*	91%	85%	93%	80%	80%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Enhanced Federal Workforce Integrity		
8.02		
Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems	**$10,257,391**	**72.5**
Employee Services		
Salaries & Expenses	$681,806	4.5
HR Solutions		
RF - Training Services (HRS)	$2,494,280	11.0
Office of the General Counsel		
Common Services	$565,405	3.0
Merit System Accountability & Compliance		
Salaries & Expenses	$6,515,900	54.0
OPM Total	**$10,257,391**	**72.5**

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* N/A - Not Available - no historical data available for this period.

Strategy: 8.03 Provide guidance, tools and training to help agencies attain human capital management goals and meet OPM requirements

Strategy Overview:

Provide guidance, tools, and training to help agencies attain human capital management goals and meet OPM requirements by:

- training and certifying agency staff to carry out competitive hiring operations delegated by OPM;

- training agency staff to conduct self-assessments of agency human capital management programs;

- creating a certification process for agency self-assessment evaluators;

- communicating new and existing policy, and standards to agencies;

- educating agencies about the merit system principles and prohibited personnel practices;

- explaining OPM's legal positions and policies to the U.S. Department of Justice or other impacted agencies as needed (difficult to predict particular topics); and

- training HR professionals across the Federal Government through HR University (HRU) and the HR Training on Demand program and assisting HR specialists with additional policy and guidance.

Anticipated FY 2016 Accomplishments:

OPM will:

- develop and roll out a Government-wide agency evaluator certification program;

- continue to ensure training provided by Agency Compliance Evaluation (ACE) staff is well received and useful to participants so that agencies build HR capacity by:

  - conducting training sessions for agency clients, including open enrollment sessions through the Federal Staffing Group (FSG) HR Training on Demand;

  - assisting customers to accomplish their recruiting goals through Staff Acquisition Branch recruitment and branding services; and

  - collecting and monitoring customer satisfaction data at the end of Quarter 2 and Quarter 4. Financial data will be monitored monthly and 35 percent of sales and revenue will be achieved by the end of Quarter 2;

  - focusing the Training and Management Assistance Program (TMAP) on the OPM/GSA partnership to renew the Training and Management Assistance Contract. This partnership supports the Administration's strategic sourcing initiative and will provide a single preferred vehicle for customized Human Capital and training solutions resulting in increased opportunities to advance efficient and effective Human Capital products and services in Government, and introduce innovative Human Capital solutions, and

ultimately economic growth, in private companies (specifically small and 8(a) designated businesses);

- o providing TMAP vendor-delivered strategic Human Capital improvement activities by educating and training agencies HR professionals;
- o ensuring TMAP services are delivered as dictated by the market, executed within compliance and deliverables are accepted at a rate of 99 percent by the requesting agency; and
- o working to fully deploy the upgraded USA Staffing system across the customer base. The upgrade will 1) ensure modern technologies are in place to support increased capacity demands on the system; 2) improve mission speed and agility by enabling USA Staffing to be more responsive to evolving customer requirements, USAJobs changes, and OPM initiatives; and 3) expand data analytics that can be used by management for data-driven decision-making. It will also enhance job analysis and assessment, expand reporting and workload management using built-in task-based workflow and timeliness metrics, and will introduce a streamlined, modern and user-friendly interface design;

- support practitioners and other officials in closing the HR skills gap by developing necessary skills, and provide policy and technical guidance to effectively address labor and employee relations matters that impact agency mission accomplishment. Develop and deliver:
    - o no less than four professional development series classroom training courses for labor and employee relations practitioners and line managers; and
    - o no less than six webinar trainings for labor and employee relations practitioners and line managers;

- provide a refresher update to existing labor and employee relations web-based training or develop new web-based training, if appropriate resources are available;

- develop and deliver:
    - o no less than four webinar trainings for HR practitioners and line managers on hiring assessments and workforce restructuring; and
    - o refresher update to existing recruitment, hiring, assessments, and workforce restructuring web-based training or development of new web-based training, if appropriate resources are available;

- educate potential applicants about the Federal Government and how to apply for jobs through numerous outreach efforts (visits, webinars) to colleges and universities;

- Presidential Management Fellows (PMF) (reimbursable):
    - o provide web-based training during the PMF virtual job fair;
    - o conduct monthly webinars with the Fellows on Federal employment as well as one for new supervisors;

- o hold a one-day session leadership training session at Mount Vernon;
- o expand training with additional resources; and
- o support practitioners and other officials in closing the HR skills gap by developing the skills necessary and providing policy and technical guidance to effectively address recruitment and hiring challenges that impact agency mission accomplishment.

- with advice from counsel, review any necessary revisions to regulations and guidance as the work arises; and
- provide legal advice and counsel, as needed (difficult to predict particular topics).

Implementation Organizations:

Employee Services (ES), Merit System Accountability & Compliance (MSAC), Office of General Counsel (OGC), Human Resources Solutions (HRS).

Implementation Considerations:

Successful implementation of Strategy 8.03 is dependent on MSAC ACE maintaining adequate staffing levels; adequate appropriations to support OPM's HR oversight and evaluation program; partnering with the agency CHCO; and continued collaboration with CHCO agency accountability program staff. All current resources will be needed to continue offering needed training to HR professionals as well as develop and roll out an evaluator certification program, while at the same time providing oversight of and guidance to agencies' Human Capital programs and offices.

USA Staffing has significant dependencies on CIO Federal Human Resources Information Technology Transformation (HRITT) infrastructure as outlined in the SLA. All current resources will be required to meet the published USA Staffing Upgrade timeline in the 100-day OPM Strategic IT Plan and customer timelines.

In order to establish a certification requirement for agency evaluators, interagency agreements may need to be developed. In addition, OGC will review any necessary revisions to regulations and guidance as the work arises in support of this strategy. OGC will continue to provide legal advice and counsel as needed.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Index score of customer satisfaction with quality of ACE delegated examining and evaluator training	N/A	92	98	90	90	90
Index score of customer satisfaction with HR Solutions products and services (ACSI-Equivalent Index)	75	76	80	80	80	80
Percent of HR workforce (GS-021s/203s) registered for HR University	N/A*	N/A*	N/A*	80%	95%	Discontinued

* N/A - Not Available - no historical data available for this period.

FY 2016 Milestone
Cover 100% of staffing and classification learning requirements by HRU courses and resources

Performance Budget Request by Strategy, Organization and Fund–All Resources

	FY 2016 Request	
STRATEGIC GOAL/STRATEGY	**Dollars**	**FTE**
Enhanced Federal Workforce Integrity		
8.03		
Provide guidance, tools and training to help agencies attain human capital management goals and meet OPM requirements	**$278,142,414**	**167.0**
Employee Services		
Salaries & Expenses	$1,201,478	8.0
HR Solutions		
RF - Training Services (HRS)	$274,294,800	142.0
Office of the General Counsel		
Common Services	$565,405	3.0
Merit System Accountability & Compliance		
Salaries & Expenses	$2,080,731	14.0
OPM Total	**$278,142,414**	**167.0**

Strategy: 8.04 Assure effective human capital management of Senior Executive Service (SES) and other senior employees

Strategy Overview:

Assure effective human capital management of Senior Executive Service (SES) and other senior employees by:

- establishing policy and guidance to foster an effective enterprise approach to the diverse and inclusive recruitment, selection, appointment, performance management, compensation, recognition, and development of SES and other senior employees, consistent with applicable law;

- administering enterprise processes and procedures in conjunction with the utilization of improved systems (Executive and Schedule C System – ESCS) to ensure the selection, appointment, performance management, compensation, recognition, and development of SES and other senior employees comply with civil service laws, rules, and regulations;

- providing an optional automated performance management system;

- reviewing Government-wide memoranda as needed; and

- rendering advice in particular cases.

Anticipated FY 2016 Accomplishments:

OPM will:

- fully develop, operate, and maintain USA Performance (USAP) internally. By implementing USAP internally, OPM projects a yearly savings of $200 thousand and a cost avoidance of $600 thousand for its own performance management process. Larger agencies that choose to implement USAP can expect to achieve savings and cost avoidance to scale by moving from a paper-based performance management process to USAP, even after taking into account USAP license costs. Moreover, overall accountability of the performance management process will increase as user agencies centralize reporting, tracking, and appraisal maintenance in the system;

- update and improve the Executive and Schedule C System (ESCS) automated database managed by OPM to support every agency across the Federal Government with processing, tracking and management of their allocated SES/SL/ST positions. This investment will provide the following in FY16: increased accuracy and completeness of data within the system; increased availability of information to Congress, public and agencies; additional capabilities for OPM and agencies to track, manage and report on the SES/SL/ST life cycle, including the capability to quickly identify vacancies of critical positions. Agencies will be able to electronically monitor upcoming HC actions/activities related to managing SES and other SES Employees, and proactively address these, resulting in an increase in the accuracy and completeness of information. Measures that are under development to determine the effectiveness of this accomplishment are the number of agencies who certify their information within ESCS as complete and accurate, as well as the

number of agencies identified through OPM management controls meeting their statutory/regulatory requirements regarding career reserved positions and allocations;

- develop and provide to agencies guidance, along with training, to assist the agencies in meeting requirements associated with Quality Review Board (QRB) processing and allocation requests. Various measures are under development to determine the effectiveness of this accomplishment, which may include training participant scores, and the percent of packages/applications provided that are complete from the initial submission;

- through FY 2018, in the DC metropolitan area, recruit, select, and match participants to rotational assignments for two cohorts, each year;

- through FY 2018, in the field, recruit, select, and match participants to rotational assignments for one cohort each year; in FY 2016, OPM will expand the field participation by four field locations; through FY 2018, OPM will expand the field participation to seven locations each year, so that all 28 Federal Executive Board (FEB) locations will be participating by the end of FY 2018;

- serve as a model agency and provide agencies with assistance needed to implement executive resources (e.g., SES, SL, ST) policies consistent with law, regulations, and OPM policy;

- ensure agencies understand and follow the requirements of available program flexibilities to address critical executive recruitment and retention needs in a cost-effective manner;

- meet any statutory requirement to issue SES, SL, ST, leadership development, or performance management and awards regulations and reports;

- provide regular and recurring guidance and support to agencies on complex senior employee, leadership development, and performance management and awards issues resulting in positive feedback from agency customers;

- complete of review and analysis of multiple legislative and policy proposals and submit substantive and relevant comments and recommendations in a timely manner;

- complete work on revisions to regulations regarding a new performance management template and complete work on manual on training for senior staff;

- provide legal advice and counsel to ES, and with ES to OMB, on overarching issues related to pay and bonuses for senior executives and other senior staff, and interpret OPM's regulations and guidance in connection with that function;

- provide legal advice and counsel to ES concerning whether an agency has met the criteria for certification as having performance management systems that makes meaningful distinctions among senior staff; and

- with advice from counsel, review any proposed revisions to regulations and guidance for legal sufficiency as the work arises.

Implementation Organizations:

Employee Services (ES) and Office of General Counsel (OGC)

Implementation Considerations:

In FY 2016, OGC will provide legal advice to Employee Services (ES), and in conjunction with ES, to OMB, on overarching issues related to pay and bonuses for Senior Executives and other senior staff and interpret OPM's regulations and guidance in connection with that function.

OGC will provide legal advice to ES concerning whether an agency has met the criteria for certification as having performance management systems that makes meaningful distinctions among senior staff. Additionally, OGC will review any proposed revisions to regulations and guidance for legal sufficiency as the work arises.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of Senior Executive Service and Senior Level / Scientific or Professional performance appraisal systems that have met the certification criteria	78%	84%	83%	78%	-	83%

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Enhanced Federal Workforce Integrity		
8.04		
Assure effective human capital management of Senior Executive Service (SES) and other senior employees	**$5,287,194**	**21.7**
Employee Services		
Salaries & Expenses	$4,721,789	18.7
Office of the General Counsel		
Common Services	$565,405	3.0
OPM Total	**$5,287,194**	**21.7**

Strategic Goal: 9 Healthier Americans

Strategic Goal Statement:

Provide high quality health benefits and improve the health status of Federal employees, Federal retirees, their families, and populations newly eligible for OPM-sponsored health insurance products.

This goal establishes OPM's role in improving the health status of populations covered under OPM-sponsored health insurance programs. Incorporating responsibilities granted through the Affordable Care Act, populations served by OPM-sponsored health insurance programs include employees of tribal organizations and formerly uninsured Americans served by Multi-State Plans as well as Federal employees, Federal retirees, and dependents of Federal employees and retirees.

High quality health insurance promotes access to care, supports better health and better care, empowers enrollee choice, and increases employee loyalty. Better care prevents long term disability and disease, stabilizes chronic conditions, and minimizes hospitalization. Effective worksite wellness programs along with health conscious workers and community environments complement insurance benefits and reinforce positive choices. Additional benefits, such as life, long term care, dental, vision, and flexible spending accounts, improve employee quality of life, meet unique family needs, and increase employee loyalty.

The mission of Planning and Policy Analysis (PPA) is to provide strategic analysis and workforce information to the OPM Director and to support the performance goals of the agency. The scope of PPA analysis spans the full range of human resource management issues facing Federal agencies (such as workforce supply, pay, benefits, and diversity) and involves a variety of analytical tools (including actuarial analysis, surveys, economic analysis, and policy analysis).

OPM's Healthcare & Insurance (HI) program oversees the management of insurance benefits for more than 8 million Federal employees, retirees, and their families. The HI organization consolidates all of OPM's healthcare and insurance responsibilities into a single organization. Existing responsibilities include the Federal Employees Health Benefit Program (FEHBP), Federal Employee Group Life Insurance (FEGLI), Flexible Spending Account (FSA), Federal Long Term Care Insurance Program (FLTCIP), and Federal Employee Dental Vision Insurance Program (FEDVIP). The HI program also administers Multi-State Plan contracts which are offered to uninsured Americans through the Exchange under the authority of the Affordable Care Act (ACA). PPA supports the HI program and the ACA responsibilities by providing policy support, and actuarial and data analysis.

Progress Indicator Statements:

Increase the percentage of states covered by at least one Multi-State insurance issuer and percentage of states covered by two or more Multi-State insurance issuers.

Increase the number of carriers receiving OPM "Exemplary" or "Most Improved" distinction for health care quality or customer service.

Improve overall satisfaction with health plan as reported by health plan enrollees in Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Healthier Americans		
9.01		
Sponsor high quality, consumer friendly, affordable insurance products	**$28,515,983**	**59.5**
Office of the Director		
Common Services	$241,127	1.6
Healthcare & Insurance		
Salaries & Expenses	$617,720	0.0
TF Limit - Annual	$989,650	0.0
TF Dental and Vision Benefits	$15,572,145	0.0
Trust Fund Title V - Long Term Care	$18,480	0.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.2
Office of Communications		
Common Services	$189,566	1.5
Planning and Policy Analysis		
Salaries & Expenses	$1,553,442	4.0
TF Limit - Annual	$8,201,948	48.7
TF Dental and Vision Benefits	$271,000	1.2
Trust Fund Title V - Long Term Care	$271,000	1.4
Trust Fund-Title V	$523,000	0.7
9.02		
Optimize insurance-related business processes	**$19,758,858**	**121.1**
Healthcare & Insurance		
Salaries & Expenses	$7,627,178	49.2
TF Limit - Annual	$10,276,652	68.9

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
TF Dental and Vision Benefits	$531,356	2.0
Trust Fund Title V - Long Term Care	$1,323,672	1.0
9.03		
Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans	**$1,467,324**	**10.3**
Healthcare & Insurance		
Salaries & Expenses	$1,114,591	7.6
TF Limit - Annual	$249,197	2.0
Trust Fund Title V - Long Term Care	$103,536	0.7
9.04		
Develop novel partnerships in support of population health	**$897,499**	**5.9**
Healthcare & Insurance		
Salaries & Expenses	$573,399	4.6
TF Limit - Annual	$96,324	0.7
Trust Fund Title V - Long Term Care	$227,776	0.6
9.05		
Enhance outreach and health literacy	**$1,056,504**	**8.6**
Healthcare & Insurance		
Salaries & Expenses	$909,181	7.5
TF Limit - Annual	$43,787	0.3
Trust Fund Title V - Long Term Care	$103,536	0.8
OPM Total	**$51,696,168**	**205.4**

Strategy: 9.01 Sponsor high quality, affordable insurance products

Strategy Overview:

Sponsor high quality, consumer friendly, affordable insurance products by:

- ensuring Multi-State Plans (MSP) and Federal Employees Health Benefits (FEHB) health plans cover the full range of Essential Health Benefits;
- leveraging our experience in the FEHB and MSP programs to identify and implement best practices across the insurance portfolio;
- providing responsive customer service to insured populations;
- analyzing complaints and appeals to elucidate opportunities to better meet the needs of enrollees;
- updating electronic consumer decision support and health plan selection tools to optimize enrollee choice; and
- developing a comprehensive health plan assessment methodology that evaluates healthcare quality, customer service and financial performance.

The offices of Planning and Policy Analysis (PPA) and Healthcare & Insurance (HI) collaborate to offer the Federal Employees Health Benefits (FEHB) Program, along with other Federal benefits programs, to ensure Federal employees' needs are met and available benefits align with best practices. Specifically, PPA provides policy guidance and actuarial support by reviewing the cost of contracts under Federal benefits programs, conducting rate negotiations with carriers, and determining the amount the Government contributes towards employees' benefits. HI oversees Federal benefits programs, which includes contracting with insurance carriers as well as operating an annual open season for Federal employees and retirees to review and consider changing their current health, dental and vision benefit choices. Other Federal benefits programs administered for Federal employees include long term care insurance and the Federal Employees Group Life Insurance (FEGLI) program. OPM is also authorized by the Affordable Care Act to offer FEHB and FEGLI coverage to tribes, tribal organizations and urban tribes. There are currently 15,000 tribal members enrolled in FEHB plans.

OPM is also the agency responsible for implementing and overseeing the Multi-State Plan Program (MSPP), authorized by the Affordable Care Act (ACA), to make health insurance available to uninsured Americans. OPM contracts with health insurance issuers to offer health plans through the Health Insurance Marketplace (also known as the Affordable Insurance Exchange). There are currently more than 200 MSP options available in 36 States including the District of Columbia. PPA provides policy and actuarial support, while HI manages the MSPP.

In support of this strategy, HI will:

- manage programs to evaluate health insurance issuers applying to offer MSPs, to certify and re-certify MSPs for sale on the Marketplace, and to transfer MSP data to the State-Based, Partnership, and Federally facilitated Marketplaces;

- develop and operate a new automated program to handle consumer and issuer appeals; and
- monitor MSP contractor performance and quality.

OPM conducts evaluations of public and private sector organizations' benefit survey results. These results are used to ensure Federal benefits are consistent with those offered by private and other public sector organizations. Additionally, the information is used to identify opportunities for enhancing benefit offerings for Federal employees. OPM conducts ongoing analyses through various surveys. Furthermore, the Agency communicates benefit options to potential candidates and current employees to make certain they understand the flexibilities and benefits available to them. PPA provides benefits policy guidance based on these evaluations and also collects, maintains and analyzes healthcare data on an ongoing basis. This data is derived from health claims under the FEHB Program and includes drug utilization from pharmacy benefit managers. PPA will continue building out the Health Claims Data Warehouse which will be used to conduct evaluations of health conditions, especially chronic conditions, across health plans. The data will also be used to support PPA's actuarial, demographic, economic and statistical analyses.

PPA will assess results of ACA requirements on FEHB programs, such as impact of employer shared responsibility requirements. PPA will also implement changes as a result of the legislative program on FEHB modernization, including regional contracting with health plans, contracting for pharmacy management services, changing rate setting to accommodate self plus one enrollment options, and adding domestic partner benefits and wellness incentive programs.

Anticipated FY 2016 Accomplishments:

In support of this strategy, OPM will:

- expand availability of MSPs to at least 44 States;
- contract with one or more additional issuers to offer MSP products;
- expand the coverage of MSPs that did not initially cover the entire population of a particular State;
- work with insurance carriers to negotiate the best rates and value of benefits;
- advance cost management, such as lowering overall pharmacy growth and specialty drug trends;
- improve health care quality through comprehensive wellness programs, preventive care and care condition management techniques;
- expanding the MSPP by adding new plans and new States to this program. The MSP will also provide coverage in additional States and geographic areas within States;
- continue formal consultation with tribes, tribal organizations and urban tribes;
- expand tribal enrollment by 10 percent; and
- access the Health Claims Data Warehouse to conduct cost and utilization analysis.

Implementation Organizations:

Healthcare & Insurance (HI), Office of the Director (OD), Congressional, Legislative and Intergovernmental Affairs (CLIA), Executive Secretariat (OES), Office of Communications (OC), and Planning and Policy Analysis (PPA)

Implementation Considerations:

PPA's roles include:

- development of a health claims data warehouse (HCDW);
- working with insurance carriers to negotiate the best premium rates;
- rigorous evaluations of health-related issues affecting Federal employees and retirees;
- the Federal employee benefits survey;
- conducting rate review and rate certification for health issuers under agreements with OPM to offer MSPs;
- providing support for external review of health issuer decisions on health claims for MSP enrollees;
- beginning to assess MSPs performance through analyses of MSP health claims data and other information;
- evaluating the impact of tribal enrollment on the program to ensure there is an equitable distribution of claims cost experience reflected in FEHB premiums; and
- continuing to build out the Health Claims Data Warehouse. The data will be used to conduct evaluations of health conditions, especially chronic conditions, across health plans. The data will also be used to support PPA's actuarial, demographic, economic and statistical analyses.

HI's roles include:

- working with insurance carriers to negotiate the best value of benefits;
- reevaluating the metrics with which OPM measures health carrier contract performance;
- advancing cost management such as lowering overall pharmacy growth and specialty drug trend;
- improving health care quality through comprehensive wellness programs, preventive care, and care condition management techniques;
- maintaining strong outreach programs for employees, retirees and agencies and continuously working to improve products and services;
- continuing to include new carriers and plan choices in Federal Employees Health Benefits
- maintaining programs to evaluate health insurance issuers applying to offer MSPs; to certify and re-certify MSPs for sale on the Marketplace; and to transfer MSP data to the State-based, Partnership, and Federally facilitated Marketplaces;

- developing and operating an automated program to handle consumer and issuer appeals;

- conducting management audits of MSP performance and quality;

- supporting review of MSPP issuer applications (including financial condition and solvency, health plan management, healthcare delivery systems, administration and systems);

- negotiating all aspects of the contracts with the MSPP issuers including benefits and rates;

- ensuring all agreed upon contractual provisions are adhered to by:
    - monitoring performance of critical contract requirements against performance standards; and
    - offering outreach, training and educational opportunities for tribal employees and employers.

- beginning to collect a user fee in FY 2016 to be used to offset its expenses for administering the MSP program in FY 2017. The user fee will total 0.1-0.2% of premiums paid by individuals enrolled in MSP options through federally facilitated and Partnership Marketplaces (i.e., State-based Marketplaces are excluded). Currently, HHS collects 3.5% of premiums from enrollees in these Marketplaces. OPM and Health and Human Services (HHS) will enter an inter-agency agreement under which HHS will transfer to OPM the portion of the user fees it collects that are paid by MSP enrollees.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent increase in FEHB premiums less than or equal to private sector premium increases for comparable benefits	3.8%	3.4%	3.7%	3.7%	≤ Industry Trend	≤ Industry Trend

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Healthier Americans		
9.01		
Sponsor high quality, consumer friendly, affordable insurance products	**$28,515,983**	59.5
Office of the Director		
Common Services	$241,127	1.6
Healthcare & Insurance		
Salaries & Expenses	$617,720	0.0
TF Limit - Annual	$989,650	0.0
TF Dental and Vision Benefits	$15,572,145	0.0

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Trust Fund Title V - Long Term Care	$18,480	0.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$37,534	0.2
Executive Secretariat		
Common Services	$29,371	0.2
Office of Communications		
Common Services	$189,566	1.5
Planning and Policy Analysis		
Salaries & Expenses	$1,553,442	4.0
TF Limit - Annual	$8,201,948	48.7
TF Dental and Vision Benefits	$271,000	1.2
Trust Fund Title V - Long Term Care	$271,000	1.4
Trust Fund-Title V	$523,000	0.7
OPM Total	**$28,515,983**	**59.5**

Strategy: 9.02 Optimize insurance related business processes

Strategy Overview:

Optimize insurance related business processes by:

- effectively managing contracts with insurance carriers/issuers to promote choice, customer service, access to care, healthcare quality, and market competition;

- fostering productive relationships with State Insurance Regulators, Exchange Officials, State elected officials and legislators entities;

- modernizing IT platforms to facilitate transactions (applications, benefits negotiations, recertification); and

- ensuring accountability through timely audit resolution.

Under Section 1334 of the Affordable Care Act (ACA), OPM is the lead Federal agency responsible for implementing and overseeing the Multi-State Plans (MSPs). These plans are subject to many Federal and State laws and regulations in addition to OPM regulations, guidance, and contract provisions. Unlike the Federal Employees Health Benefits (FEHB), the MSP program does not include a pre-emption of State law and MSPs will generally be subject to State insurance laws and regulations. Also, the benefits and rates for each MSP will vary State by State. For the MSP program to be successful, OPM will need to work closely and on a continuing basis with State departments of insurance and Exchanges. This is a new program and OPM is incurring significant start-up costs. The inter-agency effort to implement and administer Exchanges is continually evolving and program and IT system requirements are being developed and adjusted over time. The offices of Planning and Policy Analysis (PPA) and Healthcare & Insurance (HI) are collaborating to implement the ACA. PPA provides policy and actuarial support for ACA, while HI manages the MSP program. HI will conduct continual outreach to State departments of insurance, and the Health Insurance Marketplace, in all 50 States and the District of Columbia to negotiate operational and policy issues concerning MSPs, to monitor MSP compliance with State laws and regulations, and also to make sure MSPs provide quality and affordable health insurance options for individuals, families, and small businesses without disrupting the State health insurance market.

OPM has administered the FEHB Program since 1959 using a decentralized enrollment system with delegated responsibility to carriers to validate coverage for dependents. OPM believes a new centralized system to conduct dependent audits that verify enrollment eligibility will enhance accountability and cost-effectiveness.

OPM works closely with the OPM Office of Inspector General (OIG), which conducts audits of FEHB carriers. The OIG conducts onsite and desk audits of carriers and issues preliminary audit findings as well as draft, and final audit reports. HI's contracting officers review these reports and negotiate with FEHB carriers to resolve the audit issues. HI manages timeliness of the audit reconciliation process.

Anticipated FY 2016 Accomplishments:

OPM will:

- convene an MSP Advisory Board to evaluate and make recommendations on important issues related to the MSP Program; and

- begin the project plan to enhance and expand the review of dependent coverage under the FEHB Program.

Implementation Organizations:

Healthcare & Insurance (HI)

Implementation Considerations:

HI's roles include:

- continuing to provide enrollees with variety and value in the Federal Employees Health Benefits (FEHB) and Federal Employees Dental and Vision Insurance Program (FEDVIP);

- integrating the "Benefits Plus" system in the strategic planning process. Benefits Plus will be used to assist Federal employees and retirees in identifying the benefits they need at the lowest cost, which is expected to save enrollees millions of premium dollars each year;

- conducting continual outreach to State departments of insurance, and the Health Insurance Marketplace, in all 50 States and the District of Columbia to negotiate operational and policy issues concerning MSPs, to monitor MSP compliance with State laws and regulations, and also to make sure MSPs provide quality and affordable health insurance options for individuals, families, and small businesses without disrupting the State health insurance market;

- researching and maintaining detailed knowledge of State benefits, rating, and network adequacy laws and requirements for all 50 States and the District of Columbia to allow us, among other things, to accurately negotiate premiums for MSPs on a State-by-State basis and ensure a level playing field;

- collaborating with State-level stakeholders in the health care community in all 50 States and the District of Columbia to establish best practices to implement the ACA; and

- conducting outreach to consumers in all 50 States and the District of Columbia to promote the MSPs.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of FEHBP enrollees satisfied vs. health industry standard	FEHBP 76% Industry 64%	FEHBP 78% Industry 66%	FEHBP 79.2% Industry 65.3 %	FEHBP ≥ Industry Standard	FEHBP ≥ Industry Standard	FEHBP ≥ Industry Standard
Growth of FEHBP prescription drug costs as a percentage of the private sector industry average. *	N/A*	Industry trend of 8% 5.6%	Industry trend of 8% 4.4%	≤ Industry trend	≤ Industry trend	≤ Industry trend

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Healthier Americans		
9.02		
Optimize insurance-related business processes	**$19,758,858**	**121.1**
Healthcare & Insurance		
Salaries & Expenses	$7,627,178	49.2
TF Limit - Annual	$10,276,652	68.9
TF Dental and Vision Benefits	$531,356	2.0
Trust Fund Title V - Long Term Care	$1,323,672	1.0
OPM Total	**$19,758,858**	**121.1**

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* N/A - Not Available - no historical data available for this period.

Strategy: 9.03 Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans

Strategy Overview:

Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans by:

- providing benefits, occupational health resources, and employee wellness programs; and

- increasing awareness and use of health insurance benefits for tobacco cessation.

Planning Policy and Analysis (PPA) and Healthcare & Insurance (HI) will provide guidance to contracted health plans on health policies, including focus on particular patient segments based on rigorous assessments. PPA conducts evaluations of benefits programs, including an assessment of the impact of comprehensive tobacco cessation on health claims costs, utilization of expanded preventive services coverage, and the impact of pharmacy management techniques on costs. Survey data is collected and used to determine the costs and benefits due to changes in the benefit, compared to previous utilization and coverage offered by each of the plans. OPM uses this information to conduct long term impact analyses, including averted costs and savings. PPA also administers the Federal Employee Benefits Survey and collects data from Federal employees on their perceptions of their benefits, including awareness of tobacco cessation benefits. HI uses these survey results in the contract negotiations with Federal Employees Health Benefits (FEHB) carriers on providing outreach to members on the awareness of this important benefit, which is aimed at avoiding or reducing current and future healthcare services to treat the impact of tobacco use on the human condition. HI conducts customer satisfaction surveys using the Consumer Assessment of Healthcare Providers and Systems (CAHPS). FEHB carriers are expected to use this data to improve the population health of their members, to expand their customer service relations and to demonstrate that they are offering good value to their membership. HI also requires FEHB carriers to use the health plan quality tool under Healthcare Effectiveness Data and Information Set (HEDIS) to provide evidence of their quality performance metrics. HI uses the annual results from this tool to negotiate with health plans on improvement of population health and to demonstrate to consumers how their health plans score on healthcare quality.

Anticipated FY 2016 Accomplishments:

OPM will:

- increase influenza immunization rates through optimal use of health insurance benefits, occupational health resources, and employee wellness programs; and

- issue an annual call letter stating the Multi-State Plan (MSP) Program goals; these include assuring the MSP coverage designs maintain a strong preventive care focus.

Implementation Organizations:

Healthcare & Insurance (HI)

Implementation Considerations:

HI's roles include improving health care quality through comprehensive wellness programs, preventive care, and care condition management techniques.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of adults receiving flu shots based on CAHPS Effective Care	N/A*	52%	53%	50%	Contextual	Contextual

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Healthier Americans		
9.03		
Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans	**$1,467,324**	**10.3**
Healthcare & Insurance		
Salaries & Expenses	$1,114,591	7.6
TF Limit - Annual	$249,197	2.0
Trust Fund Title V - Long Term Care	$103,536	0.7
OPM Total	**$1,467,324**	**10.3**

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* N/A - Not Available - no historical data available for this period.

Strategy: 9.04 Develop novel partnerships in support of population health

Strategy Overview:

Develop novel partnerships in support of population health by:

- prioritizing healthy workforce aims in the Chief Human Capital Officers Council (CHCOC), union negotiations, labor-management forums, and interactions with consumer advocates;

- promoting tobacco free workplaces;

- collaborating with Substance Abuse and Mental Health Services Administration to promote awareness of mental health and employee assistance resources available to Federal employees;

- working with the General Services Administration (GSA) to create a standard contract clause to promote healthy behaviors among embedded contractors; and

- engaging with Government agencies and private industry leaders to promote wellness in the work environment through healthy meal and vending choices, safe stairs and walking paths, inclusion of bicycle sharing in transportation subsidies, etc.

Worksite wellness programs are designed to cover all aspects of worksite wellness, including the effectiveness and efficiency of health and wellness interventions, benefits, costs, outreach, absenteeism, employee morale, and other outcomes, including the impact of improved health on productivity. OPM is expanding wellness services offered by Federal Employees Health Benefits (FEHB) plans by requiring the use of health risk assessments and encouraging the introduction of effective preventive care and wellness services for targeted populations. OPM intends to leverage these new benefit programs by ensuring other Federal agencies are aware and promote these benefits as they develop educational and informational materials for the population health programs that they administer. OPM assesses use of and satisfaction with wellness, telework, and other work/life programs through the Federal Employee Viewpoint Survey (FEVS). Survey results are disseminated throughout the Federal Government and used as the basis for Federal agency action plans. Planning and Policy Analysis (PPA) will conduct research on the claims data and produce reports which allow OPM and agencies to focus programs to enhance the productivity of their workforces. Additionally, a survey will be conducted of Federal employees to evaluate employee perceptions on the value and importance of benefit programs and whether they meet their needs.

Anticipated FY 2016 Accomplishments:

OPM will:

- prioritize healthy workforce aims in the CHCOC, union negotiations, labor-management forums, and interactions with consumer advocates;

- promote tobacco free workplaces;

- collaborate with Substance Abuse and Mental Health Services Administration to promote awareness of mental health and employee assistance resources available to Federal employees;

- work with the GSA to create a standard contract clause to promote healthy behaviors among embedded contractors; and
- engage with Government agencies and private industry leaders to promote wellness in the work environment through healthy meal and vending choices, safe stairs and walking paths, inclusion of bicycle sharing in transportation subsidies, etc.

Implementation Organizations:

Healthcare & Insurance (HI)

Implementation Considerations:

HI's roles include promoting benefits awareness through interagency education programs and use of social media.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of prenatal care visits that are timely	N/A*	63%	65%	74%	<Industry Trend	<Industry Trend

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Healthier Americans		
9.04		
Develop novel partnerships in support of population health	**$897,499**	**5.9**
Healthcare & Insurance		
Salaries & Expenses	$573,399	4.6
TF Limit - Annual	$96,324	0.7
Trust Fund Title V - Long Term Care	$227,776	0.6
OPM Total	**$897,499**	**5.9**

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* N/A - Not Available - no historical data available for this period.

Strategy: 9.05 Enhance outreach and health literacy

Strategy Overview:

Enhance outreach by:

- ensuring Federal agency benefits officers are well informed about insurance programs;

- targeting use of Direct to Enrollee/Direct to Retiree Emails regarding Open Season and key benefits topics;

- communicating to employees across all OPM platforms, including USAJOBS, USAStaffing, Retirement Services Online, Employee Express, and OPM.gov;

- targeting agencies by enrollment to deliver educational seminars on Flexible Spending Accounts and insurance benefits; and

- developing outreach strategy and implementing educational sessions to Indian Tribes on FEHBP.

OPM works with agency benefits officers to provide education and information to agency employees on Federal benefits. OPM conducts periodic seminars and conducts benefits training for benefits officers. Planning and Policy Analysis (PPA) and Healthcare & Insurance (HI) have also begun to implement direct to consumer communications to inform employees and retirees about Open Season and key benefit topics. HI also produces benefit webinars to make employees aware of new or emerging benefit topics. HI provides information and outreach for tribes, tribal organizations and urban tribes on the availability of health insurance coverage through the Federal Employees Health Benefits (FEHB) Program.

Additionally, PPA's survey on Federal Employee Benefits is used to evaluate employee perceptions on the value and importance of benefit programs and whether they meet their needs. The results from this survey are then used to enhance and expand OPM outreach activities, such as to improve awareness of the tax benefits available through Federal Spending Accounts for Federal Employees Program (FSAFEDS).

Anticipated FY 2016 Accomplishments:

OPM will:

- ensure Federal agency benefits officers are well informed about insurance programs;

- target use of Direct to Enrollee/Direct to Retiree Emails regarding Open Season and key benefits topics;

- communicate to employees across all OPM platforms including USAJOBS, USAStaffing, Retirement Services Online, Employee Express, and OPM.gov;

- target agencies by enrollment to deliver educational seminars on Flexible Spending Accounts and insurance benefits;

- develop an outreach strategy and implement educational sessions for Indian Tribes on FEHB;

- complete the development of the new "Benefits Plus" system that will assist Federal employees and retirees in identifying the benefits they need at the lowest cost. This includes development of a new Plan Comparison Tool that adds functionality to the "Benefits Plus" to enhance consumer experience in evaluating health plans; and

- promote benefits awareness through interagency education programs and use of social media, and maintaining strong outreach programs for employees, retirees and agencies and continuously working to improve products and services.

Implementation Organizations:

Healthcare & Insurance (HI)

Implementation Considerations:

HI will:

- promote benefits awareness through interagency education programs and use of social media;

- maintain strong outreach programs for employees, retirees and agencies and continuously working to improve products and services;

- establish in-house customer service channels;

- ensure that enrollees' costs are controlled by limiting charges from the National Finance Center (NFC) to incurred charges instead of charges based on estimated enrollments;

- provide actuarial, demographic, economic or statistical analyses of and responses to information requests from the Department of Health and Human Services (DHHS);

- continue to develop the Health Claims Data Warehouse for the purpose of gathering enrollment data. The data will be used to conduct evaluations of health conditions, especially chronic conditions, across health plans. The data will also be used to support PPA's actuarial, demographic, economic and statistical analyses; and

- promote benefits awareness through interagency education programs and use of social media.

Performance Measure	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percent of prenatal care visits that are timely	N/A*	63%	65%	74%	<Industry Trend	<Industry Trend

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* N/A - Not Available - no historical data available for this period.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Healthier Americans		
9.05		
Enhance outreach and health literacy	**$1,056,504**	**8.6**
Healthcare & Insurance		
Salaries & Expenses	$909,181	7.5
TF Limit - Annual	$43,787	0.3
Trust Fund Title V - Long Term Care	$103,536	0.8
OPM Total	**$1,056,504**	**8.6**

Additional Government-wide Mandated or Compliance Functions Supported by OPM

In addition to its major program-related activities, OPM has included in its budgetary request funds to cover executive direction and leadership, legal advice, and representation, public affairs, legislative liaison, and equal employment opportunity management. Funding for these activities will be used to ensure OPM has the means to meet its goals and objectives. Additionally, the OPM budget request includes resources needed to administer these activities that are external to the agency's mission.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Additional Government-wide Mandated or Compliance Function Supported by OPM		
Direct customer-facing program activities have components that do not directly support a Goal or Strategy	**$36,034,481**	**176.0**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$211,046	1.6
Chief Information Officer		
Common Services	$4,254,574	10.3
Employee Services		
Salaries & Expenses	$13,746,757	88.4
Federal Prevailing Rate Advisory Committee		
Salaries & Expenses	$203,004	1.0
HR Solutions		
RF - Training Services (HRS)	$10,248,684	27.0
Office of Diversity and Inclusion		
Salaries & Expenses	$354,789	1.0
Office of the Director		
Common Services	$347,583	1.6
White House Fellows		
Salaries & Expenses	$772,000	4.0
Merit System Accountability & Compliance		
Salaries & Expenses	$1,787,139	13.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$355,879	3.0
Executive Secretariat		
Common Services	$175,792	1.6
Office of Communications		
Common Services	$253,553	1.5
Planning and Policy Analysis		
Salaries & Expenses	$3,323,681	22.0
OPM Total	**$36,034,481**	**176.0**

Employee Services (ES)

Employee Services performs the following Government-wide policy functions that do not uniquely align with individual strategies in OPM's Strategic Plan:

- Manages recruitment and hiring policy development and provides technical assistance to Federal agencies on hiring, classification and recruitment guidance;

- Develops and implements regulations and policies, and provides day-to-day oversight and assistance to agencies on the selection, development, performance management, and recognition of Federal executives and senior professionals and comprehensive programs that help employees balance their work, family, and other personal responsibilities;

- Implements, manages, and improves Government-wide pay and leave administration policies and programs that will assist Federal agencies in meeting their strategic goals to attract, motivate, and retain high quality employees from diverse backgrounds;

- Manages Government-wide policy on adverse actions, performance-based actions and title II of the No FEAR Act;

- Advises the Director on and recommends seeking review of erroneous Merit System Protection Board (MSPB) decisions that may have a substantial impact on civil service laws;

- Provides technical assistance to Federal agencies to assure their human resources programs are effective and efficient and support mission objectives; and

- Provides Government-wide leadership for improving employment opportunities for veterans in the Federal civil service

Office of the Director (OD)

The Office of the Director (OD) is the leadership of the U.S. Office of Personnel Management (OPM), the agency responsible for attracting and retaining an innovative, diverse and talented workforce to make the Federal government a model employer for the 21st century.

The OD staff affects all agency strategic goals. In addition to managing the structural functions of the agency, the Director is also responsible for Government-wide mandated functions. In order to accomplish goals included within the President's Management Agenda and the Director's initiatives, the Director ensures the OD is staffed with the appropriate talent to improve program efficiency by analyzing existing processes, recommending improvements where needed and identifying other operational enhancements that will help the agency to better perform its mission. OPM works in several broad categories to recruit, retain and honor a world-class workforce for the American people. The Director and OD senior staff provide Government-wide oversight for:

- Conducting background investigations for prospective employees and security clearances across government, with hundreds of thousands of cases each year;

- Upholding and defending the merit systems in the Federal civil service, making sure that the Federal workforce uses fair practices in all aspects of personnel management;

- Managing pension benefits for retired Federal employees and their families;

- Administering health and other insurance programs for Federal employees and retirees;

- Managing Federal job announcement postings at USAJOBS.gov, and setting policy on Government-wide hiring procedures;

- Leading in the development, testing and implementation of new Government-wide policies that relate to personnel issues; and

- Providing training and development programs and other management tools for Federal employees and agencies.

In addition, OD oversees the Chief Human Capital Officers Council (CHCO). The CHCO Council is formally established by the Chief Human Capital Officers Act of 2002, which was enacted as part of the Homeland Security Act, Public Law 107-296. The purpose of the Council is to:

- Advise OPM, Office of Management and Budget and agency leaders on human capital strategies and policies, as well as on the assessment of human capital management in Federal agencies.

- Inform and coordinate the activities of its member agencies on such matters as modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources management operations and organizations.

- Assist member CHCOs and other officials with similar responsibilities in fulfilling their individual responsibilities.

Congressional, Legislative and Intergovernmental Affairs

Congressional, Legislative and Intergovernmental Affairs (CLIA) serves as the principal liaison with Congressional Committees, Members of Congress, and their staffs. CLIA also works with White House Legislative Affairs and OMB to coordinate the Administration's position on matters under OPM's jurisdiction. CLIA is responsible for staffing Congressional hearings, meetings, and briefings; commenting on legislative documents; drafting testimony and legislation; responding to Congressional inquiries in a timely fashion, and developing outreach activities to educate Congressional staff on OPM programs. CLIA also serves as OPM's principal interface with state, local, and tribal governments and ensures OPM meets requirement for tribal consultations. Given the role of CLIA, the organization contributes to each strategic goal with a primary focus on creating a diverse and effective agency workforce; customer service; Government-wide and external stakeholder support; and support of internal program functions.

Office of Communications

The Office of Communications (OC) coordinates a comprehensive effort to inform the public of the Administration's and OPM's goals, plans and activities through various media outlets. The OC provides

the American public, Federal agencies and pertinent stakeholders with accurate information to aid in their planning and decision-making process. The OC coordinates the publication and production of all video products, printed materials, and websites generated by OPM offices. The office develops briefing materials for the Director, OPM officials and Congress for various activities and events. The OC also plans events that amplify the Administration's and OPM's key initiatives within the agency and Government-wide. The OC consults with internal customers to develop communications plans that present in plain language: background and purpose of the given initiative; core message, target audiences, and appropriate channel(s) of communication; the linkage to the agency strategic priorities; and, the "call to action" -- the behavior or activity the target audience should aim to complete. Each plan is completed and implemented through ongoing collaboration with subject matter experts and liaison with special interests groups, other agencies and the White House.

Due to the extensive external and internal coordination and liaison role of the office, the OC resources are spread across all agency strategic goals.

Office of the Executive Secretariat

The Office of the Executive Secretariat (OES) provides administrative and resource management support to the Office of the Director and other executive offices within OPM. The OES is responsible for the agency document management process and ensures responses to inquiries and reports are clearly articulated to stakeholders in a timely manner. Stakeholders include the American people; the President, Vice President, and other White House staff; Members of Congress and their staffs; other Cabinet and sub-Cabinet level officials; other agencies; governors and other state officials; business leaders; and foreign government officials.

The OES is responsible for controlled correspondence which includes review of agency correspondence, policy and program proposals, regulations and legislation; administrative and resource management services; the agency regulatory interface with the Office of Management and Budget (OMB) and the Federal Register; and coordination of international affairs activities and contacts.

The OES accomplishes its mission through the following objectives:

- Ensuring timely, accurate responses to incoming inquiries;
- Ensuring that statutory reports to the President, Congress and other external stakeholders are accurate, timely, and of high quality;
- Remaining knowledgeable and abreast of policies and regulations associated with resource management functions to include travel, procurement, human resources, and financial management; and
- Responding to other tasks as assigned by the Director, Chief of Staff and other senior leadership.

Diversity & Inclusion

The Diversity & Inclusion (DI) program office examines policy options, Government-wide data trends, and employee survey findings that affect OPM's management of HR policy, specifically including Diversity & Inclusion throughout the Federal Government. The DI office develops comprehensive strategies to drive and integrate Diversity & Inclusion practices throughout the Federal Government and to help build a diverse and inclusive workforce, respecting individual and organizational cultures, while complying with merit principles and applicable Federal laws. The DI office designs and implements all required internal OPM special observance and special emphasis initiatives to promote diversity management.

The DI program impacts five of the eleven agency strategic goals. There is a significant focus on a diverse, effective, and engaged workforce. Given the reporting responsibilities and Government-wide impact, there is also a considerate involvement with customer service, Government-wide and external stakeholders support, and support of internal program functions.

Equal Employment Opportunity

Equal Employment Opportunity (EEO) office provides a fair, legally-correct and expedient EEO complaints process (e.g., EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping). The EEO office also prepares and issues all internal EEO Complaints Processing Reports required of OPM; and supports Human Capital Management through the delivery of policy, guidance, environmental assessment and training.

Federal Prevailing Rate Advisory Committee

The Federal Prevailing Rate Advisory Committee (FPRAC) is the statutory labor-management committee responsible, pursuant to subchapter IV of chapter 53 of Title V, USC, for advising the Director of the OPM on the administration of the Federal Wage System (FWS). FWS is the pay plan which covers the Federal Government's approximately 230,000 prevailing rate employees.

FPRAC has existed since 1972. It has five management members, five labor members, and a Chair appointed by the Director of OPM. The allocation of labor and management seats is guided by statute.

The Committee generally meets monthly at the call of the Chair. Its meetings are open to the public; and meeting transcripts and annual summaries are posted on the OPM web site.

FPRAC's ongoing responsibilities include:

- Review policies of the FWS pay system to insure that OPM regulations are applied properly and are updated as needed;

- Review and recommend updates of FWS wage area boundaries to reflect changes in Metropolitan Statistical Area definitions, commuting patterns, FWS employment levels, private sector employment and other pertinent factors;

- Review regulatory criteria for determining FWS wage area boundaries and recommend changes in these criteria when appropriate;

- Review survey jobs and survey methods that form the basis for FWS wage determination;

- Review policies on FWS basic and premium pay administration and recommend revisions as appropriate;

- Review on an as-needed basis the many exceptions to the basic FWS pay plan, and recommend changes to these exceptions; and

- Address concerns about the FWS pay system that are brought to FPRAC by Federal agencies, their employees' unions, and Members of Congress—and recommend responses to the Director of OPM.

Merit Systems Accountability & Compliance--Combined Federal Campaign

The mission of the Combined Federal Campaign (CFC) is to promote and support philanthropy through a program that is employee focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. CFC is the largest and most successful annual workplace charity campaign, with approximately 160 CFC campaigns throughout the country and internationally to help raise millions of dollars each year. Pledges made by Federal civilian, postal and military donors during the campaign season (September 1st to December 15th) support eligible non-profit organizations that provide health and human service benefits throughout the world. The CFC staff reviews all new applicants wishing to participate as a national or international charity or as part of a federation and reviews a sample of nearly 2,800 national or international charities who re-apply each year.

Merit Systems Accountability & Compliance--Federal Voting Rights

The Voting Rights Act of 1965, requires OPM to provide trained Federal observers to monitor and report on those elections of political subdivisions (counties, cities, etc.) designated by the Attorney General. The Act is designed to prevent voting qualifications or practices that deny or abridge a citizen's right to vote because of race, color, or language. The Act's framers assigned the observer function to OPM because the Department of Justice (DOJ) must rely on a neutral third-party witness when litigating against non-compliant jurisdictions. Currently, DOJ reimburses OPM for direct costs associated with the deployment of observers (ranging from $1 million to $4 million annually). OPM funds essential program management functions carried out by 5 full-time staff members and indirect costs associated with observer deployment program through direct Salaries and Expenses (S&E) appropriations.

President's Commission on White House Fellows

The White House Fellows program (WHF) was established under Executive Order 11183. The Executive Order requires OPM to provide administrative assistance to the President's Commission on White House Fellows. This program is responsible for providing gifted and highly motivated Americans with firsthand experience in the process of governing the Nation and a sense of personal involvement in the leadership of society. This program attracts a broad range of qualified applicants and participants who receive valuable leadership development and public service opportunities.

Enabling Structural Capacity Functions of OPM

In addition to its mission-related programs, OPM has also included in its budgetary request funds to cover information technology, contracting, facilities and security; financial management; and overhead functions. Funds for these activities will be used to ensure OPM has the means to meet its goals and objectives.

Performance Budget Request by Strategy, Organization and Fund–All Resources

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Enabling Structural Capacity Functions of OPM		
Indirect or internal-facing programs	**$115,311,874**	**438.1**
Chief Human Capital Officer Council		
Advances & Reimbursements To S&E	$605,084	1.6
Employee Services		
Salaries & Expenses	$2,531,500	9.5
Common Services	$3,350,677	26.8
Equal Employment Opportunity		
Common Services	$574,890	5.2
Facilities, Security & Contracting		
Salaries & Expenses	$583,686	4.5
Common Services	$10,334,515	79.7
HR Solutions		
RF - Training Services (HRS)	$15,215,000	0.0
Office of Diversity and Inclusion		
Salaries & Expenses	$519,892	2.0
Office of the Chief Financial Officer		
Salaries & Expenses	$136,860	0.0
TF Limit - Annual	$9,019,118	51.7
Common Services	$16,135,827	54.7
Office of the Director		
Common Services	$593,383	2.1
Office of the General Counsel		
Common Services	$3,022,479	23.5
Office of the Inspector General		
OIG Salaries & Expenses	$4,365,000	19.0
OIG TF Limit - Annual	$22,479,000	126.0
RF - Revolving Fund Direct	$0	21.0
Rent/Centrally Funded Items		
Salaries & Expenses	$8,629,298	0.0
TF Limit - Annual	$13,773,337	0.0
Common Services	$378,000	0.0
TF Dental and Vision Benefits	$34,500	0.0
Trust Fund Title V - FERCCA	$11,600	0.0

STRATEGIC GOAL/STRATEGY	FY 2016 Request Dollars	FTE
Trust Fund Title V - Long Term Care	$7,100	0.0
Trust Fund-Title V	$1,000,000	0.0
Merit System Accountability & Compliance		
Common Services	$1,171,338	6.0
Congressional, Legislative and Intergovernmental Affairs		
Common Services	$506,134	3.0
Executive Secretariat		
Common Services	$57,003	0.3
Office of Communications		
Common Services	$276,653	1.5
OPM Total	**$115,311,874**	**438.1**

Chief Information Officer

The Office of the Chief Information Officer (CIO) provides strategic information technology leadership within OPM and provides OPM program offices with the full range of infrastructure and information management services that enable OPM to build mission capacity. The CIO maintains the agency information technology infrastructure that is the backbone of OPM's business and management applications. The CIO's mission also includes providing leadership to Government-wide HR systems and support for E-Government initiatives. CIO services provide solutions to all of OPM's programs and CIO partners with internal and external stakeholders to ensure mission success. In addition to the above, CIO is responsible for the day-to-day operations of OPM's technology infrastructure including: data centers, enterprise applications, data and voice communications, data networks, computer support, mobile device support, and server and mainframe computers.

Facilities, Security and Contracting

Facilities Security & Contracting (FSC) manages the agency's personal and real property, building operations, space design and layout, mail management, realty, safety, physical security and occupational health programs. FSC provides personnel security and suitability and national security clearance determinations for OPM personnel and directs the operations and oversight of OPM's preparedness and emergency response programs. FSC's contracting group provides centralized contract management that supports the operations and Government-wide mission of OPM. FSC also manages OPM's small business program in conjunction with public law, Federal regulations, and OPM contracting policies. The organization also oversees publishing and printing management services for internal and external design and reproduction, to include graphics design work.

Office of the Chief Financial Officer

The Chief Financial Officer (CFO) manages all OPM financial activities and provides OPM program offices with a full range of financial management services and support in the following major areas: accounting, budget, and financial systems. Moreover, CFO ensures continued stewardship over OPM's

financial resources and executes activities and processes that support efforts to maintain a clean audit opinion. With an integrated effort from CFO organizations including Financial Services, Budget & Performance, Financial Systems Management, Projects & Initiatives, Policy & Internal Control, and Travel Operations, CFO leads OPM program offices in the effective management of agency resources and delivers services and tools that allow our customers the ability to make well informed financial business decisions.

Employee Services

In addition to providing policy direction and leadership to a myriad of Government-wide human resources systems and programs (SES, senior leadership, recruitment, pay, leave, and performance management, leadership and employee development work/life/wellness programs and labor and employee relations), ES also provides technical support to internal OPM mission requirements that include but are not limited to: the full range of human resources management policies and practices, veterans' employment as well as the evaluation of their human resource programs. ES manages the operation of OPM's internal human resources program.

Office of the General Counsel

The Office of the General Counsel (OGC) provides legal advice and representation to OPM managers and leaders so they can ensure the Federal Government has an effective civilian workforce. OGC does this by rendering opinions, reviewing proposed policies and other work products and commenting on their legal efficacy, serving as agency representatives in administrative litigations, and supporting the Department of Justice (DOJ) in its representation of the Government on matters concerning the civilian workforce.

Like attorneys at other agencies across the Government, OPM's OGC advises on proposed performance and adverse actions and on the drafting of the final decisions and handles appeals to the Merit Systems Protection Board (MSPB), complaints through the EEO office, and grievances lodged by OPM's own employees. But OGC's representation of OPM in administrative litigation goes well beyond the workload generated by OPM's own employees. Because of OPM's oversight of programs that affect all the other agencies, OGC also handles administrative litigation at the MSPB and Equal Employment Opportunity Commission (EEOC) arising from OPM's Government-wide functions as well, including, but not limited to: suitability determinations that OPM adjudicates with respect to applicants to or employees of other agencies; administration of the administrative law judge program; reimbursable staffing work that agencies solicit OPM to perform on their behalf; application of OPM regulations by agencies to their applicants and employees across the Government; and administration of the Federal Employees Health Benefits (FEHB) Program, the retirement programs, the Federal Employee Group Life Insurance Program (FEGLI), and the Federal Long-Term Life Insurance Program. We are also obligated to provide litigation support to the Department of Justice (DOJ) as to federal actions. These litigation matters may affect large groups of employees and involve potential liability in the millions of dollars. OGC appears before the GAO and the administrative boards of contract appeals to represent the agency in bid protests and serves as OPM's liaison with DOJ when bid protests are brought at the Court of Federal Claims. Once again, this

activity involves not only contracts awarded to handle OPM's own work but also contracts awarded to perform Government-wide functions. Furthermore, OGC advises OPM contracting officers on contract claims and liaises with Justice when such claims reach the Federal courts.

In addition, the MSPB and the Federal Labor Relations Authority call upon OGC for legal opinions concerning cases before them that are not OPM-specific, but implicate the Civil Service Reform Act or the Federal labor statute. Moreover, OGC supports DOJ's representation of the Government in the Federal courts whenever there is litigation involving another agency that implicates a statute entrusted to OPM to interpret or an OPM regulation. As a consequence, OGC supports DOJ in its handling of a variety of complex cases arising at other agencies, and advises the Office of the Solicitor General when the resolution of an issue before the Supreme Court could have a significant impact on the civil service.

OGC carries out several programmatic, substantive functions that benefit other OPM offices. For example, OGC is responsible for Government-wide Hatch Act regulations and administering OPM's internal compliance program with respect to the Hatch Act. OGC also plays a policy and legal role in the Government-wide function of determining which MSPB and arbitral decisions are erroneous, may have a substantial impact on civil service law and, accordingly, merit judicial review. OGC also is responsible for OPM's ethics program, the disposition of certain claims and garnishment issues, the disposition of appeals from initial OPM decisions concerning requests under the Freedom of Information and Privacy Acts, and the disposition of requests for documents or testimony in administrative or judicial litigation not involving OPM.

Accordingly, OGC expects to contribute to virtually all of the agency's goals – not simply the goal OGC co-owns (Goal 8).

It is difficult to predict what specific work will require OGC's attention in FY 2016 or what proportion of OGC's work will be devoted to each area. Our priorities often shift on short notice in response to new developments that affect what the Director and staff, along with the program offices, may need from us. OGC generally cannot foresee what claims individuals or organizations will bring against the agency in advance, nor know in advance in what matters DOJ will seek our guidance. Even advisory priorities are often reset following events over which OPM had no warning – e.g., OGC performed work as a part of the 120-day review following the 2013 Navy Yard incident, and served on the team that provided recommendations to the President following that incident. OGC can predict, however, that litigation workload will likely remain the same or increase. It is important to understand that the work is counter-cyclical. When other offices are reshaping and downsizing, OGC's workload increases. Moreover, much of our litigation workload is related to Government-wide functions – for example, defense of suitability cases that OPM/FIS reserves to itself and adjudicates for other agencies and our support to DOJ on pay and retirement matters -- and thus does not decline simply because FTEs or budget dollars at OPM decline.

Moreover, the current leadership of OPM has asked OGC to weigh in on more – not fewer – categories of matters particularly as the Director's office seeks counsel in exploring new programmatic areas for OPM.

For example, OGC is part of the team providing advice to congressional affairs when it responds to new legislative proposals or new executive orders, both of which are coming in with increasing frequency in the area of Federal personnel and benefits. OGC reviews presentations by the Communications office. There has been significant activity in the area of proposed executive orders and presidential memoranda, many of which implicate OPM's policies concerning staffing, the investigative process, and many other functions; therefore, OGC has been heavily involved in reviewing and commenting upon such proposals. OGC is involved more than ever in responding to requests for information from the study arm of the MSPB and in connection with GAO audits. OGC has taken a leading role in helping the agency meet a number of new Government-wide requirements, such as tasks assigned to OPM under the Affordable Care Act, and arranging for OPM to issue new regulations jointly with Office of Director of National Intelligence (ODNI) to provide guidance on position designation for national security positions.

OGC also regularly provides guidance as to social media, which the agency is using with greater frequency to update the public on OPM activities. As OPM expands stakeholder engagement using emerging technologies, new complex legal issues arise that OGC must address, such as compliance with Federal laws, including the Federal Records Act. Further, OGC continues to actively work to protect OPM's intellectual property rights and prevent the tarnishing of OPM's brands by actors seeking to impersonate OPM for financial gain.

OGC's efforts in defending the agency, advising DOJ, and rendering advice that helps the agency avoid undue litigation risk, save money for the agency and other parts of the Government. That impact does not encompass the unquantifiable but undeniable value OGC brings to the Federal Government as a whole through its efforts to ensure that the Federal Government has an effective workforce under governing law. OGC's work product also helps to protect and burnish OPM's reputation and thus its recognition as a leader within Government.

Merit Systems Accountability & Compliance (Internal Oversight & Compliance)

Merit Systems Accountability & Compliance (Internal Oversight and Compliance (IOC)) drives the resolution of audit recommendations, conducts program evaluations, and oversees the review of capital investments to strengthen OPM's risk management and operational performance. IOC staff focuses a significant amount of time on closing existing audit recommendations to strengthen OPM programs and reduce the backlog. OPM programs need our advice and assistance in responding to audit requirements, developing corrective action plans, and in working with oversight organizations to resolve issues and clarify expectations. IOC is relied upon to alert the Director on operational weaknesses or failures that could impact OPM's ability to meet its mission, goals, and objectives.

Office of the Executive Secretariat

The Office of the Executive Secretariat (OES) provides administrative and resource management support to the Office of the Director and other executive offices within OPM. The OES is responsible for the agency document management process and ensures responses to inquiries and reports are clearly

articulated to stakeholders in a timely manner. Stakeholders include the American people; the President, Vice President, and other White House staff; Members of Congress and their staffs; other Cabinet and sub-Cabinet level officials; other agencies; governors and other state officials; business leaders; and foreign government officials.

The OES is responsible for controlled correspondence which includes review of agency correspondence, policy and program proposals, regulations and legislation; administrative and resource management services; the agency regulatory interface with the Office of Management and Budget (OMB) and the Federal Register; and coordination of international affairs activities and contacts.

The OES accomplishes its mission through the following objectives:

- Ensuring timely, accurate responses to incoming inquiries;
- Ensuring that statutory reports to the President, Congress and other external stakeholders are accurate, timely, and of high quality;
- Remaining knowledgeable and abreast of policies and regulations associated with resource management functions to include travel, procurement, human resources, and financial management; and
- Responding to other tasks as assigned by the Director, Chief of Staff and other senior leadership.

While OES resources touch on all agency strategic goals, they have primary responsibility for correspondence management, policy and regulatory review, and resource management for the executive offices.

Human Resources Solutions (HRS) – Center for Management Services

Internally, HRS provides IT, space, HR services, and analytical marketing support to all practice areas. These functions ensure HRS has the operational support, infrastructure support, and marketing and business management services essential to the direction and operation of HRS, including employee training, employee and labor relations, and employee workplace well-being programs.

- Creates, manages and deploys customer-facing programs and projects that directly support the business development, outreach, and communications goals for HRS' practice areas. This activity directly supports OPM's goal to build its brand image among Federal agencies and other stakeholder audiences, and position OPM as experts in recruiting and retaining a diverse, world-class workforce.
- Develop and execute an all-HRS Communications Strategy and Plan, support individual component marketing efforts, and provide communication advice and counsel to HRS senior leadership and practice area managers and supervisors. In support of this plan, HRS is improving performance across a wide range of tasks and skill sets, from developing new marketing strategies to staff training programs aimed at providing a broader understanding of customer needs.

Earned Benefit Trust Funds

The Office of Personnel Management (OPM) administers the following Earned Benefit Trust Funds:

- FEHB – Federal Employees Health Benefits;
- FEGLI – Federal Employees Group Life Insurance;
- CSRDF – Civil Service Retirement and Disability Fund;
- PSRHB – Postal Service Retiree Health Benefits; and
- FSA FEDS – Flexible Spending Accounts for Federal Employees.

These trust funds are among the largest held by the United States Government. For FY 2016, the net assets combined are estimated to total approximately $890 billion, receipts are estimated to total $160 billion, and outlays are estimated to total $138 billion.

The Earned Benefit Trust Fund section will briefly describe the Trust Fund Financing for each fund and the related Government Payment Accounts.

Trust Fund Financing

A key component of OPM's mission is administering retirement, health benefits, long-term care and life insurance, dental and vision and flexible spending account programs for Federal employees, retirees, and their beneficiaries and maintaining the integrity of these programs. The below chart highlights the estimated receipts and outlays for the Federal health benefit fund.

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

Employee Health Benefits Fund & Retired Employees Health Benefits Fund	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Start of Year Balance	$23,429	$24,044	$24,683	$639
Receipts from the Public	$13,631	$14,338	$15,398	$1,060
Receipts from Federal Sources	$32,873	$34,019	$36,144	$2,125
Interest Earnings	$226	$273	$310	$37
Administrative Outlays (Discretionary)	($40)	($41)	($49)	($8)
Benefit Outlays	($46,075)	($47,950)	($50,677)	($2,727)
End of Year Balance	$24,044	$24,683	$25,809	$1,126

Note: this display combines the FEHB and REHB Funds

Federal Employees Health Benefits Fund

The Federal Employees Health Benefits (FEHB) Fund is a revolving trust fund created by the Federal Employees Health Benefits Act of 1959. The FEHB fund provides for the cost of health benefits for:

- Active employees;

- 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;

- Tribal organizations including the Indian Health Care Improvement Reauthorization Act (IHCIA); and

- OPM expenses to administer the program.

Beginning in Calendar Year (CY) 2016, OPM will offer a Self Plus One enrollment tier within the FEHB as enacted by the Bipartisan Budget Act of 2013.

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 are the same 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 the population is dwindling. The projected population for FY 2015 is approximately 250 and FY 2016 is approximately 206.

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 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, 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, one percent is added for administrative expenses and three 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.

The President's Budget proposes to modernize the Federal Employees Health Benefits Program to better align it with the current marketplace and reduce cost growth by:

- Extending eligibility for coverage under the FEHB to domestic partners of covered Federal employees and retiring annuitants;
- Expanding OPM' contracting authority to allow greater flexibility in negotiating benefits, including pharmacy benefits;
- Allowing OPM to negotiate and contract with a greater variety of health plan types; and
- Allowing OPM to establish a premium differential to incentivize participation in wellness programs.

OPM projects that the modernization proposal would reduce premiums for Federal agencies, employees and annuitants compared to projected premium costs under current law. If the proposal is enacted concurrent with FY 2016 appropriations, these changes could be reflected in contracts for insurance coverage in 2017.

The budget also proposes that the Patent and Trademark Office (PTO) continue to fund the accruing costs associated with post-retirement health benefits for its employees.

Employees Life Insurance Fund (millions)

Employees Life Insurance Fund	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Start of Year Balance	$41,951	$43,411	$44,146	$735
Receipts from the Public	$2,714	$2,650	$2,695	$45
Receipts from Federal Sources	$538	$528	$531	$3
Interest Earnings	$1,167	$746	$626	($120)
Administrative Outlays (Discretionary)	($6)	($4)	($4)	$0
Benefit Outlays	($2,953)	($3,185)	($3,067)	$118
End of Year Balance	$43,411	$44,146	$44,927	$781

The FEGLI fund finances payments to private insurance companies for Federal employees' group life insurance. FEGLI was established by passage of the Federal Employees' Group Life Insurance Act of 1954 (P.L. 83-598), on August 17, 1954. 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 dismemberment benefit. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, and many of their family members. The FEGLI program offers Federal employees the opportunity to purchase group term life insurance which provides financial protection to beneficiaries in the event of enrollee death or dismemberment (for employees). It also strengthens the appeal of Federal Government employment for highly qualified applicants, keeping Federal employment competitive with private industry. The above chart highlights the estimated receipts and outlays for the Federal life insurance fund.

Non-Postal Service employees and all retirees under 65 pay two thirds of the premium costs for Basic coverage; agencies pay the remaining third. Optional and certain post-retirement Basic coverage are paid entirely by enrollees.

The Budget proposes that the Patent and Trademark Office (PTO) will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

Civil Service Retirement and Disability Fund (millions)

Civil Service Retirement and Disability Fund	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Start of Year Balance	$719,456	$733,997	$747,802	$13,805
Receipts from the Public	$3,426	$3,616	$3,708	$92
Receipts from Federal Sources	$59,740	$63,043	$65,320	$2,277
Interest Earnings	$31,019	$28,535	$27,389	($1,146)
Administrative Outlays (Discretionary)	($99)	($97)	($95)	$2
Benefit Outlays	($79,545)	($81,292)	($83,613)	($2,321)
End of Year Balance	$733,997	$747,802	$760,511	$12,709

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, budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must be determined at some future point in time (i.e., when actual receipts and expenses become known). The above chart highlights the estimated receipts and outlays for the Federal retirement and disability fund.

The CSRDF is a single plan even though it covers 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 a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is 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.

CSRS has been financed under a statutory funding method passed by 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 percent interest rate. Under CSRS, regular employees contribute 7 percent of pay. Law Enforcement Officers, Firefighters, and Congressional employees contribute an extra 0.5 percent of pay, and Members of Congress an extra 1.0 percent of pay. Non-Postal agencies match the employee's contributions. Also under the static funding method for CSRS, the Treasury 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 funding method as prescribed in Chapter 84 of Title V, United States Code. Employees and agencies together contribute the full amount of the dynamic normal cost. During Fiscal Year 2013, the dynamic, normal cost for "Regular Employees" hired prior to January 1st, 2013, was 12.7 percent (employees share, 0.8 percent and employer's share, 11.9 percent). On February 22, 2012, Public Law (P.L.) 112-96 was signed into law. P.L. 112-96 increased the FERS employee contribution rate by 2.3 percent for FERS employees hired (or rehired with less than five years of FERS service) after December 31st, 2012. These new Federal employees and Members of Congress fall into a new class of employees called "Revised Annuity Employees (RAE)". The dynamic, normal cost is still 12.7 percent, however, the employees share is 3.1 percent and the employing agencies' share is 9.6 percent. Beginning in fiscal year 2013, a weighted average normal cost was utilized to correctly capture all other groups of employees' and agencies' normal cost rates.

The 2016 Budget includes the impact of the Bipartisan Budget Act of 2013. This Act included a provision to increase the rate of employees' contributions to FERS for individuals hired after December 31st, 2013, by an additional 1.3 percent and to maintain the employer's contribution at its current normal cost rate. These new Federal employees and Members of Congress fall into a new class of employees called "Further Revised Annuity Employees (FRAE)". Any contributions under this provision in excess of the amount necessary to satisfy FERS normal cost percentages, will be credited to the assets of the CSRDF, thereby reducing the unfunded liability.

An extra 0.5 percent of pay is contributed by Law Enforcement Officers, Firefighters, Air Traffic Controllers, Congressional employees, and Members of Congress. This normal cost (for RAEs/FRAEs and Non-RAEs/FRAEs) 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 that is equal to the contribution rate for CSRS employees - 7.0 percent, as set forth above, less the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance (OASDI) portion of Social Security.

The 2016 Budget also includes a legislative proposal to resolve retroactive disability benefits coordination between OPM and the Social Security Administration (SSA). OPM estimates that the impact of this legislation would produce a reduction in improper payments and thus yield a savings of approximately $48 million a year, beginning in FY 2018.

The budget proposes that the PTO will continue to fund the full cost for retirement benefits for PTO's employees covered under the Civil Service Retirement System.

Postal Service Retiree Health Benefits Fund (millions)

Postal Service Retiree Health Benefits Fund	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Start of Year Balance	$42,324	$43,867	$50,995	$7,128
Receipts from the Public (Postal Service)	$0	$5,700	$5,800	$100
Receipts from Federal Sources	$0	$0	$0	$0
Interest Earnings	$1,543	$1,428	$1,420	($8)
Total Program Outlays	$0	$0	$0	$0
End of Year Balance	$43,867	$50,995	58,215	$7,220

This account receives funds 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; and (3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. 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 chart highlights the estimated receipts for the Postal retiree health benefit fund.

Under the current law, Postal Service will cease to pay annual premium costs for its post-1971 current annuitants directly to the Employees and Retired Employees Health Benefits Fund. Instead, these premium payments will be paid from amounts that the Postal Service remits to this fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service would continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

Federal Flexible Spending Risk Reserve Account (millions)

Federal Flexible Spending Risk Reserve Account	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Start of Year Balance	$93	$85	$71	($14)
Receipts from the Public	$8	$28	$23	($5)
Receipts from Federal Sources	$1	$1	$1	$0
Spending Authority Sequestered	($2)	($2)	0	$2
Total Program Outlays	($15)	($41)	($35)	$6
End of Year Balance	**$85**	**$71**	**$60**	**($11)**

Flexible Spending Accounts for Federal Employees (FSAFEDS) is a voluntary tax-advantaged benefit plan. This account also allows Federal employees to pay for eligible out-of-pocket health care and dependent care expenses with their own pre-tax dollars. The average person will save about 30 percent on dependent care and health care expenses after taxes.

There are three types of accounts under the FSA Feds Program:

1. Health Care Flexible Spending Accounts (HCFSA);

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

3. Dependent Care Flexible Spending Account (DCFSA).

The funds cannot be transferred between accounts. DCFSAs currently have a minimum annual election of $100 and $5,000 maximum. HCFSAs and LEX HCFSAs currently have a minimum annual election of $100 and $2,500 maximum. Effective during the 2015 benefit period, Federal employees may elect up to $500 of HCFSA and LEX HCFSA unspent balances to rollover to the next benefit period. There are currently about 335,000 individuals with HCFSAs, 3,000 individuals with LEX HCFSAs and 58,000 individuals with DCFSAs.

The Risk Reserve account contains the accumulated balance of fees which are collected from reserve fees and forfeited funds. The reserve fees are from employing agencies whose employees participate in the FSAFEDS program, and forfeited balances of Flexible Spending Accounts. The agency fees are calculated based on the number of employees from each agency participating in the program. Resources are obligated to the FSA program administrator when claims against FSA accounts exceed resources contributed to the accounts from participating employees (generally early in the program year). Once account contributions exceed benefits, the FSA program administrator reimburses the reserve account. Account resources are also used for program administration and systems. The above chart highlights the estimated receipts and outlays for the Federal flexible spending accounts.

OPM's actuaries have determined that the current value of the risk reserve account is more than sufficient to indemnify the program administrator. In order to lower the FSAFEDS Risk Reserve towards optimal

target value, OPM is using risk reserve resources to supplement the agency fees paid to the program administrator cost and administrative fee. We estimate that OPM will use $15 million for FY 2016 to offset these agencies' fees.

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 estimated amount of these payments are described in this section.

Government Payment for Annuitants, Employees Health Benefits (millions)

Government Payment for Annuitants, Employees Health Benefits	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Budget Authority	$11,359	$11,958	$12,659	$701
Obligations	$11,359	$11,958	$12,659	$701
Outlays	$11,282	$12,046	$12,559	$513

This appropriation funds the Government's share of health benefits 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 V, United States Code;

- The Government's share of the cost of health insurance for annuitants (who were retired when the Federal employees 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.

The Government payment account estimated budget authority includes anticipated payments being remitted to the U.S. Postal Service to finance a portion of its post-1971 annuitants' health benefits costs.

For FY 2016, budget authority and obligations will increase by $513 million due to projected growth in the cost of health insurance, and in the number of annuitants with FEHB coverage.

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.

Government Payment for Annuitants, Employees Life Insurance (millions)

Government Payment for Annuitants, Employees Life Insurance	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Budget Authority	$45	$48	$50	$2
Obligations	$45	$48	$50	$2
Outlays	$45	$48	$50	$2

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 2016, budget authority and obligations will increase $2 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.

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

Payment to the Civil Service Retirement and Disability Fund	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Budget Authority	$34,988	$35,268	$36,268	$1,000
Obligations	$34,988	$35,268	$36,268	$1,000
Outlays	$34,988	$35,268	$36,268	$1,000

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.

The unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C.8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: provided, that annuities authorized by the Act of May 29, 1944, and the Act of August 19, 1950 (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

Detail of Payment Account (millions)

Detail of Payment Account	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2015-2016 Variance
Current Appropriation	$8,692	$8,501	$8,601	$100
Permanent Indefinite Authorization	$26,225	$26,700	$27,600	$900
Payment for Spouse Equity	$71	$67	$67	$0
Total	**$34,988**	**$35,268**	**$36,268**	**$1,000**

Current Appropriation: Payment of Government Share of Retirement Costs

Public Law 91-93 authorizes 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

Public Law 91-93 also authorizes permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement System's current static unfunded liability, 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 2016, the Permanent Indefinite Authorization will increase $1 billion due to an increase in the amount of interest to be transferred from Treasury.

Payment for Spouse Equity

Public Law 98-615 authorizes 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.

Revolving Fund Activities

Under Title V, U.S.C. §1304 (e) (1) OPM is authorized to use Revolving Funds without fiscal year limitation, for financial investigations, training, and such other functions as OPM is authorized or required to perform on a reimbursable basis. OPM operates several activities pursuant to our Revolving Funds statute, which are funded by agency fees and other payments.

OPM's services are broadly classified in three groups:

- Investigative services;
- Human resources solutions; and
- Centralized HR shared services.

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

OPM Budget Authority	FY 2016 Request
Revolving Fund	**$1,607,678,556**
RF - Training Services (HRS)	$386,028,914
RF - USAJOBS	$12,893,655
RF Employment Services (HRTT)	$35,525,926
RF Enterprise Human Resources Integration	$37,736,420
RF HRLOB Activities	$3,000,000
RF Investigative Services	$1,129,789,824
RF Presidential Management Fellows (PMF)	$2,703,817
OPM Total	**$1,607,678,556**

Federal Investigative Services

OPM's Federal Investigative Services (FIS) program provides investigative products and services for over 100 Federal agencies on a fee-for-service basis, which allows FIS to recover costs incurred. FIS is the primary services provider for background investigations within the Federal Government and, in fact, conducts over 95 percent of all background investigations. These investigative products and services are provided to our customers and stakeholders so they can determine individuals' suitability for Federal civilian, military, and contract employment and eligibility for access to classified national security information.

The mandates of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) continue to be a primary focus of the background investigations program. OPM continues to complete initial Top Secret clearances in less than 80 days and overall initial clearance investigations in less than 40 days, as required by the IRTPA. This has been achieved through significant investments in information technology and stream lined product realignment that has made the gathering, processing, and disseminating of investigative information more efficient and cost-effective.

In FY 2016, like previous fiscal years, OPM will strive to meet and exceed security clearance timeframes established in the IRTPA. Background investigations will be completed within the 2013 target of 90 percent of initial Top Secret clearances completed in an average of 80 days or less and initial clearance investigations in 40 days or less. To continue to meet this standard, FIS will allocate resources to support personnel needs, modernize the information technology infrastructure, offer expanded internal and external investigative and adjudicative training, and provide continuous monitoring of the investigative process to streamline standards and procedures.

During FY 2016, FIS will continue to fund major initiatives that support the quality and timeliness of the investigative process. These initiatives include the ongoing transformation of key IT systems, the continued development of a world-class investigative and suitability training program, and revised investigative standards and Federal Regulations pertaining to security clearance and suitability determinations. Furthermore, in support of providing the highest possible quality product, FIS will remain supporting and enhancing a fully trained and qualified Federal staff of case analysts to quality check and review each investigation delivered to its customers.

In addition to the continual pursuit of improved quality and timeliness, FIS will aim to further advance significant initiatives begun in FY 2015. These initiatives include implementing the recommendations in the President's 120-Day Suitability and Security Processes Review completed in February 2014. In conjunction with this, FIS will be establishing Continuous Evaluation (CE) programs and accelerating the implementation of the revised Federal Investigative Standards. FIS implemented Tiers 1 and 2 at the start of FY 2015, and is focusing on Tier 2 Reinvestigations and Tier 3, including the Tier 3 Reinvestigation, throughout FY 2015. This will address gaps in existing investigative processes critical to government-wide reform efforts.

FIS will continue with the implementation of major IT transformation initiatives in support of the joint reform goal to streamline the investigative and adjudicative process. FIS' IT transformation project seeks to further enhance the FIS mission and key goals to meet the ever-changing requirements and deliver the best customer value through the effective use of technology and processes. Resources have been utilized to revamp the core software and hardware infrastructure of all core case processing systems and tools, commencing with the transformation and modernization of the Case Processing and Customer Interfaces, thus providing agency access and investigative requests to be easier to submit, process and deliver. FIS' IT transformation project is conducting technology proofs of concept and commencing the project releases for these enhancements. These primary initiatives will continue to support the timeliness goals set forth by the IRTPA and allow FIS to continue to provide timely and quality services to Federal agencies.

FIS anticipates that expenses in FY 2015 will exceed revenue. This is due to cancellation of the contract with the vendor that previously performed most of our contractually acquired investigative services. Remaining investigative services contractors are increasing capacity, but have not yet achieved parity with previous workload capacity. Until this parity is achieved, the volume of completed investigations will suffer. During FY 2016 workload is projected to remain fairly constant, thus FIS is planning for

minimal Excess Revenue Over Cost (EROC), if any. The slight EROC will adjust the amount lost in FY 2015 and allow retained earnings to remain at a sustainable level.

FIS continually monitors and evaluates our workload and costs using a Cost Allocation Methodology (CAM) and various other techniques and tools. This provides FIS with the data and information needed to set product pricing at the appropriate levels to ensure full-cost recovery. During FY 2015 and FY 2016, FIS will continue this approach and, if necessary, may adjust prices to maintain financial stability within the program. As always, any changes to prices will be done with transparency and FIS will appropriately provide outreach to our customers and stakeholders.

FIS's line of investigative products ranges in scope to meet the varying needs of its customers. Prices are formulated in direct relation to level of work and related costs needed to complete respective investigations. FIS' significant cost drivers that impact pricing considerations include Federal and contracted investigative fieldwork, third-party search fees, workload projections, policy changes (e.g. new federal investigative standards), and major infrastructure upgrades.

Human Resource Solutions

Introduction

HR Solutions (HRS) budget request includes $386M in Revolving Fund budget authority and 340 FTEs to support FY16 operations. HRS is partnering with several OPM organizations to collaboratively support eight strategies under five high-priority agency goals.

HR Solutions Overview

HRS is a reimbursable organization offering a complete range of tailored and standardized human resources products and services designed to meet the unique and dynamic needs of the Federal Government. As such, HRS provides customer agencies with innovative, high quality government-to-government solutions to help them develop leaders, attract and build a high quality public sector workforce, and achieve long-lasting results.

Organizationally, HRS is comprised of five program areas operating under two major reimbursable offerings (government provided and third-party contractor). These program areas include: the Center for Leadership Development (CLD), the Federal Staffing Group (FSG), HR Strategy and Evaluation Services (HRSES), the Training and Management Assistance (TMA) program, and the Administrative Law Judges (ALJ) Program. A variety of support services are provided to each Practice Area through the Center for Management Services (CMS) and the Resource Management Office (RMO).

CLD's mission is to develop visionary leaders to transform government through government-to-government educational programs and learning management system solutions that are grounded in leadership theories and address the Executive Core Competencies. FSG provides expert examining, high-level strategic staffing, recruitment and branding, and complete human resources lifecycle solutions designed to meet the diverse hiring needs of the Federal Government. HRS provides strategic assessments and workforce planning, classification, performance management and program evaluation services to help

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transform federal agencies into high performing organizations. TMA offers Government agencies a cadre of pre-qualified commercial firms with expertise in designing, developing, and implementing customized training and human capital solutions to improve individual, group, and enterprise performance. ALJ Program fully administers the competitive examining process for ALJ applicants, maintaining a register of candidates who successfully completed the examination process, and certifying candidates from the register to agencies seeking to hire new ALJs.

Outcomes

Each year HRS educates more than 20,000 government leaders at all levels through interagency and single-agency custom program offerings.

HRS' Eastern and Western Development Centers train more than 13,000 Federal employees annually. The curriculum provides a learning continuum in a government-to-government context for the entire Federal sector. Most of these courses receive American Council on Education (ACE) credits that are transferrable to all major colleges and universities and also comprise the Leadership Education and Development (LEAD) Certificate curriculum, which provides Federal leaders with a clear path to personalized leadership training.

The EMDC open curriculum includes 49 different courses that are delivered up to 10 times a year, including online, blended, and classroom/residential offerings.

USA Learning supports over 50 federal agencies, including OPM, and 4 State governments with online training, Learning Management System (LMS) services, and providing learning content. Working with both internal and external customers enables USA Learning to support and develop products and services with cross-agency implementation capability.

In FY 2014, , USA Staffing reached 99.97% availability, posted 233,848 job announcements, received almost 12.7 million applications, issued 350,906 certificates resulting in 268,099 selections Government-wide.

HRS' TMA program helps agencies increase their efficiency as measured by the commonly used metric to track acquisition processing – the Procurement Administrative Lead Time (PALT). HRS' typical PALT is 43 days. The 43-day delivery time is regularly faster than internal contracting offices and other assisted acquisition service providers can achieve.

HRS currently oversees all aspects of the ALJ program that includes approximately 1,800 ALJs employed at 26 agencies Government-wide.

Performance Measures

For FY 2014, HRS' customer satisfaction was 78.8 (Note: the 2014 Federal government ACSI has not yet been released). 93.9% of HRS customers indicated HRS contributed to improving their organization's effectiveness, and respondents give the quality of HRS products and services an exceptional 91% rating.

In an effort to further improve HRS' customer experience, HRS will continue to develop and refine value-added products and services, increase customer outreach and communication efforts, and identify additional avenues to streamline product and service delivery.

Challenges

Currently, HRS' primary dependency is the Federal budget environment. Federal budget constraints continue to pose a challenge for HRS as Federal customers grapple with reduced travel, training, and hiring budgets, resulting in decreased human capital and training investments. As a result, HRS conducted a Reduction-In-Force (RIF) in FY 2014, which led to temporary staffing shortfalls and realignments.

Planned FY16 Activities

Relocation of EMDC to Washington, DC is anticipated to occur in June 2015. Transferring the EMDC lease from OPM to GSA will bring OPM into compliance with Federal Management Regulation (FMR) 2008-0, and the required sustainability requirements set forth in Executive Order 13514. A communication strategy for all stakeholders, a revised course schedule, and reengineered business processes will be ongoing through FY 2015 and FY 2016.

By moving to a location closer to customers, HRS is providing customers with an opportunity to make greater investments in learning by reducing, and in some cases eliminating, travel costs. This will be a major benefit for customers who would like to develop or expand on their human capital investments, however lack a sufficient travel budget to allow longer distance residence-based training. Additionally, moving courses closer to customer locations may eliminate existing CLD costs for participant food and lodging, and thereby reduce CLD program tuition rates making training investments more feasible for customers operating with decreased training budgets.

FSG will leverage evolving technology to upgrade its core USA Staffing system and Application Manager. The upgrade, which will dramatically improve USA Staffing processes for the user community, will be fully deployed across FSG's customer base throughout FY 2015.

HRSES will continue development of robust off-the-shelf succession management tools and methods to prepare agencies for attrition through expected accelerated retirements that will help mitigate knowledge loss and boost agency efficiencies. In the first quarter of 2013, 52,744 government employees retired, nearly 51% more than the same period in 2012, 66% more than the first quarter 2011, and nearly twice the number who retired in the first quarter of 2010.

Additionally, in partnership with FSG and CLD, HRSES will continue expanding the capabilities of its new USA Performance℠ system. Throughout FY15 and FY16, USA Staffing will work to fully deploy the upgraded USA Staffing system across its customer base. The upgrade will 1) ensure modern technologies are in place to support increased capacity demands on the system; 2) improve mission speed and agility by enabling USA Staffing to be more responsive to evolving customer requirements, USAJobs changes, and OPM initiatives; and 3) expand data analytics that can be used by management for data-driven decision-making.

TMA will focus on the OPM/GSA partnership to renew the Training and Management Assistance Contract. This partnership supports the Administration's strategic sourcing initiative and will provide a single preferred vehicle for customized human capital and training solutions resulting in increased opportunities to advance efficient and effective human capital products and services in government, and introduce innovative human capital solutions, and ultimately economic growth, in private companies (specifically small and 8(a) designated businesses).

After completion of an OPM evaluation of agency hiring levels for ALJs in FY 2015, the ALJ Program will determine the necessity of administering a new ALJ examination.

Additionally, HRS will develop strategies to increase education and awareness of HRS human capital solutions, strengthening existing business development and intelligence capabilities and making knowledgeable research and development investments.

Description of Products and Solutions

Center for Leadership Development (CLD): Strategy 6.01

- *Federal Executive Institute (FEI)* – offers open-enrollment (interagency) and custom (single-agency) programs, distance and blended-learning approaches, internal programs and academic partnerships to provide training flexibility for customer agencies while offering a complete range of leadership training courses. This includes the premier Leadership for a Democratic Society (LDS) program.

- *Eastern Management Development Center/Western Management Development Center (EMDC/WMDC)* - provides interagency and single agency open enrollment courses, including custom solutions, designed to develop government employees at various stages of their Federal career. The curriculum is comprised of core, skill immersion, assessment, and policy courses delivered in the classroom, online, or through blended delivery options. Thirty-five of the Development Center courses address leadership competencies and essential leadership knowledge, skills and abilities. Many courses meet American Council on Education standards for college credit.

- *USA Learning* – provides clients with reimbursable off-the-shelf and customized Learning Management Systems, Online Forums such as Communities of Practice and Social Media integration, Executive Coaching, Online Assessments, and various online technological support tools. In addition, USA Learning supports training platforms within the Agency, including Diversity Training, Ethics, The Learning Connection, HR University, Hiring Reform, the Presidential Management Fellows online assessments, and specialized training for the Federal Investigative Service Directorate.

Broadly, CLD's pricing structure covers all direct expenses that apply to each course and includes an allocation of indirect local costs and OPM overhead while still supporting its competitive price value proposition. At the beginning of each fiscal year, CLD analyzes the planned delivery schedule for the

year, based on past and projected customer needs, and utilizes specialized costing tools to develop cost plans that cover all deliverables.

Federal Staff Acquisition (FSG): Strategy 8.03

- *USA Staffing* - automates the full range of Federal rules and procedures for external hires, including competitive service (e.g., Title V) and excepted service (e.g., Title 38) positions that cover more than 200 hiring authority codes. USA Staffing is fully operational across many Federal agencies and streamlines the hiring and on-boarding process to enable agencies to recruit, assess, certify, select and on-board the top talent necessary to accomplish their missions, plan effectively, and build high-performing organizations.

- *Staff Acquisition Branch (SAB)* – provides expert Examining, Strategic Staffing, and Recruitment and Branding Solution services to Federal agencies needed to attract and retain top performers, including customized examining and assessment solutions, coaching and consulting services, hiring and succession planning, and recruitment strategy development and evaluation. SAB also provides *On-boarding Solutions* to assist customer agencies with pre-staffing activities and automated entrance-on-duty support.

FSG uses two main fee structures: user fees and fixed rate. User fees are paid annually, based on the number of licensed HR users in their organization. Agencies are able to increase or decrease their number of licenses in proportion to their annual hiring trends. FSG offers volume discounts as the number of system users increases. The fixed price rates are based on actual trends over time and the cost to provide services, including consulting. A sliding scale schedule increases FSG's offered discount, as the number of customers increase.

HR Strategy and Evaluation Services (HRSES): Strategies 6.03 & 6.04

- *Leadership and Workforce Development Assessment (LWDA)* - develops, validates, and administers leadership and workforce planning assessments to assess leader and employee effectiveness. Assessments target competencies, personality, and leadership potential. Also, conducts competency modeling and gap assessments for workforce training and development.

- *Selection and Promotion Assessment (SPA)* - develops, validates, and administers cognitive and non-cognitive competency assessments for selection, promotion, and diagnostic purposes. This includes job analysis, written and non-written tests, job knowledge tests, performance tests, and computer simulations. Also provides assessment training and support, as well as the USA Hire[SM] online assessment platform.

- *Organizational Assessment (OA)* – surveys, including employee climate, customer satisfaction, exit, and custom surveys; the USA Survey automated survey administration and reporting system; OPM Leadership 360™; action planning and organizational development; mentoring programs; and program evaluation.

- *Organization Design and Position Classification (ODPC)* (Strategy 6.03) – workload and workflow analysis and reengineering, occupational analysis, organizational structure and staffing model recommendations, position management, most efficient organization, restructuring and reduction in force, and organizational reviews and desk audits.

- *Performance Management (PM)* (Strategy 6.04) – the USA Performance℠ automated performance management system; performance management strategy and program development; performance appraisal program development; performance plan reviews; supervisor, manager, and executive performance management training; and telework services.

- *Workforce and Succession Planning (WFSP)* (Strategy 6.03) – environment scanning, SWOT analyses, workforce analysis and recommendation reports, competency modeling for mission critical occupations, competency model linkages to agency strategic plans, competency and staffing gap analysis against current and future requirements, and succession management.

Pricing for HRSES products and services are based on one of three models: (1) fixed price for off the shelf products and services; (2) customized solutions that typically build upon existing products and services; and (3) services and consultation available on retainer. HRSES pricing is typically scalable, based on quantities of specific products or services (i.e., the number of participants being assessed) and the selection of optional services. Pricing for products and services are based primarily on labor costs for each product or service.

Administrative Law Judges (ALJ) Program: Strategy 8.02

In accordance with 5 U.S.C. § 1104(a)(2), OPM has sole authority for administering the program under which Federal agencies select Administrative Law Judges (ALJs) and offer merit system appointments. Under this authority the ALJ Program office has exclusive responsibility for planning, operating and directing the nationwide ALJ program, including recruiting, administering the examination, maintaining the register from which agencies make ALJ competitive appointments, and referring qualified candidates. In addition, the ALJ Program office reviews and approves agency requests for ALJ personnel actions and manages the ALJ Loan, Senior ALJ, and ALJ Priority Referral Programs.

ALJ program services are provided to Federal agencies on a reimbursable, pro-rata basis, using annual estimates for program costs. Costs include direct labor for the ALJ Program Office staff and non-ALJ staff; any additional non-labor expenses needed to run the program, such as travel expenses, incumbent ALJ assistance, facilities, training, etc., and OPM agency overhead.

Training and Management Assistance (TMA) Program: Strategy 8.03

Delivers human capital and training services, along with the associated assisted acquisition and program management through an expedited procurement process under an Indefinite Delivery, Indefinite Quantity contract vehicle. TMA's program provides government wide customers the most cost effective means to develop and deploy a human capital management system through its consolidated, pre-negotiated pricing system.

TMA's pricing structure is based on an established, published management fee schedule that covers all costs associated with delivering human capital and training solutions to Federal agencies through contracted private firms. The management fee covers TMA's direct assistance to acquire the right contactor for the agency's need and all associated project management costs borne directly by TMA. The fee is calculated on a graduated percentage for all work to be performed for each customer in a given fiscal year. The graduated fee has been adjusted over time to enable the program to generate the right mix of supply and demand to recover total costs.

Innovations

CLD is exploring the viability of adding two additional modes of delivering the LDS program – (1) delivery at a location other than FEI, and (2) delivery for four days each quarter of the year with projects between sessions. So while the "anchor" of the existing LDS will continue into the future, modifications in the methodology will allow FEI to reach a wider audience and have a greater influence on 21st Century governance.

In addition to international partnerships, FEI will continue pursuing ways of leveraging academic partnerships throughout FY2016, including exchanging faculty personnel and ideas, including the LDS program, for academic credit toward academic partners' degree programs and other mutually beneficial exchanges and incentives.

CMS Marketing has aided HRS in increasing the number of project leads by more than 1,800% through leveraging the professional assistance of a contracted marketing firm. This effort has also led to consolidated and cross pollinated leads among practice areas and will continue to be a benefit for supporting business development and fulfilling new customer requirements in FY16 and beyond.

The USA Staffing upgrade is currently underway and scheduled for deployment in FY15. The upgrade will strengthen the program by updating underlying technologies for future growth and increased usability, including enhancing government efficiency by facilitating direct collaboration between HR professionals and hiring managers to improve selection timeliness and candidate hiring quality. It will also enhance job analysis and assessment, expand reporting and workload management using built-in task-based workflow and timeliness metrics, and introduce a streamlined modern and user-friendly interface design.

Financials

Overall, HRS anticipates $413M in sales, $385M in revenue, and a negative (-) $773K in EROC for FY 2016.

The negative EROC is attributed to two main factors including the Customized Human Resources Solutions Services Contract Solicitation cancellation in FY14, and the continuing ripple effect of depressed Federal agency budgets on human capital and training investments, which resulted in a reduction-in-force that included the closure of the Nationwide Testing solution area.

HRS has developed several strategies to manage and reverse the negative EROC moving forward, including:

- Taking training to customers to retain relationships and mitigate the impact of travel budget reductions.
- Implementing of conservative course delivery schedules to ensure maximum participation and revenue generation against course expenses.
- Offering day-long "commuter" courses that increase blended and online course options.
- Increasing strategic marketing efforts.
- Leveraging ways to avoid increasing product and service costs.
- Identifying and developing efforts to reduce costs and eliminate inefficient processes.

Utilizing these strategies, HRS projects a significant improvement in EROC for FY 2017, in the amount of $4.8M.

Capital investments

Investments for FY16 include the USA Staffing system upgrade, maintenance and operations expenses for the complete HRS suite of products, Course Evaluation and Instructional Management Services, and increased strategic marketing initiatives.

Enterprise Human Resources Initiative (EHRI)

The EHRI Program is an e-Government initiative designed to leverage the benefits of information technology as required by the E-Government Act of 2002. The goal of EHRI is to streamline and automate the exchange of Federal Employee human resources (HR) information Government-wide. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR community with access to employee HR data to improve workforce planning for hiring, skills development, and retention strategies. The electronic Official Personnel Folder (eOPF) is a tool which enables agencies to recruit, retain, and honor supporting OPM's strategic goal to "Serve as the thought leader in research and data-driven human resource management and policy decision-making." In addition, the eOPF supports the strategic goal to "Manage information technology system efficiently and effectively in support of OPM's mission" by managing more efficiently and effective IT capabilities, and optimize increase integration. Lastly, EHRI's suite of analytical tools enables agencies to perform workforce analysis and forecasting, helping agencies become high performing organizations.

The eOPF system is a web-based application that is capable of storing, processing, and displaying the OPFs of all current, separated, and retired Federal Employees. The system has replaced the manual HR process by automating the Federal Government's HR processes and creating a streamlined Federal HR system for all Federal Employees. The eOPF covers the entire Executive Branch with some exceptions as well as some other Federal and Local Governments with a total user population of more than 2.0M. EHRI provides the eOPF application through a fee-for-service arrangement with implementing agencies.

In FY 2016, eOPF will continue requiring operations and maintenance and Day Forward Conversion services. The pricing structure for eOPF maintenance is a fixed price per license (i.e., electronic folder) and is based on the number of active users at the customer agency. The eOPF license maintenance, paid annually by the customer, covers the following services: (1) Program Management Office Support; (2) Hosting and Help Desk Services provided by the Interior Business Center (IBC); (3) Record Storage and Transfer Services provided by the National Personnel Records Center (NPRC); (4) License Maintenance and Scanning Services provided by commercial vendors; (5) Transitional Support Services provided by a commercial vendor; and (6) OPM common services.

Transitional Support Services is a new capital investment that supports future EHRI Program in Operations and Hardware requirements. EHRI Program Investments for Operations in FY 2016 will enable the implementation and support of a modern infrastructure, improved services to our customers and enhance the eOPF application. This investment will also support the goal of moving the application from a form centric environment to a data-centric environment which will improve the application's functionality, security, and reliability. Activities include:

- Re-Architecting eOPF to a single instance,
- Providing access to other relevant historical data through My eOPF
- Identifying the requirements to develop a Single Feed for eOPF
- Enabling agency access to the Metadata Repository to support a data centric environment.

In addition, The EHRI Program investment for hardware in FY 2016 will continue to modernize and enhance the environments that support all EHRI applications which provide Federal employees, the HR community, and OPM analysts and auditors, with convenient and timely access to EHRI data. EHRI customers include:

- Current and former employees of the Federal Government who depend on employee records for employee eligibility, benefits (e.g. health benefits, life insurance, retirements, etc…) , and other HR actions, and managerial and supervisory employees of the Federal Government who require limited access to data on employees under their management at various stages of the employee's employment life cycle for management purposes.
- Business analysts, strategic planners, and human capital analysts within the Federal agencies who use HR data to develop business plans and strategies.
- Agency HR functional specialists whose duties and responsibilities require access to HR data on employees.
- External agencies and aggregate users.

The success of EHRI's fee-for-service component depends on the continuation of incoming funds through existing and new partner agencies subscribing to EHRI services. These services include support for agency's online personnel folders as well as maintenance and support for workforce analysis and other

analytical tools. EHRI has requested $36.6M in agency funding for FY 2015 fee-for-service activities, primarily for eOPF hosting services.

In FY 2016, EHRI expenses exceed revenue due to an expected overage in FY 2015 in the amount of $62,688. The FY 2015 overage is due new partnerships with non-Title V agencies (e.g. U.S. Government Accountability Office (GAO), U.S. Courts of Appeals, and Federal Deposit Insurance Corporation) who have requested to be part of eOPF after the rates were established. EHRI establishes rates for existing agencies in mid-June in order to provide agencies time to submit their annual fiscal year requests to obtain eOPF services. Currently, the Federal Government has several non-Title V agencies that do not have eOPF services. With the non-Title V agencies having different funding requirements than agencies under the Executive Branch, EHRI is working with these ensure that all funds can be provided without having any stoppage of future services. Additionally, this business process continues to support agencies streamlined Federal HR system for all Federal Employees.

Human Resource Tools and Technology (HRTT)

Human Resources Tools and Technology (HRTT) provides technology support in the form of IT systems development and hosting, supplying both internal and external customers a wide variety of information technology services in the human resources arena. Anticipated FY15 and FY16 agreements are **$35,000,000** and **$34,500,000** respectively.

The HRTT FY16 budget request includes a projection of **$33,470,000** in revenue and **101** full-time equivalents. HRTT will fully recover its costs and expects to earn **$974,854** in excess revenue over cost (EROC) which will be used for purposes of agency reinvestments and holding the Revolving Fund harmless in the event of business downturns. Major FY16 activities relate to the maintenance and sustainment of our various IT systems, namely: Support of OPM's Human Resources Solutions (HRS) and USAJOBS programs - HRTT will continue to provide technical support, web-based applications, hosting and programming support for a wide variety of systems, including but not limited to: OPM's Talent Acquisition System - USAStaffing; OPM's Federal Government job board - USAJOBS; and a wide variety of other web-based applications used by dozens of Federal agencies.

HRTT supports OPM's *Strategic Goal 4.04.* Central to this goal is the establishment of business initiatives that provide federal agencies with IT solutions that span the HR life cycle. HRTT contributes to this goal by delivering leading-edge, innovative, high quality human resource information technology products and services that contribute to organizational effectiveness. HRTT is comprised of four lines of business (LOBs): OPM's Human Resources Solutions, Other OPM, Employee Self Service Systems, and Other HRIT Support. All of these lines of business contain IT systems that span the HR life cycle, as indicated in the descriptions below.

Human Resources Solution Line of Business

The OPM Human Resources Solutions (HRS) LOB is HRTT's largest customer. Accounting for 62% of its annual revenue, HRTT provides OPM's HRS organization with technical support, web-based applications, hosting, and programming support. The primary system HRTT supports is USAStaffing,

OPM's Talent Acquisition System, which enables Federal agencies to effectively recruit, assess, certify, and onboard qualified candidates for Federal positions. HRTT ensures system compliance with Federal hiring regulations, flexibilities, authorities, and NIST IT Security Guidelines. In addition, HRTT provides smaller-scale information technology services for other organizations within HRS. These services enable HRS to fulfill customer demand for automation in the areas of talent acquisition, onboarding, employment, and performance management.

Other OPM Line of Business

This LOB is comprised of products and services provided to other non-HRS organizations within OPM. Among the OPM offices HRTT supports are the USAJOBS Program Office and Retirement Services. HRTT is responsible for the design, development and hosting of USAJOBS.gov. The system completely complies with Federal security requirements and integrates with USAStaffing and several commercial staffing systems. For Retirement Services, HRTT hosts the Services Online application -- a secure web-based self-service delivery system for civil service retirees and survivor annuitants who receive regular annuity payments and Federal tax information. These systems support the recruitment and retirement aspects of the HR life cycle.

Employee Self Service Systems Line of Business

Two primary products offered within the Employee Self Service Systems LOB serve more than six million people worldwide. The first, Employee Express, is accessible by touch-tone phone and via the Web, and provides automated information that empowers Federal employees to initiate the processing of their discretionary personnel-payroll transactions electronically. The second, myPay, provides the same service to Department of Defense Federal employees, military members, and military retirees.

Other HRIT Line of Business

HRTT provides technical support and hosting for a series of other smaller scale projects that are not otherwise classified within the other three lines of business. Services provided within this LOB fill information technology gaps within customer agencies at an affordable price.

HRTT will continue to deliver products and services to our customers as outlined above, allowing agencies it services to become high-performing organizations and supporting their HR life cycle needs through affordable information technology solutions. HRTT will recover costs of operations by managing dozens of individual reimbursable agreements with its customers. Costs and associated pricing models are determined through a rigorous assessment of direct costs of service delivery, indirect costs of program administration, and the OPM common services assessment. For years, HRTT has had a strong base of repeat customers who choose HRTT products and services for quality, innovation, value, and proven performance. This will continue in FY 2016. With an FY 2014 mid-year American Customer Satisfaction Index-equivalent score of 90, HRTT far surpasses the national average of 66.1 for Federal agencies. Moreover, 100% of customers in the mid-year survey say HRTT's products and services contribute to organizational effectiveness. In FY 2015, HRTT will continue this trend as it achieves the following:

1. Process nearly eight million applications through OPM's Talent Acquisition System - USAStaffing;

2. Provide better than 99.5% system availability for USAStaffing;

3. Provide maintenance, support, and enhancements for a variety of web-based applications;

4. Maintain more than three million unique log-ins for OPM's USAJOBS;

5. Facilitate an average of 85 million searches per month on USAJOBS.gov for approximately 15 million monthly visitors to the site.

6. Host a secure, web-based, self-service delivery system for civil service retirees and survivor annuitants who receive regular annuity payments via the Services Online platform; and

7. Provide automated information to more than six million people worldwide which permits them to initiate the processing of their discretionary personnel-payroll transactions.

By leveraging its strong reputation and expert knowledge in information technology, HRTT will continue to support the vision to build the Federal Government as America's model employer for the 21st century.

USAJOBS

USAJOBS is a centralized secure platform at *www.usajobs.gov* that acts as a portal for Federal recruitment for all government positions, whether competitively or non-competitively sourced. USAJOBS delivers the service by which Federal agencies meet their legal obligation (5 USC 3327 and 5 USC 3330) to provide public notice of Federal employment opportunities in the competitive service to Federal employees and the public. The technology and program operations offer Federal agencies and job seekers a modern platform to support online recruitment, marketing and a job application solution.

USAJOBS is a job board and a resume and document repository for candidate information. USAJOBS also provides extensive Federal employment information to the public, coordinates recruitment information across agencies, and interacts with job seekers through the use of social media and help desk support. USAJOBS gathers customer satisfaction data on the USAJOBS system, as well as, the Federal hiring process. This information is used by the USAJOBS Program Office to improve the tools and processes that job seekers and applicants use to apply for Federal employment.

USAJOBS is the "front door" to the Federal hiring process as it showcases the vast majority of the Federal Government's job opportunities in one place. It also offers applicants a centralized secure portal to store their application documentation such as transcripts, resumes, SF-50s, DD-214s and other documents. In turn, applicants use USAJOBS as the central integration point when applying for jobs. They integrate from USAJOBS to the various back-end hiring systems using and reusing their resumes and other documentation across multiple hiring systems and job applications. USAJOBS then collects and displays application status updates for each job that the applicant applies.

USAJOBS is housed within OPM's CIO organization and is supported primarily by a Federal infrastructure and Federal employees. USAJOBS is expected to promote efficiency while fully reimbursing the Revolving Fund for the costs of services by billing customers using prices determined by

the full and fair use of modern cost accounting principles. The annual bills for USAJOBS are calculated based on overall agency populations. Those using USAJOBS are billed a portion of the total costs to operate based on their overall FTE counts. In other words, the largest agencies are billed a higher portion than smaller agencies. Populations counts are used to obtain an overall rough order of magnitude proration and are not intended to be an exact day to day count for each agency. USAJOBS strives to maintain approximately $12M in revenues per fiscal year to achieve a flat billing rate for its customers. The $12M covers expenses, as well as, a portion of Excess Revenue Over Cost (EROC). The program conducted an assessment on acceptable tolerance levels of $3M for retained earnings/EROC. The program was able to collect prior year customer invoices, as well as, staffing shortages allowed for a $3.3M EROC balance at the end of FY 2014. However, the program will use some of its EROC for capital expenses in delivering the next generation of USAJOBS in FY 2015 and FY 2016. The program will begin recovering to meet the $3M tolerance level beginning in FY 2017 with a planned recovery by FY19. Once the EROC levels are met, the program will review revenues for possible annual reductions to the agencies' bills while maintaining cost recovery for only expenses plus the $3M in retained earnings.

The program supports OPM's strategic goal 4 to "manage information technology systems efficiently and effectively." In FY 2014, USAJOBS continued to maintain and operate the website with small, incremental enhancements to improve existing capabilities based upon an approved release schedule. Feedback mechanisms such as customer satisfaction surveys, help desk tickets and usability studies provided insight into job seekers desires for a more user-friendly search and apply experience; therefore, new requirements generated through these sources were prioritized and assigned to the release schedule. In addition to incremental enhancements, USAJOBS continued to design and deliver more standardized reports that assisted OPM and agencies in monitoring the hiring process and delivering on-demand reports. Lastly, USAJOBS continued preparations for the re-launch of the resume mining capability in FY 2014 Quarter 4 that will assist agencies in enhancing recruitment strategies, especially for the hard-to-fill positions.

In FY 2015, USAJOBS' primary focus is on delivering the next generation of the website. During the last quarter in FY 2014 through the first quarter of FY 2015, the program office will conduct user research and user experience activities to collect job seeker and agency requirements. The goals of the new website include implementing a website that is (1) easier to use, (2) provides feedback and information to improve transparency in the application process, (3) promotes equity in access, and (4) reflects how today's diverse populations find out about and apply for jobs. It is expected the program office will deliver four major releases in support of this initiative.

In FY 2016, the work to deliver the next generation of USAJOBS will continue with the implementation of four major releases. The roadmap for the next generation will be approved through the USAJOBS Executive Steering Committee (ESC) in FY 2015, and the program office will keep the ESC informed of all activities including any necessary changes that may arise during the implementation phase. Lastly, the program office will conduct extensive performance testing and usability testing throughout the design and implementation phases to ensure the product meets user needs.

Presidential Management Fellows (PMF)

Background:

The PMF Program is a flagship leadership development program at the entry-level for advanced degree candidates and an excellent resource for succession planning government-wide. Created more than three decades ago, the program attracts and selects from among the best candidates and is designed to develop a cadre of potential Federal Government (FedGov) leaders. It is also one of three newly minted Pathways Programs.

Today, recognizing the strategic importance of the PMF Program in terms of recruiting, developing, and retaining future managers and leaders for the FedGov, the PMF Program Office consistently works towards enhancing the quality of our product and program, improving the Finalists' and Fellows' experiences, stimulating greater agency use of the program, and thus leading to better results for the FedGov.

Objectives:

1. Invest in the assessment process and PMF systems to improve candidate quality, which includes: contracting this project outside of the FedGov.

2. Improve program experience and make it more presidential.

3. Increase outreach efforts and diversity through strategic partnerships.

4. Promote and increase the number of veterans in the PMF Program.

5. Increase the percentage of Finalists obtaining appointments as PMF's.

Overall goal is to enhance the government-wide impact of the PMF Program; therefore, providing a pipeline for future FedGov leaders - seeks to accomplish this through the following initiatives:

1. Seek agency feedback on projected need for human capital, disciplines, and target positions.

2. Enhance partnership with Federal Councils to create tracks (e.g., Financial Fellows, Technology Fellows, and Acquisition Fellows).

3. Increase PMF Program awareness and participation amongst students in the STEM fields.

Key Points:

- Declining budget by approximately 30%. Due to the challenging current fiscal climate, the PMF Program must invest in cost saving measures, by managing in the most efficient and defective manner possible – "must do" expenditures only (full-cost recoverable).

- We will continue to identify and implement improved business practices initiated in FY 2013 and FY 2014.

- We will continue to work with Federal Agencies to better project expenses and revenue.

- We will continue to implement positive enhanced experiences for the candidates.

FY16 Expense Line Items: Projected expenses based on historical trends and future assumptions (experience, PMF PO operations, and pricing estimates).

Salary, Benefits, and Awards ($865,817) - Minimum staffing (6.5 FTE) required to administer this program involving 1,200 +/- PMFs at any given time and encompassing as many as 80 Federal agencies. To continue to delivering a quality product, the PMF PO requires the minimum resources as stated in this narrative. Also, due to changes in the operations, the PO will seek to consider the inclusion of IT and project management skills to enhance productivity. With development of the PMF STEM track, the current program will require customization to accommodate the initiative's new requirements.

Travel ($15,000) - Includes PMF assessments, agency on-site visits, staffing training and development, and outreach.

Rent, Communications, Utilities, and Miscellaneous ($135,000) - Estimated share of OPM Common Services is $127,000. Use of government facilities, in lieu of renting commercial space, for the assessment process has contributed to cost savings.

Printing ($5,000) - Includes: agency brochures and guidance, electronic flyers for academia, training certificates, graduation certificates, and assessment materials.

Other Program Costs (Supplies and Services):

Training ($6,000) - Allocates approximately $900 per FTE for training in order for the staff to acquire and/or sustain skills, competencies and certifications. The Program Office will continue to utilize free training opportunities and exhaust all no-cost opportunities before incurring training costs.

Contracts - $350,000

1. In-Person/Virtual Job Fair ($300K) – The PMF Job Fair is usually held in Washington, DC. It is an annual event for Finalists resulting in a majority of PMF appointments. This affords finalists the opportunity to learn about agency appointment opportunities. The program experienced a great deal of success in FY 2013 by launching the first PMF Virtual Job Fair (VJF). Future VJFs have the potential for considerable cost savings benefitting the program and the candidates. The VJF is considered essential to the program's improved service and has shown to have a direct impact on PMF appointments.

2. PMF Orientation/Graduation ($25K) – The program uses webinar technology to bring the required PMF orientation directly to the Fellows in a timely manner, saving travel dollars across Government. PMF graduation is held at a Federal facility in the DC area and is broadcast to remote viewers, saving travel funds across FedGov.

3. PMF Training Forums ($25K) – Forums are essential to maintaining our relationship with key stakeholders, PMF development, and our ability to provide a pipeline of future leaders in Government. The program sponsors training courses for current PMFs throughout the FY. It provides leadership training in a variety of ways. We host a quarterly leadership speaker series with

senior executive service leaders (no-cost) and broadcasting to remote viewers. A 1-day leadership training event is offered to each Fellow. We are currently preparing to publish an official solicitation for leadership training developed for Fellows at no cost to the program. Agencies will benefit from "group rate" tuition and Fellows will benefit by receiving training geared specifically to them as future leaders entering Federal service.

4. A&A ($100K) – The PMF Program will require a new A&A Certification in FY 2016 on its Talent Acquisition System.

Contracts - Program IT System ($1,300,000) - Dynamic Talent Acquisition System (TAS) – This all-inclusive system includes project management support, application, on-line assessment, scheduling of assessments, back-end IT system, etc. This is the system in which we manage candidates and program users.

Supplies & Materials ($15,000) - Supplies and materials to support day to day operations.

Equipment ($5,000 - non-capitalized) – This includes miscellaneous equipment upgrades and/or sustainment: PMF Program Office uses a variety of packages to help manage and present information. Some are no-cost available online, some have annual licensing costs and some are products that we share with other OPM offices.

FY 2016 Revenue: Revenue is based on $7K per PMF appointment. Based on historical hiring "actuals," we anticipate about 400 hires during FY 2015. This includes the projected increase of STEM hires through the newest PMF STEM initiative launched during FY 2014. This will result in estimated of revenue $2.8M.

PMF revenue depends on agency budget and resources. With declining agency budgets, it negatively impacts their ability to afford PMFs. Because some of the PMF program costs are fixed (not driven by the number of PMFs in the program), the challenge is to manage annual fixed costs against a revenue stream that is unpredictable. An example of efficiencies implemented to minimize program costs is the use of no-cost on-line registration for program events. We also broadcast training opportunities for those Fellows located outside of the Washington, DC area. We provide information on how and where to find quality training.

The program is working to identify other avenues by which we can increase the number of PMF appointments/revenue; market PMFs to agencies; decrease expenses, and yet maintain Program prestige.

Office of the Inspector General

The OPM Office of the Inspector General (OIG) is **requesting $26,844,000** for its FY 2016 budget. Our request is composed of **$4,365,000** from the Salaries and Expenses (S&E) General Fund and **$22,479,000** from the OPM Trust Funds.

Budgetary Resources	FY 2014 Budget		FY 2015 Enacted		FY 2016 CBJ		FY 2015-16 Variance	
	$	FTE	$	FTE	$	FTE	$	FTE
Salaries & Expenses	$4,684,000	19	$4,384,000	19	$4,365,000	19	($19,000)	0
Trust Fund Annual	$21,340,000	126	$21,340,000	126	$22,479,000	126	$1,139,000	0
Total Discretionary (dollars)	**$26,024,000**	**145**	**$25,724,000**	**145**	**$26,844,000**	**145**	**$1,120,000**	**0**
Revolving Fund (Estimated)	$1,517,000	12	$3,000,000	21	$3,023,000	21	$23,000	0
OIG Total (dollars)	**$27,541,000**	**157**	**$28,724,000**	**166**	**$29,867,000**	**166**	**$1,143,000**	**0**

*Note – Variance between FY 2016 versus FY 2015 are the result of the following:

- Salaries and Expenses (-$19,000) proposed reduction in CFC Oversight administrative costs.

- Trust Fund Annual ($1,139,000) proposed funding for additional investment in upgrading the Federal Employees Health Benefits Program (FEHBP) data warehouse

- Revolving Fund ($23,000) represents the estimated increase in anticipated pay raise and inflation for Revolving Fund oversight

The OIG has outlined the program areas to be funded under the FY 2016 budget request, which is $1,120,000 above the FY 2015 enacted budget.

The OIG requests an additional investment in upgrading the Federal Employees Health Benefits Program (FEHBP) data warehouse which supports the health care audit, investigation, and administrative sanction operations of the office. With an additional $1.1 million in appropriated trust funds in FY 2016, the OIG proposes to:

- Strengthen the security posture of the data warehouse and over 4 billion records to ensure the protection of the Protected Health Information (PHI), health care claims data, and data containing personally identifiable information (PII). Following the recent breach involving a sensitive OPM system, the OIG has met with the Department of Homeland Security and the OPM Chief Information Officer and her staff to discuss needed security updates for OIG systems and data. The OIG has implemented strengthened controls, but funding is needed for software applications and infrastructure changes to strengthen the security and protection of the health care claims data warehouse;

- Increase data warehouse storage and processing capacity to support up to 10 years of FEHBP data and over 4 billion health care records for online and batch processing in order to maximize investigative recoveries;

- Implement new software products to support online portal applications for data mining to increase our ability to proactively search and manipulate larger volumes of data, producing more results for financial recoveries. The current software platform was implemented over a decade ago and has not been modernized; there are new products available that are more efficient and effective to support the data analysis, data management, and business intelligence environment of our health care claims data warehouse;

- Expand the availability of health care data to include more carriers and most notably, pharmaceutical data, which is frequently needed in large health care fraud investigations; and

- Upgrade our backup and recovery infrastructure to adequately support the storage and applications currently in use as well as the enhancements cited above.

The data warehouse is an integral analytical tool for audits and investigations performed by the OIG. Investigations uses the data warehouse to determine whether an allegation of fraud and/or abuse within the FEHBP can be substantiated. At the present time, the OIG data warehouse can typically make only three years of data available to our investigative staff for investigative recoveries. However, the Department of Justice (DOJ) and the Assistant United States Attorneys (AUSAs) generally ask for seven to ten years of data for many healthcare fraud cases, including *qui tam* cases, each year the OIG data warehouse is not able to provide the maximum number of years in our data queries. Enhancements within the data warehouse would provide increase efficiencies which would allow the OIG to identify more instances of fraud and could potentially increase the amount of recoveries we collect.

From FY 2012 through FY 2014, the OIG FEHBP investigative recoveries exceeded $254 million and the OIG FEHBP audit recoveries exceeded $93 million, with another $12 million currently due from health plans. While the recoveries from OIG audits and investigations do not directly support the office and its operations, and cannot currently be used to make technological enhancements to the OIG information technology infrastructure, the funds recovered do provide a direct economic impact to the OPM-managed FEHBP trust fund which helps to reduce or maintain health care costs for Federal employees, their families, and the American public

Additionally, the premiums within the FEHBP are used as a pricing model for the Affordable Care Act (ACA), so keeping FEHBP premiums low has the potential for reducing multi-state plan costs within the ACA.

Affordable Care Act (ACA) and Indian Health Care Oversight

The OIG's FY 2016 Budget includes funds associated with OPM's implementation of the ACA. The OIG is currently working with OPM on its implementation of the ACA, and has recently begun audit activity in this area. The OIG will audit and examine Multi-State Plan Program (MSPP) records and accounts that pertain to the MSPP. The OIG will work with MSPP issuers to carry out oversight responsibilities by ensuring compliance with Federal regulations, the MSPP contract and OPM program guidance. This includes plans to review the business practices utilized by the MSPPs, including their fraud detection systems, and report findings and recommendations to OPM for further action.

In addition, the ACA allows eligible Indian tribes, tribal organizations, and urban Indian organizations to purchase FEHBP and Federal Employees' Group Life Insurance (FEGLI) coverage, rights, and benefits for their employees. The OIG has been working with OPM, the National Finance Center, and the Indian tribes, tribal organizations, and urban Indian organizations to plan for audits of the enrollment, billing, and premium collection processes associated with the ACA.

The OIG expects increased oversight activities in FY 2016, as the MSPP will have been operational for a sufficient period of time for there to be enough experience to verify contract compliance. Resource needs for OIG MSP oversight will be driven by several factors. The number of MSP issuers will be the primary driver of audit resource needs as more issuers means more audits.

OIG's Oversight of OPM's Revolving Fund Programs

On February 12, 2014, President Obama signed the OPM IG Act (P.L. 113-80). The purpose of the OPM IG Act is "to provide that the Inspector General of the Office of Personnel Management may use amounts in the revolving fund of the Office to fund audits, investigations, and oversight activities."

For FY 2016, the OIG estimates that $3,023,000 and 21 FTE will be required to fund OPM Revolving Fund oversight activities. These resources will be utilized to perform oversight of OPM's Revolving Fund programs, which are projected to generate more than $1.6 billion in FY 2016. Currently, OPM Revolving Fund programs consist of: Federal Investigative Services (FIS); Human Resources (HR) Solutions; Enterprise Human Resources Integration; HR Line of Business; HR Tools & Technology; USAJOBS; and, the Presidential Management Fellows Program.

Over the past two years, there have been significant problems within these programs which collectively illustrate the importance of a vigorous, adequately-resourced oversight capacity that would allow OPM and the OIG to identify fraudulent activity and strengthen preventive controls. The workload has ranged from technical audit work with the USAJOBS website to the continuing flow of allegations involving falsification of background investigations and abuse of authority referred to our office by the quality assurance area of the FIS program.

Existing Responsibilities

In FY 2016, the OIG will continue to provide audit and investigative oversight of the FEHBP including FEHBP plans, health carrier information systems, and Pharmacy Benefit Managers (PBMs); and the Civil Service Retirement System/Federal Employees Retirement System programs and operations. The OIG oversees and achieves positive impact within the FEHBP by reducing potential health and safety risks for Federal employees, annuitants, and their families and annually recovers tens of millions of dollars to the FEHBP and OPM Trust Funds, as well as to the Treasury general fund. The OPM Trust Funds have assets of over $981 billion and disburse almost $160 billion annually.

The OIG continues to play a significant role in improving the efficiency and integrity of the FEHBP through our audit and investigative activities and by identifying proposals for legislative and contractual changes to be implemented in future years. The OIG has worked actively and cooperatively with both the

Congress and OPM to promote the transparency of parties doing business with the FEHBP, such as PBMs. OPM's adoption of transparency principles for PBMs contracts has the potential to reduce prescription drug costs for all FEHBP enrollees.

The OIG audit and investigative efforts have led to improved efficiency and effectiveness throughout the varied OPM programs and operations. The OIG's efforts in reducing improper payments in the Federal retirement programs and other targeted areas of operation are direct deterrents to fraud, waste, and abuse and are absolutely dependent upon this funding request. Our more recent efforts within the FIS background investigations program have targeted fraud and abuse that have a direct impact on national security.

The OIG will continue to provide the current levels of oversight to other large OPM Trust Fund programs, including the FEHBP carrier and pharmacy benefit areas, Federal retirement programs, and the FEGLI Program. The OIG will also continue to provide oversight and enforcement to the OPM Revolving Fund program areas and to the other non-Trust Fund benefit areas as funding permits, as well as protecting each from fraud, waste, abuse and mismanagement.

Program Overview

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

The Inspector General Act requires that each OIG:

- conduct and supervise independent and objective audits and investigations relating to agency programs and operations;

- promote economy, effectiveness, and efficiency within the agency;

- prevent and detect fraud, waste, and abuse in agency programs and operations;

- review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations; and

- keep the agency head and Congress fully and currently informed of problems in agency programs and operations.

The three core organizational units within the OIG are the audit, investigation, and FEHBP administrative sanction programs.

Specific Activities Included:

Audits

OIG auditors conduct risk assessments by obtaining an understanding of the programs, missions, goals, responsibilities, and processes of each program. These risk assessments are used to determine the levels of risk associated with each program group and their respective activities. Audits are conducted of the

program groups and activities based on the risk level identified in the assessments (e.g., higher risk areas will be audited first).

Experience-Rated FEHBP Audits. Conduct audits of experience-rated health plans (fee-for-service, with the most popular being the various Blue Cross and Blue Shield plans) participating in the FEHBP. The universe of experience-rated plans currently consists of approximately 100 audit sites. When auditing these plans, the focus is generally on three key areas: the legitimacy of contract charges and the recovery of appropriate credits, including refunds; the effectiveness of carriers' claims processing, financial, and cost accounting systems; and the adequacy of internal controls to ensure proper contract charges and benefit payments.

Community-Rated FEHBP Audits. Conduct audits of community-rated health plans (comprehensive medical plans, commonly referred to as health maintenance organizations [HMOs]) participating in the FEHBP. The community-rated HMO audit universe covers approximately 136 rating areas. Audits of these plans are designed to ensure the plans assess the appropriate premium rates in accordance with their respective FEHBP contracts and applicable Federal regulations.

Affordable Care Act Audits. The OIG audits under the ACA will ensure the issuers' compliance with its contract with OPM. Rates charged will be audited for the MSPP products to ensure compliance with the rules and regulations. In addition, our office will audit compliance with the various performance elements contained in the contract. We will also audit the issuers' information technology security controls to ensure that member data is protected against unauthorized disclosure.

Pharmacy Benefit Manager Audits. Pharmaceutical-related expenditures comprise approximately 26 percent of all FEHBP costs, or over $11 billion in 2013, most of them handled through third-party PBMs. The OIG conducts a series of audits that deal directly with PBMs. Based on experience and results to date, these audits identify significant findings related to the handling of the complex series of refunds, rebates, credits, and incentives that characterize the relationships among pharmaceutical manufacturers, PBMs, health insurance carriers, and the FEHBP.

Financial Statement Audits. Each year, the agency contracts with an independent public accounting firm to perform the OPM's consolidated financial statements audit. The OIG monitors the firm's performance to ensure all work is conducted in accordance with the contract and in compliance with government auditing standards and other authoritative references pertaining to OPM's financial statements.

Information Systems Audits. Information systems audits are conducted on health and life insurance carriers that participate in the FEHBP and the FEGLI, as well as on other OPM systems. The agency's computer systems development and management activities are also audited. These audits cover both general controls (the policies and procedures that apply to an entity's overall computing environment) and application controls (those directly related to individual computer applications). In addition, our auditors perform an independent evaluation of OPM's information technology security environment.

Revolving Fund Audits. Revolving Fund audits are conducted on the multitude of Revolving Fund programs managed by OPM (FIS; HR Solutions; Enterprise Human Resources Integration; HR Line of Business; HR Tools & Technology; USAJOBS; and the Presidential Management Fellows Program).

Performance Audits. Performance audits provide an independent assessment of how well OPM operates its various programs and activities. Two types of performance audits are conducted: economy and efficiency audits, and program audits. Economy and efficiency audits determine whether the agency is acquiring and managing resources prudently and proficiently, and whether the agency has complied with laws and regulations relating to its operations. Program audits determine the extent to which the desired results or benefits of programs established by Congress or other authorizing bodies are being achieved; the effectiveness of organizations, programs, activities, or functions; and the agency's compliance with laws and regulations.

Pre- and Post-Award Contract Audits. Pre-award contract audits are conducted to ensure a bidding contractor is capable of meeting contractual requirements, assess whether estimated costs are realistic and reasonable, and determine if the contract complies with all applicable Federal regulations. Post-award audits are conducted to ensure costs claimed to have been incurred are accurate and in accordance with Federal contract regulations.

FEHBP Data Warehouse. The OIG will continue to operate its FEHBP claims data warehouse in FY 2016. The data warehouse streamlines and enhances the various administrative and analytical procedures involved in the oversight of the FEHBP. This project captures data from experience-rated insurance carriers in a data warehouse of health care claims information. The system's software tools support a variety of analytical procedures, including data mining, using the data in the warehouse. The project has facilitated more efficient and effective oversight of the FEHBP by enhancing the ability of auditors, investigators, and FEHBP administrative sanctions analysts to identify improper payments and assess levels of exposure to alleged fraud, waste, and abuse.

The OIG will also provide periodic transfer of health claims data from the OIG's FEHBP Claims Data Warehouse to the independent "Health Claims Data Warehouse" being developed by OPM's Office of Planning and Policy Analysis.

Combined Federal Campaign Audits. The Combined Federal Campaign (CFC) is the only authorized charitable fundraising drive conducted in Federal installations throughout the world. OPM has the responsibility, through both law and executive order, to regulate and oversee the conduct of fundraising activities in Federal civilian and military workplaces worldwide.

In April 2014, OPM issued final regulations restructuring of the CFC. These final regulations were issued in order to strengthen program integrity, streamline operations and increase the effectiveness of the program to ensure its continued growth and success. They were designed in response to the recommendations of the CFC–50 Commission in the Federal Advisory Committee Report on the Combined Federal Campaign, and influenced by the results of our audit of the CFC for the National Capital Area. OPM expects these regulations to improve donor participation, CFC infrastructure, and

standards of transparency and accountability. OPM has announced that these new regulations will be effective for the 2016 campaign period, starting January 1, 2016.

The OIG audits and reviews the administration of local campaigns to ensure compliance with Federal regulations and OPM guidelines, while OIG investigators pursue allegations of fraud and embezzlement affecting the CFC. All campaigns are required by regulation to have an independent public accounting (IPA) firm audit their respective financial activities for each campaign year. The OIG reviews the IPA's work as part of our audit scope.

Non-Trust Fund Benefit Program Audits. OPM also administers other benefit programs for Federal employees, which include the Federal Flexible Spending Account (FSAFEDS) program, the Federal Long Term Care Insurance Program (FLTCIP), and the Federal Employees Dental and Vision Insurance Program (FEDVIP). Our office conducts audits of these programs in order to ensure that costs charged and services provided to Federal subscribers are in accordance with the contracts and applicable Federal regulations.

Investigations

FEHBP Investigations. The OIG investigates potential fraud committed against the FEHBP. Much of this work is coordinated with the DOJ, the Federal Bureau of Investigation (FBI), and other Federal, state, and local law enforcement agencies. In addition, the OIG special agents work closely with the numerous health insurance carriers participating in the FEHBP, providing an effective means for reporting instances of possible fraud by FEHBP health care providers and subscribers. Our efforts target cases of maximum exposure within the FEHBP, or where patients are at risk of harm, as a means of protecting enrollees and their families as well as recovering millions of dollars to the FEHBP trust fund.

Retirement Investigations. The OIG conducts investigations of potential fraud associated with the Civil Service Retirement System and the Federal Employees Retirement System. Proactive efforts to identify fraud within these programs include data-matching initiatives and routine review of reclamation actions. The OIG also works cases of potential fraud referred to our office through our hotlines or from the OPM program and quality assurance offices.

Revolving Fund Investigations. OPM's Revolving Fund programs comprise the largest component of OPM and employ the majority of OPM employees and contractors. OPM projects that its Revolving Fund budget will exceed $1.6 billion in FY 2016. For the OPM FIS program in particular, many risks are inherent because much of the work is being performed by background investigators in a setting where they are not directly subject to face-to-face supervision. Their work product is relied upon as the basis for crucial governmental decisions. Therefore, fraudulent, falsified, incomplete, or incorrect background investigations represent a poor quality work product, but also may render the nation's security vulnerable by allowing the employment of unsuitable persons or the granting of security clearances to individuals who would compromise the national security of the United States.

Other Investigations. Potential instances of fraud against OPM's non-Trust Fund program activities, along with employee misconduct and other wrongdoing, are also investigated.

Evaluations and Inspections

The Office of Evaluations and Inspections (OEI) conducts nationwide studies of OPM programs from a broad, issue-based perspective. The OEI provides the OPM OIG with a means to analyze agency and contractor programs and operations quickly and to evaluate the operational efficiency, effectiveness, and vulnerabilities. The work of this group includes special reviews that may arise suddenly, Congressional requests for studies or information that may require immediate attention, or agency management requests for independent assessments or inspections of specific areas of operation or matters of urgent concern. Evaluators and inspectors in this group use a variety of methods and techniques to study, evaluate, assess, and inspect an operation in order to develop recommendations for their reports to agency management, Congress, the Council of Inspectors General for Integrity and Efficiency (CIGIE), and the public. The reviews performed by OEI staff offer practical recommendations to improve the efficiency and effectiveness of OPM programs, with a focus on the prevention of fraud, waste, and abuse.

Administrative Sanctions Under authority delegated from the agency head, the OIG debars and suspends health care providers whose actions indicate they present a threat to the integrity of the FEHBP and potentially to the health and safety of enrollees and their family members. The administrative sanctions are accomplished through authorities established by the Federal Employees Health Care Protection Act of 1998 (P.L. 105-226). This legislation gives OPM, and through delegation, the OIG the ability to issue sanctions—including suspensions, debarments, and financial assessments of health care providers—for violations committed against the FEHBP, even if there is no indication that offenses occurred in other Federal health care programs.

Office of the Inspector General Salaries and Expenses – Obligations by Object Class (dollars)

Object Class	FY 2015 Enacted	FY 2016 CBJ	FY 2015–16 Variance
Personnel compensation	$2,630,000	$2,901,000	$271,000
Personnel benefits	$836,000	$874,000	$38,000
Travel and transportation of persons	$189,000	$80,000	($109,000)
Transportation of things	$0	$0	$0
Communications, utilities, and rent	$398,000	$300,000	($98,000)
Printing and reproduction	$0	$0	$0
Other services	$310,000	$210,000	($100,000)
Supplies and materials	$21,000	$0	($21,000)
Equipment	$0	$0	$0
Land and structures	$0	$0	$0
Total (dollars)	**$4,384,000**	**$4,365,000**	**($19,000)**
FTE	**19**	**19**	**0**

Office of the Inspector General Trust Fund – Obligations by Object Class (dollars)

Object Class	FY 2015 Enacted	FY 2016 CBJ	FY 2015–16 Variance
Personnel compensation	$13,406,000	$13,445,000	$39,000
Personnel benefits	$4,286,000	$4,286,000	$0
Travel and transportation of persons	$750,000	$750,000	$0
Transportation of things	$10,000	$10,000	$0
Communications, utilities, and rent	$1,951,000	$2,651,000	$700,000
Printing and reproduction	$20,000	$20,000	$0
Other services	$750,000	$750,000	$0
Supplies and materials	$70,000	$70,000	$0
Equipment	$97,000	$497,000	$400,000
Land and structures	$0	$0	$0
Total (dollars)	**$21,340,000**	**$22,479,000**	**$1,139,000**
FTE	**126**	**126**	**0**

Office of the Inspector General Objectives

Office of the Inspector General, Oversight

Performance Measures	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Return on investment	$6.41[*]	$5.46	$6	$6
Carrier audit cycle (years)	3.2	3.3	3.3	3.3
Audit recovery rate	74.5%[**]	70.3%	80%	80%
Positive financial impact	$138.6M[***]	$125.1M	$138.6M	$138.6M

Fund	Budgetary Resources					
	FY 2015 Enacted		FY 2016 CBJ		FY 2015-16 Variance	
	$	FTE	$	FTE	$	FTE
OIG Salaries & Expenses	$3,130,000	13	$3,117,000	13	($13,000)	0
OIG Trust Funds Annual	$14,814,000	86	$15,605,000	86	$791,000	0
Revolving Fund (Estimate)	$1,290,000	11	$1,300,000	11	$10,000	0
Total (dollars)	**$19,234,000**	**110**	**$ 20,022,000**	**110**	**$788,000**	**0**

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[*] The OIG's investigative activity also results in a positive financial return to the General Treasury. These amounts are now reflected in our Semiannual Report to Congress (SAR) as "Fines, Penalties, Assessments, and Forfeitures." In the OIG's most recent SAR, the amount recorded was **$85,414** for that 6-month period. This figure includes asset forfeitures and court assessments and/or fees resulting from criminal investigations conducted by our office. Many of these criminal investigations were conducted jointly with other Federal agencies, who share the credit for the fines, penalties, assessments, and forfeitures. At this time this amount is not factored into the OIG's Return on Investment measure, since this measure reflects only those dollars to be returned to the OPM Trust Funds. The total of joint recoveries returned to the general Treasury Fund for FY 2014 was **$420.9 million.**

[**] The FEHBP Audit Recovery Rate is a five year rolling average of the amount recovered plus the remaining receivable balance. As such, the reported result for a year may change slightly in following years if, for example, some of the receivable is written-off as unrecoverable.

[***] The positive financial impact is calculated based on the five year rolling average.

Office of the Inspector General, Enforcement

Performance Measures	FY 2013 Result	FY 2014 Result	FY 2015 Target	FY 2016 Target
Percentage of investigative cases closed during a fiscal year which resulted in a successful remedy (i.e., criminal indictment, criminal conviction, civil judgment or settlement, administrative action, or monetary recovery)	90%	90%	90%	90%
Percentage of final investigative reports submitted for disposition within 15 working days after the final remedy had been rendered	95%	91%	90%	90%
Number of debarments and suspensions	810	937	800	800
Number of debarment and suspension inquiries	7,090	5,320	4,000	4,000

Fund	Budgetary Resources					
	FY 2015 Enacted		FY 2016 CBJ		FY 2015-16 Variance	
	$	FTE	$	FTE	$	FTE
OIG Salaries & Expenses	$1,254,000	6	$1,248,000	6	($6,000)	0
OIG Trust Funds Annual	$6,526,000	40	$6,874,000	40	$348,000	0
Revolving Fund (Estimate)	$1,710,000	10	$1,723,000	10	$13,000	0
Total (dollars)	**$9,490,000**	**56**	**$9,845,000**	**56**	**$355,000**	**0**

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

Participation in Council of the Inspector General on Integrity and Efficiency Resource Summary - includes all resources (dollars)

Budget Source	FY 2015 Enacted		FY 2016 CBJ		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
OIG Salaries and Expenses	$2,949	0	$3,469	0	$520	0
OIG Trust Funds	$57,616	0	$65,910	0	$8,294	0
OIG Total (dollars)	**$60,565**	**0**	**$69,379**	**0**	**$8,814**	**0**

Office of the Inspector General Training Resources Resource Summary - includes all resources (dollars)

Budget Source	FY 2015 Enacted		FY 2016 CBJ		Increase/Decrease	
	$	FTE	$	FTE	$	FTE
OIG Salaries and Expenses	$160,000	0	$160,000	0	$0	0
OIG Trust Funds	$165,000	0	$165,000	0	$0	0
Revolving Fund (Estimated)	$120,000	0	$120,000	0	$0	0
OIG Total (dollars)	**$445,000**	**0**	**$445,000**	**0**	**$0**	**0**

Evidence and Evaluation

Strategic Goal 3 (Evidence-Based Policy and Practices design) demonstrates OPM's (the Agency) commitment to embedding evidence and evaluation into the Agency's culture, program and business processes. Under evidence-based decision-making, better and more effective outcomes result when based on hard facts and sound analysis. As the U.S. Government's Human Resource (HR) Officer, OPM executes policies that affect all Federal agencies, their leaders, workers, applicants, retirees and their families. It becomes critical that evidence-based decision-making inform OPM policies, initiatives, products and services. We aspire to lead and assist all Federal agencies in this regard – becoming a world-class thought-leader in policies and research related to HR activities. Our capacity-building framework in enhancing evaluation and evidence is based on two pillars:

- Data Collection, Monitoring & Analysis – Collecting HR-related data using innovative research techniques, accessing publicly available sources, leveraging second-hand research tools where appropriate.

- HR Policy & Practice Development – Designing policies and practices based on rigorous evidence.

Our initiatives to use evidence and evaluation throughout our Agency align with three of the Administration's strategies: intra-governmental data-sharing; application of behavioral research; capacity-building among federal agencies. In addition, our efforts demonstrate support of the President's cross-agency management strategies (per Memorandum M-3-17, *Next Steps in the Evidence and Innovation Agenda*).

To assess whether OPM is designing policy and practices based on rigorous evidence, we are capturing and analyzing information on activities and outcomes.

Activities/Outputs

Decision-making: OPM will track agency use of evidence to drive policies and programs by monitoring quarterly Performance Point reviews. These Executive-level reviews are designed to drive continuous program improvement by presenting program performance data, analysis and evaluation to identify issues and determine corrective actions. OPM's senior management team, including the Director and all Associate Directors, conduct these reviews in person to enable speedy decision-making for immediate course correction or longer term policy and program design choices. OPM's Planning and Policy Analysis (PPA) Performance Improvement team reviews and then tracks action items resulting from such reviews. In this, OPM is building evidence of effective data analysis and decision-making practices while also strengthening our evaluation capacity.

- OPM Program offices will use HR stat (a pilot-project based on the GPRA Modernization Act where agencies facilitate data-driven quarterly reviews). We will measure the impact of internal

human capital management on agency performance. OPM has been part of HR stat since its inception, working as a "1.0" pilot agency to build internal capacity for identifying, gathering, analyzing and applying rigorous HR metrics to continue improvement of the agency's talent management and programmatic performance. OPM conducts quarterly HR stat reviews in-line with the Performance Point process. This assures that talent can be deployed and managed to meet evolving programmatic requirements.

- OPM gathers and analyzes data on a quarterly basis to report progress on the outcome metrics that have been defined for this Strategic Goal (discussed further below). Using a three year timeframe, we will identify, monitor and report on key activities and milestones (i.e., using an internally developed dashboard summarizing performance information). OPM meets bi-weekly to identify activities that have been completed, discuss issues encountered, and implement corrective actions as required.

Data Collection, Integration, Analysis and Visualization: OPM collects, manages, and analyzes a wide range of HR-related data from a variety of sources to achieve our mission of leading Federal HR policy and management. Traditionally, agency data and information processes have been fragmented across program offices, making it difficult for agencies to integrate with their own data systems. We will work towards developing a cohesive and collaborative structure to manage and integrate this data throughout the agency and with our partners across government. Our increased focus on data integration will enrich the information that OPM uses to support policy development and operations. It will also enable us to better contribute to rigorous research and evaluations. With each one of our data initiatives, we will be vigilant to protect privacy and Personally Identifiable Information (PII) in compliance with Federal law and accepted practice. For our data integration goals, we will initially target three program areas for improvement: USAJOBS, USA Staffing, and the Enterprise Human Resources Integration (EHRI) data warehouse.

1. **Project: USAJOBS Data Warehouse**--USAJOBS (the online portal for applying to most U.S. Federal job announcements) is committed to providing agencies the necessary tools and data access to maintain and improve workforce planning and recruiting efforts. USAJOBS is creating a data warehouse to support the current and future reporting needs for operations, management, agencies, and job seekers. In addition, USAJOBS is conducting data analysis to determine how best to provide this information to its stakeholders. As a result of this data analysis, USAJOBS will design and build data visualization dashboards and reports that will provide users with valuable insights into various stages of the hiring process in an entirely new way.

2. **Project: USA Staffing--**USA Staffing, OPM's talent acquisition system for Federal agencies, provides a conduit to USAJOBS for posting job opportunity announcements and accepting, rating, and ranking applications for Federal employment. A USA Staffing upgrade is underway to strengthen data analytics around Federal recruitment and provide additional analytical tools, including self-service data delivery tools for agency customers.

3. **Project: Increasing the Utility of Data Contained in the EHRI Data Warehouse**--The EHRI data warehouse is a centralized warehouse for the storage of human resources, payroll, and training information about the Executive Branch civilian workforce. It contains a wealth of information on approximately two million Federal civilian employees. This data is used as the foundation for OPM's public data use tool FedScope, and provides the basis for OPM's official reporting source - the EHRI Statistical Data Mart (SDM). The EHRI data warehouse has matured over the years and user expectations have grown considerably. In an effort to increase the utility of EHRI data, OPM plans to:

   o Exploit the ability of new data elements (e.g., cybersecurity designation, telework eligibility, and national security personnel designation) to more effectively manage and plan for the Federal workforce; and

   o Explore options of making more raw data available for complimenting other systems and increasing knowledge about the Federal workforce.

Research

OPM is expanding the use of this data by strengthening our relationship with academic researchers who want to do innovative research to inform government. Among these initiatives is a study of employee engagement and productivity complementing the EHRI data with information from the Employee Viewpoint Survey.

We also will use data to provide agency leaders with visual representations of their organizational characteristics and health. In 2014, OPM created a data tool called UnlockTalent.gov, an interactive dashboard that allows Federal leaders to take advantage of the information from the Federal Employee Viewpoint Survey and other HR resources, including Enterprise Human Resources Integration (EHRI) data. The dashboard helps leaders better understand the data, giving them the extra support they need to create the most effective engagement programs for their employees. PPA plans to continue to refine and update the data available to agency leaders through the UnlockTalent.gov dashboard.

Outcomes

Programmatic Outcomes: The effectiveness of Goal 3's efforts to instill evidence-based policy and practices across OPM will be best seen in our programmatic outcomes. In FY 2016, we anticipate building on progress already made from implementing the following initiatives:

1. **Project: HR stat--**OPM is spearheading the Government-wide efforts to deliver an efficient, effective and accountable Government based on OMB's guidance to agencies via Memorandum M-11-31. Per the Government Performance and Results Modernization Act and OMB guidance, agencies are required to begin performance reviews at least quarterly to monitor progress on the Agency Priority Goals published in the FY 2011 President's Budget. In addition, agencies are expected to conduct quarterly HR stat reviews that link HR performance to organizational outcomes.

o The goal of OPM's HR stat initiative is to assist agencies in developing a process to use Human Resources Management (HRM) goals, measurement, analysis, and data-driven reviews to improve the results of HRM while enhancing the effectiveness and efficiency of agency operations. In addition, OPM seeks to develop an alternative evaluation mechanism to replace the Human Capital Management Report (HCMR) with a vehicle that better demonstrates the integration between HRM results and mission accomplishment. In addition, OPM also seeks to develop recommendations for the Chief Human Capital Officers Council and the Performance Improvement Council on the Government-wide implementation of HR stat. In FY 2016 all agencies will be expected to sustain HR stat through the HR stat maturity model, which OPM is developing in collaboration with the inter-agency HR stat Community of Practice. OPM will provide training, technical assistance and ongoing support to agencies working toward higher levels of maturity in their HR stat programs.

2. **Project: Re-Design of FEHB Plan Choice--**Each year, four million Federal employees and retirees choose a health plan from among the more than two hundred (200) health plan options available under the Federal Employees Health Benefits program. While the number of health plan choices in any geographic area is far fewer than 200 (typically about 10 – 15), choosing a health plan can be daunting. Faced with a complex choice and inadequate information, the overall consumer response is one of inertia; in any given year only between 5 and 7 percent of employees and retirees change health plans.

o   Research that examined employee and retiree views of decision-making revealed several behavioral traits related to insurance. First, choosing a health plan is a difficult task for many people. Second, consumers overweigh the impact of deductible/cost-share. Third, various plan dimensions matter to different people; and fourth, doctor/practice choice matters to many. OPM has assembled a cross-agency team to undertake the re-design of Open Season and evaluate its impact, including operational staff from Healthcare & Insurance, Policy and Planning Analysis, and behavioral-economist consultants. OPM's Deputy Performance Improvement Office and Chief Medical Officer also provide advice on the development of this project.

o   Improving health plan choice is fundamental to the FEHB program, which derives efficiency gains from a competitive marketplace model. If consumers are able to make well-informed choices, health plans will respond with products tailored to consumer needs.

o   OPM is in the beginning phases of developing the capability of integrating various analytical capabilities available to OPM to evaluate program performance: the Federal Employee Viewpoint Survey data, Statistical Data Mart, and other publicly available data sources.

3. **Project: Identifying Government-wide Skills Gaps, and Designing Skills-Gap Closure Strategies using Data Analysis--**OPM is responsible for closing government-wide skills gaps in key occupations identified in partnership with the Chief Human Capital Officers (CHCO) Council. OPM works with the CHCO Council to design and apply a rigorous strategic workforce planning method that uses a wide range of available data from within and outside the Federal government to identify projected workforce trends and issues. OPM will launch the next round of strategic workforce planning in FY 2015, using data to drive decision-making about what occupations and competencies require focused government-wide attention. Once these are identified, OPM will work with the CHCO Council as well as occupational leaders to design and implement skills gap closure strategies for government-wide implementation starting in FY 2016. These strategies will be based on more in-depth analysis of occupation-specific trends, projections, issues and challenges, applying relevant data at the Federal, agency, and national levels.

- o OPM anticipates that the FY 2015 strategic workforce planning method will identify occupations in the Science, Technology, Engineering and Math (STEM) fields as a continued high-priority for the Federal Government. Effective management of this workforce requires OPM leadership in understanding STEM employee engagement and other talent issues.
- o OPM is currently analyzing the current state of STEM occupations within the Federal Government, incorporating both Statistical Data Mart (SDM) and the Federal Employee Viewpoint survey (FEVS) data. Based in part on this prototype, OPM will apply similar analysis to other occupations identified by the CHCO Council's Skills Gaps working group.

4. **Project: The Federal Employee Viewpoint Survey/Online Reporting & Analysis Tool**. This is a web-based capability developed to enable agencies that participate in the survey to run online analyses and display various types of reports in real-time from a standard web browser. Participant agencies can quickly review and analyze their Employee Viewpoint Survey data; customize reports and then track specific data trends throughout their agency. OPM anticipates incorporating EHRI-SDM metrics, specifically around mission critical occupations identified in the closing skill gap initiative.

- o Key features include static OPM-generated reports (16 different types); pre-configured reports (8 customized report formats); and analysis on demand (conduct customized queries of your agency's data).
- o OPM continues to collaborate with Federal agencies, the CHCO council and the 60 Diversity & Inclusion Strategic partners in developing strategies and best-practices that provide timely key metrics at the lowest-level in agencies. With each cycle of the Federal Employee Viewpoint Survey, OPM has been able to provide survey results at a more granular level, so agencies can build on their strengths and pinpoint and address their challenges.

5. **Project: Expansion of FedScope Cubes available to the Public.** Launched in 2000, FedScope is OPM's online tool that allows customers to access and analyze the most popular data elements (analysis on demand) from the Agency's Enterprise Human Resources Integration-Statistical Data Mart (EHRI-SDM). Customers include Federal government agencies, researchers, the media, and the general public. The Office of Personnel Management is the focal point for providing statistical information about the Federal civilian workforce. This self-service tool provides access to five years-worth of data on employment, accession, and separation. Access to detail level data is provided while protecting employee privacy and EHRI-SDM security.

Data Verification and Validation

An assessment by the Director of OPM of the reliability and completeness of performance data is included in the Agency's Annual Performance Report, released concurrently with this Budget.

Other Requirements

Low Priority Program Activities

The President's Budget identifies the lower-priority program activities, where applicable, as required under the GPRA Modernization Act, 31 U.S.C. 1115(b)(10). The public can access the volume at: *http://www.whitehouse.gov/omb/budget*.

Report Consolidation

The existing OPM list is current, and the agency does not have an update at this time.

Table of Acronyms

Abbreviation	Description
ACA	Affordable Care Act
ACE	Agency Compliance and Evaluation
ACE	American Council on Education
ACS	Accounting Code Structure
ACSI	American Customer Satisfaction Index
ACWA	Administrative Careers With America
AED	Automated External Defibrillator
ALJ	Administrative Law Judges
APG	Agency Priority Goals
API	Application Programming Interface
APL	Application Programming Interface
APR	Agency Performance Report
ASF	Acquisition and Systems Fee
BFE	Budget Formulation and Execution
BPA	Blanket Purchase Agreement
BRM	Business Reference Model
BS	Benefits Systems
CAHPS	Consumer Assessment of Healthcare Providers and Systems
CAM	Cost Allocation Methodology
CAP	Cross-Agency Priority
CARE	Compassion, Accuracy, Responsiveness and Empowerment
CAU	Competency Assessment Upgrade
CBIS	Consolidated Business Information System
CBO	Congressional Budget Office
CDC	Centers for Disease Control
CDP	Candidate Development Programs
CE	Continuous Evaluation
CFC	Combined Federal Campaign
CFI	Centrally Funded Items
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
CHCOC	Chief Human Capital Officer Council
CHRIS	Comprehensive Human Resources Integrated System
CHRS	Customized Human Resources Service
CIO	Chief Information Officer
CLD	Center of Leadership Development
CLIA	Congressional, Legislative and Intergovernmental Affairs
CLO	Chief Learning Officers

Abbreviation	Description
CMS	Center for Medicare and Medicaid Services
COG	Continuity of Government
COLA	Cost-of-living Adjustment
COO	Chief Operating Officer
COOP	Continuity of Operations Program
COP	Community of Practice
COTS	Commercial off the Shelf
CPL	Communications and Public Liaison
CR	Continuing Resolution
CS	Constituent Services
CSRDF	Civil Service Retirement and Disability Fund
CSRS	Civil Service Retirement System
CSS	Customer Service Specialists
CTO	Chief Technology Officer
CVS	Central Verification System
DAIP	Disaster Assistance Improvement Program
DCFSA	Dependent Care Flexible Spending Account
DE	Delegated Examining
DHHS	Department of Health & Human Services
DHS	Department of Homeland Security
DI	Diversity & Inclusion
DNI	Director of National Intelligence
DOD	Department of Defense
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
DVAAP	Disabled Veterans Affirmative Action Program
EA	Enterprise Architecture
EAP	Employee Assistance Programs
ECQs	Executive Core Qualifications
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
e-Gov	Electronic Government
EHRI	Enterprise Human Resources Integration
EHRI-SDM	Enterprise Human Resources Integration – Statistical Data Mart
EO	Executive Order
eOPF	Electronic Official Personnel Folders
e-QIP	Electronic Questionnaires for Investigations Processing
EMDC	Eastern Management Development Center
EPP	Employee Personal Page
ERG	Employee Resource Groups
EROC	Excess Revenue Over Cost

Abbreviation	Description
ES	Employee Services
ESC	Enterprise Service Center (FAA)
ESC	Executive Steering Committee
ESCS	Executive and Schedule C System
FAA	Federal Aviation Administration
FACES	Federal Annuity Claims Expert System
FCAT	Federal Competency Assessment Tool
FEBs	Federal Executive Boards
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees Group Life Insurance
FEHB	Federal Employees Health Benefits
FEHBP	Federal Employees Health Benefits Program
FEI	Federal Executive Institute
FEIO	Federal Employee Insurance Operations
FERCCA	Federal Erroneous Retirement Coverage Correction Act
FERS	Federal Employees Retirement System
FERS-RAE	Federal Employees Retirement System-Revised Annuity Employee
FEVS	Federal Employee Viewpoint Survey
FIS	Federal Investigative Services
FLSA	Fair Labor Standards Act
FLTCIP	Federal Long-Term Care Insurance Program
FMFIA	Federal Managers Financial Integrity Act
FMLoB	Financial Management Line of Business
FMR	Federal Management Regulation
FOIA	Freedom of Information Act
FPRAC	Federal Prevailing Rate Advisory Committee
FRAE	Further Revised annuity employees
FSA	Flexible Spending Account
FSAFEDS	Flexible Spending Accounts for Federal Employees Program
FSC	Facilities, Security & Contracting
FSG	Federal Staffing Group
FTE	Full-time Equivalent
FWS	Federal Wage System
FY	Fiscal Year
GAO	Government Accountability Office
GEAR	Goals Engagement Accountability Results
GovU	Government University
GPO	Government Printing Office
GPRA	Government Performance and Results Act
GS	General Schedule
GSA	General Services Administration
HC	Human Capital
HCAAF	Human Capital Assessment and Accountability Framework

Abbreviation	Description
HCDW	Health Claims Data Warehouse
HCFSA	Health Care Flexible Spending Account
HCM	Human Capital Management
HCME	Human Capital Management Evaluations
HCMR	Human Capital Management Report
HEDIS	Healthcare Effectiveness Data and Information Set
HHS	Health and Human Services
HI	Healthcare & Insurance
HR	Human Resources
HR U	HR University
HRA	Health Risk Appraisal
HRIT	Human Resources Information Technology
HRITT	Human Resources Information Technology Transformation
HRLOB	Human Resources Line of Business
HRM	Human Resources Management
HRS	Human Resources Solutions
HRSES	HR Strategy and Evaluation Services
HRTT	Human Resources Tools and Technology
HRU	Human Resources University
HSPD	Homeland Security Presidential Directive
HUD	Housing and Urban Development
HUMRRO	Human Resources Research Organization
IA	Intergovernmental Affairs
IHCIA	Indian Health Care Improvement Act
IOC	Office of Internal Oversight & Compliance
IPT	Integrated Product Team
IQ	Inclusion Quotient
IRB	Investment Review Board
IRM	Information Resources Management
IRTPA	Intelligence Reform and Terrorism Prevention Act
IS	Investigative Services
ISCM	Information Security Continuous Monitoring
ISP	Internet Service Provider
IT	Information Technology
JOA	Job Opportunity Announcement
JRE	Joint Reform Effort
JSON	Java Script Object Notification
LA	Legislative Affairs
LAS	Legal Administrative Specialists
LDS	Leadership
LEAD	Leadership Education and Development
LEX HCFSA	Limited Expense Health Care Flexible Spending Account
LFCC	Local Federal Coordinating Committee

Abbreviation	Description
LMS	Learning Management System
LOB	Line of Business
LTC	Long Term Care
LWDA	Leadership and Workforce Development Assessment
MAP	Move Ahead for Progress
MCO	Mission Critical Occupations
MSAC	Merit System Accountability & Compliance
MSPB	Merit Systems Protection Board
MSPP	Multi-State Plan Program
MSPs	Multi-State Plans
NBC	National Business Center
New IQ	New Inclusion Quotient
NFC	National Finance Center
NHO	National Healthcare Operations
NIH	National Institutes of Health
NIST	National Institute of Standards and Technology
NPRC	National Personnel Records Center
O&M	Operations & Maintenance
OASDI	Old Age, Survivors and Disability Insurance
OC	Office of Communications
OD	Office of the Director
ODC	Other Direct Costs
ODI	Office of Diversity & Inclusion
ODNI	Office of the Director of National Intelligence
ODPC	Organization Design Position Classification
OEP	Occupant Emergency Programs
OES	Executive Secretariat
OGC	Office of the General Counsel
OHI	Organizational Health Index
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
ORA	On-Line Retirement Application
P&L	Pay and Leave
P.L.	Public Law
PAAT	Performance Appraisal Assessment Tool
PBM	Pharmacy Benefit Manager
PCFO	Principal Combined Fund Organization
PCI	Performance Culture Index
PCIP	Pre-existing Condition Insurance Plan
PII	Personal Identifiable Information
PIO	Performance Improvement Officer
PIPS	Personnel Investigations Processing System

Abbreviation	Description
PIV	Personal Identity Verification
PLR	Partnership and Labor Relations
PM	Performance Management
PMA	President's Management Agenda
PMC	President's Management Council
PMF	Presidential Management Fellows
PMLOB	Performance Management Line of Business
PPA	Planning and Policy Analysis
PPIRS	Past Performance Information Retrieval System
PSRHBF	Postal Service Retiree Health Benefits Fund
PTO	Patent and Trademark Office
QLE	Qualifying Life Event
QRB	Quality Review Board
RAE	Revised Annuity Employees
REHB	Retired Employees Health Benefits
RF	Revolving Fund
RFEHBA	Retired Federal Employees Health Benefits Act
RIF	Reduction in Force
RMOs	Resource Management Officers
ROI	Return on Investment
RS	Retirement Services
SAB	Staff Acquisition Branch
S&E	Salaries & Expenses
SDM	Statistical Data Mart
SES	Senior Executive Service
SF	Standard Form
SL	Senior Level
SLA	Service Level Agreements
SOC	Security Operations Center
SOL	Service-On-Line
SPA	Selection and Promotion Assessment
SSA	Social Security Administration
SSC	Shared Service Centers
SSM	Systems/Standards/Metrics
SSP	Shared Service Provider
ST	Scientific and Technical
STEM	Science Technology Engineering and Mathematics
SWP	Strategic Workforce Planning
TAS	Talent Acquisition System
TBD	To Be Determined
TF	Trust Fund
TFA	Trust Fund Annual
TMAP	Training and Management Assistance Program

Abbreviation	Description
TMO	Telework Management Officer
TPA	Third Party Administrator
TRB	Theodore Roosevelt Building
USAP	USA Performance
USC	United States Code
USERRA	Uniformed Services Employment and Reemployment Rights Act
VA	Department of Veterans Affair
VERA	Voluntary Early Retirement Authority
VJF	Virtual Job Fair
VOW	Veterans Opportunity to Work
VR	Voting Rights
VRRM	Voting Rights and Resource Management
VSIP	Voluntary Separation Incentive Payment
WHF	White House Fellows
WFSP	Workforce and Succession Planning
WMDC	Western Management Development Center

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
1900 E Street, NW
Washington, DC 20415

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