# Congressional Budget Justification

## Fiscal Year 2017

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# Executive Summary

## FY 2017 Budget Overview

The U.S. Office of Personnel Management (OPM) serves as the chief human resources agency and personnel policy manager for the Federal Government. The mission of the agency is to *Recruit, Retain and Honor a World-Class Workforce to Serve the American People* by directing human resources and employee management services, administering retirement benefits, managing healthcare and insurance programs, overseeing merit-based and inclusive hiring into the civil service, and providing a secure employment process.

OPM requests **$321,254,000** in discretionary resources for Fiscal Year (FY) 2017. **$289,520,000** 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. **$31,734,000** is 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 2015 through FY 2017 - Discretionary Resources

| OPM Budget Authority | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request |
|---|---|---|---|
| **Discretionary Appropriation** | **$214,464,000** | **$245,238,000** | **$289,520,000** |
| **Salaries and Expenses Total** | **$96,039,000** | **$120,688,000** | **$144,867,000** |
| Salaries & Expenses | $96,039,000 | $118,188,000 | $107,867,000 |
| FIS S&E No-Year | | $2,500,000 | |
| CIO Salaries & Expenses No-Year | | | $37,000,000 |
| **Trust Fund Total** | **$118,425,000** | **$124,550,000** | **$144,653,000** |
| Trust Fund Annual | $118,425,000 | $124,550,000 | $138,653,000 |
| Trust Fund Limitation - No Year | | | $6,000,000 |
| **OIG Discretionary Appropriation** | **$25,724,000** | **$26,844,000** | **$31,734,000** |
| **OIG Discretionary Appropriation** | **$25,724,000** | **$26,844,000** | **$31,734,000** |
| Salaries & Expenses - OIG | $4,384,000 | $4,365,000 | $5,072,000 |
| Trust Fund Annual - OIG | $21,340,000 | $22,479,000 | $26,662,000 |
| **OPM Total** | **$240,188,000** | **$272,082,000** | **$321,254,000** |

This request will enable OPM to meet its statutory obligations to establish and oversee policy for the Executive Branch's personnel functions, pursue its strategic responsibilities, and provide personnel-related services pursuant to reimbursable arrangements, and strengthen our delivery of agency-wide administrative services. Our FY 2017 budget request originates from an agency-wide effort to define and prioritize resource requirements, and to align these requirements to our FY 2014 – FY 2018 Strategic Plan.

The investments in this budget reflect OPM's considered and deliberative roadmap of where the agency needs to move, in order to achieve our mission and positive impact for the American people. Areas of investment include:

- Aggressive investments for information technology infrastructure improvements in our overall security posture;
- Replacing the Trust Fund Federal Financial System (FFS), which is a decades old system used to perform financial management and accounting for the Retirement, Health Benefits, and Life Insurance programs;
- Support newly enacted legislation which requires OPM to reimburse the Social Security Administration (SSA) for the cost of coordinating the exchange of information to accomplish the offset from individuals who are entitled to both Social Security disability annuity payments and FERS disability annuity payments for the same period of time; and
- OPM Innovation Lab's partnership with the White House's interagency community of practice on community solutions ("place-based initiative") to design a comprehensive curriculum for Federal employees that provide grants, programs and services to communities across a range of policy domains including housing, economic development, and transportation infrastructure.

OPM is responsible for operating and maintaining the information technology (IT) systems used to support the recruitment, hiring, and management of Federal employees, and administration of benefit programs for Federal employees. It is also responsible for the IT systems that support the background investigation processes that enable adjudication of suitability or fitness for Federal employment, and to perform work under a Government contract, to enlist in the armed forces; for eligibility for access to classified information or to hold a position that is otherwise national security sensitive; and eligibility for logical or physical access to Federal agency systems or facilities. These systems contain material protected by the Privacy Act, including Personally Identifiable Information (PII) and Protected Health Information (PHI) of Federal jobseekers, Federal contractors, Federal employees and their families, Federal retirees, and their survivors. To manage these systems and the data they contain, OPM implements its IT security program in accordance with the Federal Information Security Management Act (FISMA), National Institute of Standards and Technology (NIST) guidance, Office of Management and Budget (OMB) directives, and NIST's Security Life Cycle. We manage our systems according to NIST's Security Life Cycle.

Since OPM began implementing its IT Strategic Plan, the agency has invested over $67 million dollars to enhance the security of our current infrastructure by procuring and installing new and modern industry-recognized security tools to protect our current infrastructure, and to stand up a new infrastructure as a service environment. This environment, referred to as "Shell" is fully equipped with the hardware, software and security tools needed to house the combined IT assets of OPM when complete. Those enhancements include a host of products and services specifically designed to enhance OPM's overall security and efficiency of operations. The path forward for this effort is a cooperative venture with OMB, the Department of Homeland Security (DHS), the Federal Chief Information Officer (FCIO), Department of Defense (DOD), Department of Justice (DOJ), National Security Agency (NSA), and other agency partners. Not only were the tools and services vetted, but also the costs associated with this endeavor were

reviewed and discussed in an attempt to confirm that OPM was getting what it needed at a reasonable cost.

These tools and other investments have led to an enhanced security posture and have already proven themselves effective in the cyber defense of OPM's existing networks and key data repositories. The funds we are requesting for FY 2017 would enable OPM to continue to make progress in increasing the cybersecurity posture of its systems and modernizing these systems.

## Cybersecurity

OPM's FY 2016 budget included $21M in discretionary resources to permanently sustain agency network upgrades and security software maintenance to enhance the strength, reliability and protection of OPM's network architecture.

OPM continues to partner closely with DHS's U.S. Computer Emergency Readiness Team (US-CERT) and the interagency Incident Response Team (IRT) and is proactively taking steps to enforce and enhance its network security architecture. OPM is working with DHS to implement Continuous Diagnostics and Mitigation (CDM) using government-wide Information Security Continuous Monitoring (ISCM) tools to enhance our ability to rapidly identify and respond to emerging cyber threats. Through this implementation, we are automating information security capabilities such as software and hardware inventories, configuration management, and vulnerability assessments. Continuous monitoring will also reduce the risk and associated costs of data breaches.

Our budget dedicates S&E No-Year funding to operate the newly installed Infrastructure as a Service (IaaS). This will allow for the phased deployment of state-of-the–art systems, while we continue to operate OPM's current systems and legacy infrastructure to meet our mission. The request also reflects funding needed for a series of investments designed to enhance the secure and efficient delivery of services to OPM customers by reengineering or replacing outdated systems that will not be able to transition to and operate in Shell. Systems such as Federal Annuity Claims Expert System (FACES), Document/Case Control System (DCSS), Annuity Roll Processing System (ARPS) and many others currently used to process retirement applications and manage retirement payments will need to be replaced. OPM will replace them with new or reengineered systems in the new Shell infrastructure. This budget request will enable OPM to:

- <u>Operate dual network environments as OPM aggressively migrates from its existing legacy infrastructure to the modern, secure Shell infrastructure designed and built in FY 2015 and deployed in FY 2016.</u> This dual environment must be maintained over a period of four years to allow time to replace or reengineer OPM's existing systems without a lapse in service and to allow for dual processing to enable data and functionality to be transitioned properly. These funds will facilitate the timely and accurate processing during this technology overhaul of the data presented in the many retirement applications OPM receives each year, its voluminous background investigations, and regular agency data transmissions concerning personnel actions. Savings will accrue to OPM once fully migrated to Shell;

- Applications and the continuation of the phased transitioning of those applications to the Shell infrastructure begun in FY 2016. Some newer applications in the distributed environment not requiring major reengineering efforts will transition and require resources for testing, training, and deployment.
- The planning for the phased replacement or reengineering of OPM legacy systems currently residing on OPM's mainframe and migration to Shell. These custom-coded systems were written in outdated languages and some are old, making them difficult to secure and costly to maintain.

## Details of Cybersecurity Costs for FY 2017

| Description | Scope | Cost |
|---|---|---|
| Distributed applications (non-mainframe) thru 2019 | Mostly re-engineering of existing systems such as USAJobs and, USAStaffing, etc. that do not require extensive work to transition to the new Shell environment | $10,054,514 |
| | | |
| **Total FY 2017 Migration Costs** | | **$10,054,514** |
| | | |
| Shell infrastructure | Hardware, software, FTEs and contract services associated with maintaining Shell and supporting system transitions. | $13,286,084 |
| Quality Assurance | Resources to stand up quality assurance division and enterprise PMO for release management | $2,654,025 |
| Enterprise Architecture (EA) and Governance | Resources to continue management of OPM's EA using Troux and performing Control gate reviews for all investments | $1,497,622 |
| **Total FY 2017 Dual Environment Operations Costs** | | **$17,437,731** |
| | | |
| Legacy Network Management costs | Includes software costs for existing legacy NM, FTEs, mobile device management, annual laptop refreshes | $9,507,755 |
| | | |
| **Total FY 2017 Request** | | **$37,000,000** |

Note 1: All transitions will require data migration, interfaces and change management

Note 2: Modernize = re-engineer or replace

## Growth and Initiatives

**National Background Investigations Bureau**. On January 22, 2016, the Administration announced that it will establish a new government-wide service provider for background investigations, the National Background Investigations Bureau (NBIB), which will be housed within OPM. As part of this effort, NBIB will absorb much of the Federal Investigative Service (FIS); however, primary responsibility for the security of background investigation data will be transferring to the Department of Defense. OPM anticipates beginning transition of FIS work to NBIB (using Revolving Funds) during the remainder of FY 2016. Therefore, for purposes of this budget, language identifying FIS as a Revolving Fund activity and information pertaining to FIS is intended to apply not only to FIS in its current form, but also to any transition efforts from FIS to NBIB, and potentially the operation of NBIB, in FY 2017. The recent

decision to establish the NBIB and the potential transition costs related to this decision are not reflected in this budget request. The President's budget does include $95 million in additional resources for DOD to support the development.

**Social Security Administration**. In November 2016, Section 841 of the Bipartisan Budget Act of 2015, added a new section to Title XI of the Social Security Act which requires OPM to reimburse the Social Security Administration (SSA) for the cost of coordinating the exchange of information to accomplish the offset from individuals who are entitled to both Social Security disability annuity payments and FERS disability annuity payments for the same period of time. Due to this newly enacted legislation, OPM's budget provides the additional funding required to cover the estimated cost to implement this procedure.

**Trust Fund Federal Financial System.** Additionally, the Trust Fund Federal Financial System (FFS) is a 30 year old system used to perform financial management and accounting for the Retirement, Health Benefits, and Life Insurance Programs. These Trust Funds have combined assets of over $975 billion. The existing system is no longer supported by the manufacturer, cannot be migrated to OPM's Infrastructure as a Service platform, and is not integrated with OPM's core financial system. This budget request includes funds to provide resources to move to a modern financial management arrangement.

**Identity Theft Protection.** OPM is also committed to implementing the provisions of Section 632 of P.L. 114-113 enacted by Congress in the FY 2016 budget that provides identity theft protection to affected individuals for 10 years.

## FY 2017 Budget Request by Fund

OPM estimates that its total operating budget in FY 2017 will be **$2,132,257,016**. OPM is funded by a variety of sources. Our largest source is the Revolving Fund which is comprised of fees provided by agencies for services we provide. These services include background investigations, human resources services and related tools and technologies such as USAJOBS. Next largest are out transfers from OPM's earned benefits Trust Funds for administrative activities. 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. Both contain salaries and expenses and limitations on transfers from the Earned Benefit Trust Funds under OPM management. OPM's total FY 2017 discretionary request is $**289,520,000**.

OPM also manages the mandatory appropriations that provide for the transfer of resources from Treasury's general fund to the earned benefit Trust Funds for 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. The sections that follow describe each fund.

**Salaries and Expenses**

OPM requests **$144,867,000** in S&E funds for personnel and non-personnel resources. S&E funds will support the agency's various program offices as they continue to implement OPM's strategic plan, and perform OPM's traditional statutory roles, including providing direction and oversight to other Federal agencies. Of this amount, $391,442 will be used to continually strengthen the capacity and capability of OPM's acquisitions workforce.

**Trust Fund Transfers**

For the administration of the civil service retirement and insurance programs, OPM requests **$144,653,000** in discretionary transfers from the Trust Funds. 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 (RS), Healthcare and Insurance (HI), Planning and Policy Analysis (PPA), Office of the Chief Information Officer (CIO), and Office of the Chief Financial Officer (CFO) operations.

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.

**Mandatory Administrative Authorities**

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

- administering survivor annuities and elections (§8339 and §8341) and other annuity alternatives (§8343a and §8420a);
- making discretionary allotments and assignments 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, 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 (Id. at title I, §1002(a), codified at 5 U.S.C. §9004(f)(B)). Within the FEHBP, 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.

**Revolving Fund**

OPM requests authority to incur **$1,738,228,457** in obligations in FY 2017 in our Revolving Fund, representing approximately a two percent decrease (or $31,281,728) from the revised amounts in our FY 2016 Congressional Budget Justification (CBJ). Our Revolving Fund allows us to extend critical Human Resources (HR) services to other Federal agencies via several well established programs.

Federal agencies pay OPM based on customer transactions, orders, and fixed fees. Broadly classified into three groups (Federal Investigative Services (FIS), Human Resources Solutions (HRS), and Enterprise Human Resources Integration (EHRI)), these activities are performed by Federal staff and contractors qualified for the service throughout several OPM organizations.

Last year, in light of increasing cybersecurity threats, the Administration initiated a 90-Day Suitability and Security review to re-examine reforms to the Federal background investigations process, assess additional enhancements to further secure information networks and systems, and determine improvements that could be made to the way the Government conducts background investigations for suitability, security and credentialing.

Following the review, the administration announced a series of actions to modernize and strengthen the way the Federal Government conducts background investigations for Federal employees, members of the Armed services, and contractors, and protects sensitive data. These changes include the establishment of the National Background Investigations Bureau (NBIB), which will absorb much of the OPM's existing Federal Investigative Services (FIS), and be headquartered in Washington, D.C. This new government-wide service provider for background investigations will be housed within the OPM. Its mission will be to provide effective, efficient, and secure background investigations for the Federal Government. Unlike the previous structure, DOD will assume the responsibility for the design, development, security, and operation of the background investigations IT systems for the NBIB. To support this work, the President's budget will include $95 million in additional resources that will be dedicated to DOD's development of these IT capabilities. These funds shall supplement, not supplant, any other amounts made available to other Federal agencies for such purposes.

FIS performs background investigations for Federal agencies on a fee-for-service basis. The investigations vary depending upon the underlying adjudication that they are intended to support. Agencies also have the option, in some cases, to ask for additional investigations. FIS is comprised of six subcomponents: Operations, Management Services, Technical Services, External Affairs, Quality, and Office of the Associate Director. In FY 2017, FIS will continue to make investments to complete background investigations in a timely and efficient manner. 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, the Federal Staffing Center, HR Strategy and Evaluation Services, the Training and Management Assistance program, and the Administrative Law Judges Program (ALJP). A variety of support services are provided to each practice area through the Center for Management Services and the Resource Management Office.

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. Investments for FY 2017 include the enhancement and integration of USAHire, USASurvey, and USAPerformance into the USA Suite of Services, and expanded connectivity with USAStaffing and other OPM HR systems.

The OPM IG Act (P.L. 113-80), enacted in February 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). 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 (IG) to effectively oversee activities financed by OPM's Revolving Funds. The IG currently anticipates utilizing $3,770,000 of Revolving Fund authority in FY 2017. Details on this activity are discussed in the Office of the Inspector General section of this document.

## OPM Budget FY 2015 through FY 2017—All Resources

| OPM Budget Authority | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request |
|---|---|---|---|
| **Discretionary Appropriation** | **$214,464,000** | **$245,238,000** | **$289,520,000** |
| **Salaries and Expenses Total** | **$96,039,000** | **$120,688,000** | **$144,867,000** |
| Salaries & Expenses | $96,039,000 | $118,188,000 | $107,867,000 |
| FIS S&E No-Year | | $2,500,000 | |
| CIO Salaries & Expenses No-Year | | | $37,000,000 |
| **Trust Fund Total** | **$118,425,000** | **$124,550,000** | **$144,653,000** |
| Trust Fund Annual | $118,425,000 | $124,550,000 | $138,653,000 |
| Trust Fund Limitation - No Year | | | $6,000,000 |
| **Mandatory Administrative Authorities** | **$71,588,002** | **$70,002,240** | **$64,674,559** |
| **Mandatory Authority Total** | **$71,588,002** | **$70,002,240** | **$64,674,559** |
| 5 USC 8348(a)(1)(B) (Retirement) | $50,382,000 | $49,884,368 | $53,261,360 |
| 5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) (Dental & Vision Ins.) | $17,049,001 | $15,889,668 | $6,892,523 |
| 5 USC 9004(f)(B) (Long-Term Care) | $2,048,001 | $2,041,172 | $2,160,406 |
| FERCCA (P.L. 106-265) (Retirement) | $2,109,000 | $2,187,032 | $2,360,270 |
| **Revolving Fund** | **$1,612,587,838** | **$1,769,510,184** | **$1,738,228,457** |
| **Advances & Reimbursements** | **$2,831,380** | **$1,100,000** | **$8,100,000** |
| **OIG Discretionary Appropriation** | **$25,724,000** | **$26,844,000** | **$31,734,000** |
| **OIG Discretionary Total** | **$25,724,000** | **$26,844,000** | **$31,734,000** |
| Salaries & Expenses - OIG | $4,384,000 | $4,365,000 | $5,072,000 |
| Trust Fund Annual - OIG | $21,340,000 | $22,479,000 | $26,662,000 |
| **OPM Total** | **$1,927,195,220** | **$2,112,694,424** | **$2,132,257,016** |

## Revolving Funds – Revenue and Obligations

| Business Line | | FY 2016 CBJ | FY 2016 Revised Estimate | FY 2017 Estimate | Increase Decrease |
|---|---|---|---|---|---|
| Investigative Services | Revenue | $1,136,000,000 | $1,401,375,261 | $1,451,183,080 | $49,807,819 |
| | Obligations | $1,129,789,824 | $1,401,393,273 | $1,451,183,080 | $49,789,807 |
| Human Resources Solutions | Revenue | $385,261,826 | $248,035,714 | $228,775,909 | ($19,259,805) |
| | Obligations | $386,028,914 | $278,960,910 | $194,797,495 | ($84,163,415) |
| HR Tools and Technology | Revenue | $34,420,000 | $39,320,000 | $38,000,000 | ($1,320,000) |
| | Obligations | $35,525,926 | $38,739,205 | $40,821,931 | $2,082,726 |
| USAJOBS | Revenue | $12,318,046 | $12,959,912 | $13,413,507 | $453,595 |
| | Obligations | $12,893,655 | $14,414,658 | $13,903,509 | ($511,149) |
| Presidential Management Fellows (PMF) | Revenue | $2,695,000 | $0 | $0 | $0 |
| | Obligations | $2,703,217 | $0 | $0 | $0 |
| Enterprise Human Resource Integration | Revenue | $37,673,732 | $32,102,686 | $34,522,441 | $2,419,755 |
| | Obligations | $37,736,420 | $32,102,688 | $34,522,441 | $2,419,753 |
| HR Line of Business | Revenue | $3,000,000 | $3,000,000 | $3,000,000 | $0 |
| | Obligations | $3,000,000 | $3,000,000 | $3,000,000 | $0 |
| **Total** | **Revenue** | **$1,611,368,604** | **$1,736,793,573** | **$1,768,894,937** | **$32,101,364** |
| **Total** | **Obligations*** | **$1,607,677,956** | **$1,768,610,734** | **$1,738,228,456** | **($30,382,278)** |

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

In FY 2017, OPM expects funding will support 6,191.7 full-time-equivalent (FTEs) employees. Of this total, the discretionary appropriations and Mandatory Trust Fund transfers will support 2,240.7 FTE (the sum of Salaries and Expenses Total, Trust Fund Annual Total, and Mandatory Authority Total). These employees administer OPM's HR policy, Retirement & insurance programs, 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 3,951 FTEs.

## FY 2016 & FY 2017 Comparison of FTE —All Resources

| OPM Budget Authority | FY 2015 Enacted | FY 2016 Enacted | FY 2017 Request |
|---|---|---|---|
| **Salaries and Expenses Total** | **843.2** | **943.3** | **969.5** |
| Salaries & Expenses | 843.2 | 943.3 | 969.5 |
| FIS S&E No-Year | | 0.0 | |
| CIO Salaries & Expenses No-Year | | | 0.0 |
| **Trust Fund Total** | **858.3** | **798.1** | **870.8** |
| Trust Fund Annual | 858.3 | 798.1 | 870.8 |
| Trust Fund Limitation - No Year | | | 0.0 |
| **Mandatory Authority Total** | **322.0** | **402.2** | **400.4** |
| 5 USC 8348(a)(1)(B) (Retirement) | 298.7 | 382.5 | 380.3 |
| 5 USC 8958(f)(2)(A) & 5 USC 8988(f)(2)(A) (Dental & Vision Ins.) | 7.0 | 3.2 | 3.8 |
| 5 USC 9004(f)(B) (Long-Term Care) | 4.3 | 4.5 | 4.3 |
| FERCCA (P.L. 106-265) (Retirement) | 12.0 | 12.0 | 12.0 |
| **Revolving Fund** | **3,275.7** | **3,691.5** | **3,786.8** |
| Revolving Fund | 3,275.7 | 3,691.5 | 3,786.8 |
| **Advances & Reimbursements** | **4.8** | **4.4** | **5.2** |
| Advances & Reimbursements | 4.8 | 4.4 | 5.2 |
| **OIG Discretionary Total** | **145.0** | **145.0** | **159.0** |
| Salaries & Expenses - OIG | 19.0 | 19.0 | 21.0 |
| Trust Fund Annual - OIG | 126.0 | 126.0 | 138.0 |
| **OPM Total** | **5,449.0** | **5,984.5** | **6,191.7** |

## FY 2017 Budget Request by Object Class

The discretionary appropriation budget object class table shows how OPM intends to utilize our resources. The OIG is on a separate appropriation and is not included in this table.

OPM's budget request is $44 million higher than the FY 2016 Enacted. This is largely due to a $37M investment in IT Modernization and an additional $6 million to support newly enacted legislation which requires OPM and the Social Security Administration (SSA) to enter into an agreement for exchange of necessary information to accomplish the offset from individuals who are entitled to both Social Security disability annuity payments and FERS disability annuity under 5 U.S.C. § 8452(a). Personnel compensation and benefits costs increase by $14 million reflecting an increase of 98.9 FTE predominately in RS, HI, and CIO organizations. This is offset by decreases in other services and equipment reflecting the removal of one-time investments and contracts in FY 2016.

### Discretionary Appropriation Budget by Object Class

| Object Class | FY 2016 Enacted | FY 2017 Request | Increase/Decrease |
|---|---|---|---|
| Personnel compensation | $114,226,293 | $124,560,077 | $10,333,784 |
| Personnel benefits | $35,200,466 | $39,033,343 | $3,832,877 |
| Travel and transportation of persons | $959,119 | $914,596 | ($44,523) |
| Transportation of things | $45,297 | $43,199 | ($2,098) |
| Communications, utilities, and rent | $25,049,612 | $25,199,071 | $149,459 |
| Printing and reproduction | $939,654 | $863,766 | ($75,888) |
| Other services | $60,596,197 | $84,712,515 | $24,116,318 |
| Supplies and materials | $672,190 | $495,617 | ($176,573) |
| Equipment | $7,549,172 | $13,697,816 | $6,148,644 |
| **Total** | **$245,238,000** | **$289,520,000** | **$44,282,000** |
| **FTE** | **1,741.4** | **1,840.3** | **98.9** |

The table below shows a comparison by object class of the expected utilization of OPM's S&E fund from enacted FY 2016 to our FY 2017 request. In FY 2017, expenses for personnel are expected to increase by $9.6 million due to the following:

- staff increases in HI and CIO offices to support the President's Management Agenda (PMA);

- the distribution of common services financed FTE;

- benefits costs related to the proposed general schedule increase; and

- normal cost increase of retirement benefits.

Compared to FY 2016, the budget for non-personnel costs will be increased by approximately $24 million, which is a reflection of the IT Modernization costs.

## Salaries and Expenses Budget by Object Class

| Object Class | FY 2016 Enacted | FY 2017 Request | Increase/Decrease |
|---|---|---|---|
| Personnel compensation | $51,857,054 | $58,571,264 | $6,714,210 |
| Personnel benefits | $16,273,324 | $19,159,707 | $2,886,383 |
| Travel and transportation of persons | $742,551 | $682,295 | ($60,256) |
| Transportation of things | $7,802 | $3,573 | ($4,229) |
| Communications, utilities, and rent | $8,300,112 | $9,660,223 | $1,360,111 |
| Printing and reproduction | $196,683 | $239,761 | $43,078 |
| Other services | $36,385,344 | $43,140,054 | $6,754,710 |
| Supplies and materials | $307,528 | $319,309 | $11,781 |
| Equipment | $6,617,602 | $13,090,814 | $6,473,212 |
| **Total** | **$120,688,000** | **$144,867,000** | **$24,179,000** |
| **FTE** | **943.3** | **969.5** | **26.2** |

The table that follows shows a comparison by object class of the expected utilization of OPM's Limitation on Trust Fund Transfers from FY 2016 to our FY 2017 request. The increase of $4.6 million in the personnel compensation estimate is primarily to finance staff growth administering earned benefit programs in RS and HI, and the cost of existing personnel in FY 2017. In addition, RS's call handling rate averages 72 percent, falling short of the 95-97 percent industry standard; therefore, in order to improve the agency's service level and answer retiree concerns with an average speed of less than four minutes, additional funds are being requested. These additional resources will increase the average speed of answer from 16 minutes to 10 minutes. Furthermore, the additional funds will support additional staff required due to an increase in emails received. During 2010-2011, OPM experienced a 30 percent increase in e-mail volume accounting for more than 280,000 e-mails received annually. The additional staff will reduce the average processing time from 45 to 60 days down to 25 days.

## Trust Fund Limitations – Budget by Object Class

| Object Class | FY 2016 Enacted | FY 2017 Request | Increase/Decrease |
|---|---|---|---|
| Personnel compensation | $62,369,239 | $65,988,813 | $3,619,574 |
| Personnel benefits | $18,927,142 | $19,873,636 | $946,494 |
| Travel and transportation of persons | $216,568 | $232,301 | $15,733 |
| Transportation of things | $37,495 | $39,626 | $2,131 |
| Communications, utilities, and rent | $16,749,500 | $15,538,848 | ($1,210,652) |
| Printing and reproduction | $742,971 | $624,005 | ($118,966) |
| Other services | $24,210,853 | $41,572,461 | $17,361,608 |
| Supplies and materials | $364,662 | $176,308 | ($188,354) |
| Equipment | $931,570 | $607,002 | ($324,568) |
| **Total** | **$124,550,000** | **$144,653,000** | **$20,103,000** |
| **FTE** | **798.1** | **870.8** | **72.7** |

## FY 2017 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. OPM organizations that have external customers include ES, RS, MSAC, FIS, HRS, PPA, HI, and ODI. The associated organizational elements and activities within them have been directly aligned to the OPM's strategic goals and corresponding strategies where appropriate.

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 benefits Trust Funds. The table below 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 resources. The non-appropriated contributions to Common Services are shown as a negative value on the table below to tie the OPM total to our discretionary request. Also note that this table is exclusive of OIG.

The following table includes resources for the Chief Human Capital Officers Council (CHCO), 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 2017. This includes:

- Advances and Reimbursements from other agencies for services performed on behalf of those agencies or to finance shared commitments such as the CHCO; 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.

## OPM Budget FY 2016 & FY 2017 by Organization and Fund—Discretionary Resources

| Organization | FY 2016 Enacted Salaries & Expenses | Trust Fund Annual | Common Services | OPM Total | FY 2017 Request Salaries & Expenses | Trust Fund Annual | Common Services | OPM Total |
|---|---|---|---|---|---|---|---|---|
| Chief Information Officer | $31,398,332 | $9,118,000 | $36,712,360 | **$77,228,692** | $55,052,965 | $9,190,642 | $47,312,136 | **$111,555,743** |
| Congressional, Legislative and Intergovernmental Affairs | | | $2,383,000 | **$2,383,000** | | | $2,296,206 | **$2,296,206** |
| Employee Services | $33,276,444 | | $8,479,158 | **$41,755,602** | $32,808,757 | | $7,635,801 | **$40,444,558** |
| Equal Employment Opportunity | | | $902,000 | **$902,000** | | | $821,456 | **$821,456** |
| Facilities, Security & Contracting | $615,500 | | $10,977,000 | **$11,592,500** | | | | |
| Facilities, Security & Emergency Management | | | | | | | $9,395,432 | **$9,395,432** |
| Federal Investigative Services | $2,000,000 | | | **$2,000,000** | | | | |
| Federal Prevailing Rate Advisory Committee | $219,000 | | | **$219,000** | $212,211 | | | **$212,211** |
| Healthcare & Insurance | $12,491,569 | $12,810,110 | | **$25,301,679** | $12,609,872 | $14,752,883 | | **$27,362,755** |
| Merit System Accountability & Compliance | $13,431,252 | | $1,347,000 | **$14,778,252** | $13,470,325 | | $1,346,776 | **$14,817,101** |
| Office of Communications | | | $2,290,000 | **$2,290,000** | | | $2,628,389 | **$2,628,389** |
| Office of Diversity and Inclusion | $1,975,310 | | | **$1,975,310** | $1,947,613 | | | **$1,947,613** |
| Office of Procurement Operations | | | | | $391,442 | | $3,753,291 | **$4,144,733** |
| Office of Small and Disadvantaged Business Utilization | | | | | | | $383,870 | **$383,870** |
| Office of the Chief Financial Officer | $636,860 | $9,518,400 | $21,992,000 | **$32,147,260** | $650,000 | $19,245,244 | $24,377,527 | **$44,272,771** |
| Office of the Director | | | $3,159,000 | **$3,159,000** | $500,000 | | $3,513,971 | **$4,013,971** |
| Office of the Executive Secretariat | | | $1,565,000 | **$1,565,000** | | | $1,564,871 | **$1,564,871** |
| Office of the General Counsel | | | $6,005,000 | **$6,005,000** | | | $7,193,759 | **$7,193,759** |
| Planning and Policy Analysis | $9,244,435 | $11,973,153 | | **$21,217,588** | $8,546,694 | $10,397,128 | | **$18,943,822** |

| Organization | FY 2016 Enacted | | | OPM Total | FY 2017 Request | | | OPM Total |
|---|---|---|---|---|---|---|---|---|
| | Salaries & Expenses | Trust Fund Annual | Common Services | | Salaries & Expenses | Trust Fund Annual | Common Services | |
| Rent/Centrally Funded Items | $8,629,298 | $13,773,337 | $378,000 | **$22,780,635** | $8,414,924 | $13,709,473 | | **$22,124,397** |
| Retirement Services | | $57,202,000 | | **$57,202,000** | | $64,708,438 | | **$64,708,438** |
| White House Fellows | $772,000 | | | **$772,000** | $860,761 | | | **$860,761** |
| OPM Sub Total | $114,690,000 | $114,395,000 | $96,189,518 | $325,274,518 | $135,465,564 | $132,003,808 | $112,223,485 | $379,692,857 |
| Appropriated Contribution to Common Services | $5,998,000 | $10,155,000 | | | $9,401,436 | $12,649,192 | | |
| Non-Appropriated Contribution to Common Services | | | | ($80,036,518) | | | | ($90,172,857) |
| | $120,688,000 | $124,550,000 | $96,189,518 | $245,238,000 | $144,867,000 | $144,653,000 | $112,223,485 | $289,520,000 |

The Facilities, Security and Contracting Office (FSC) was reorganized at the end of FY 2015. The reorganization created three distinct program offices: Facilities, Security & Emergency Management (FSEM), Office of Procurement Operations (OPO), and the Office of Small and Disadvantaged Business Utilization (OSDBU).

## FY 2017 Budget Request by Strategic Goals

OPM's Strategic Plan contains five key goals that are focused on improving internal OPM systems and processes that enable the agency to provide more efficient and effective services to our customers. OPM's strategic plan also contains five goals that are focused on OPM's external responsibilities as the lead agency for HR policy, HR products and services, benefits policy and administration, and background investigation services. 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.

OPM's FY 2017 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 agency's long-term vision is to *make the Federal Government America's model employer for the 21st Century*. In order to make this vision a reality, OPM made a significant adjustment to its Strategic Plan for 2017. The creation of a fifth outcome goal (Goal 10 of the agency's Strategic Plan) reflects OPM's dedication to superior HR policymaking, as well as the development and proliferation of efficient and effective human capital products and services throughout the Federal Government.

The budget by Strategy section of this document describes each strategic goal and the resources budgeted for each strategy in FY 2017. The following table displays OPM's planned resource allocation against each strategic goal, excluding Revolving Fund program activities.

## OPM Budget FY 2017 by Strategic Goal—Discretionary Resources

| STRATEGIC_GOAL | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| Diverse and Effective OPM Workforce | $12,031,599 | 56.5 |
| Timely, Accurate, and Responsive Customer Service | $1,370,011 | 9.9 |
| Evidence-Based Policy and Practices | $1,491,588 | 9.1 |
| Efficient and Effective Information Systems | $92,265,635 | 244.3 |
| Transparent and Responsive Budgets | $6,765,706 | 42.4 |
| Engaged Federal Workforce | $3,235,483 | 20.7 |
| Improved Retirement Services | $63,861,458 | 651.3 |
| Enhanced Federal Workforce Integrity | $265,182 | 1.7 |
| Healthier Americans | $32,474,900 | 217.8 |
| Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government | $19,376,852 | 130.0 |
| Additional Government-wide Mandated or Compliance Function Supported by OPM | $35,485,708 | 189.3 |
| Enabling Structural Capacity Functions of OPM | $74,068,735 | 267.3 |
| **OPM Subtotal** | **$342,692,857** | **1,840** |
| Non- Appropriated Contribution to Common Services | ($90,172,857) | |
| **OPM Total** | **$252,520,000** | **1,840** |

# Major Management Challenges, Priorities and Risks

Annually, OPM's Office of the Inspector General (OIG) identifies the top management challenges facing the Agency. These challenges do not necessarily indicate deficiencies in performance; rather they include risks and areas that require monitoring and heightened focus. The OIG divided the challenges into two key types: environmental challenges that result mainly from factors external to OPM and internal challenges that are critical to OPM's mission over which OPM has more control, and likely a shorter term.

OIG's management challenges are detailed in OPM's FY 2015 Agency Financial Report at https://www.opm.gov/about-us/budget-performance/performance/2015-agency-financial-report.pdf. The table that follows lists the top management challenges and agency's response to them as required by Division E of the Financial Services and General Government Appropriations Act, 2016. During FY 2015, OPM made significant strides in addressing the management challenges identified by the OIG. In fact, most challenges are incorporated into the strategic action plans for strategies in the agency's Strategic Plan. To that end, the FY 2017 budget request supports implementation of the identified actions.

| Type | OIG Management Challenge | Action -Budget Reference |
|---|---|---|
| Environmental | Strategic Human Capital | ✓ Improved federal recruitment and hiring process to identify and close skill gaps - Strategy 10.2<br>✓ Implemented Phased Retirement – Strategy 7.01 |
| | Federal Health Insurance Initiatives | ✓ Acquired health claims data for program-wide claims analysis in the Health Claims Data Warehouse (HCDW) – Strategies 4.04, 9.01, 9.02<br>✓ Continued to evaluate the relative costs and benefits of direct contracting for Pharmacy Benefit Managers services - Strategy 9.02.<br>✓ Provided medical loss ratio implementation and oversight - Strategy 9.01<br>✓ Health Benefit Carriers' Fraud and Abuse Programs Strategy 9.02<br>✓ Extended Affordable Care Act issuers and enrollment options – Strategy 9.01, 9.03 |
| Internal | Information Security Governance | ✓ Established new governance structure - Strategy 4.02 |
| | Security Assessment and Authorization | ✓ Updated continuous monitoring policy and maintain active authorizations for all information systems – Strategy 4.02 |
| | Data Security | ✓ Implemented two-factor authentication and continue to strengthen cyber defenses. – Strategy 4.03 |

| Type | OIG Management Challenge | Action -Budget Reference |
|---|---|---|
| | Information Technology Infrastructure Improvement Project | ✓ OPM faces hurdles in completing the overhaul and migration of the network infrastructure; however, work continues to modernize the IT environment – Strategy 4.03 |
| | Stopping the Flow of Improper Payments | ✓ Continue efforts to stop improper payments - Strategy 4.03, 7.03, OIG enforcement |
| | Retirement Claims Processing | ✓ Implemented RS strategic plan and make internal and external process improvements to provide timely accurate processing of retirement claims. |
| | Procurement Process for Benefit Program | ✓ Implemented organizational and process changes to OPM's procurement function – Strategy 9.02 |
| | Procurement Process Oversight | ✓ Implemented organizational and process changes to OPM's procurement function – Enabling Structural Capacity Functions of OPM |

# 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, $144,867,000, of which $37,000,000 shall remain available until expended for information technology infrastructure modernization, and of which $391,000 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 $144,653,000 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, of which $6,000,000 shall remain available until expended for coordination of Federal Employees' Retirement System disability benefits with the Social Security Administration in carrying out section 1127A of the Social Security Act: 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 2017, 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, 2016.)

## 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, *$5,072,000,* and in addition, not to exceed *$26,662,000* 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 Services and General Government Appropriations Act, 2016.)*

## General Provisions of Specific Interest to OPM

TITLE VI GENERAL PROVISIONS—THIS ACT *(Financial Services and General Government Appropriations Act, 2016.)*

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, 2016.)*

SEC. 734. During fiscal year *2017*, 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 towards longer-term outcomes. APGs are near-term results or achievements that leadership wants to accomplish within approximately 24 months. These goals rely predominately on agency implementation as opposed to budget or legislative accomplishments.

The agency's five priority goals for FY 2016-2017 are:

1. Background Investigations Case Processing Timeliness and Quality
2. Retirement Services Case Processing
3. FEHB Plan Performance
4. Human Resource Workforce Capability
5. Cybersecurity Monitoring

These goals are areas where OPM wants to achieve near-term performance acceleration through focused senior leadership attention. This section includes the goal statements. The goal action plans will be published on Performance.gov in February 2016, concurrent with the Congressional Budget Justification.

## 1. Background Investigations Case Processing Timeliness and Quality

**Goal Statement**: Increase investigative capacity and implement additional process improvements with the aim of meeting the timeliness standards set by the Intelligence Reform and Terrorism Prevention Act of 2004 for background investigations while maintaining investigative quality. Throughout FY 2017, OPM will improve production output in response to the increasing workload demands of its customers, while reducing the larger than normal inventory of cases created during the transition from one of its investigative contractors. OPM will accomplish this while maintaining its target of 99 percent or more of all OPM investigations adjudicated as "quality complete" for investigations closed.

## 2. Retirement Services Case Processing

**Goal Statement**: Reduce Federal retirement case processing time by making comprehensive improvements and moving toward electronic processing of all retirement applications.

In FY 2016, process 90 percent of cases in 60 days or less (as of March 2015, 70.1 percent of cases were processed in 60 days or less). Support the 90/60 goal by:

- increasing the percentage of complete cases received from agencies to 90 percent or greater;
- continuing to develop capabilities to receive electronic retirement applications; and
- building a court-ordered benefit case reporting mechanism to capture inventory and timeliness of court-ordered cases by the first quarter of FY 2016. Establish baseline data for timeliness by the end of FY 2016.

# 3. FEHB Plan Performance

**Goal Statement**: Improve health outcomes for the 8.2 million Federal employees, retirees, and their dependents enrolled in health plans participating in the Federal Employees Health Benefits (FEHB) program. In 2016, FEHB plan performance will be assessed based on a common set of measures of clinical quality, customer service and appropriate resource use; this performance assessment will be used in the determination of plan profit margins. While each plan will be assessed based on its performance, overall progress for the FEHB program will be measured by an increase in the number of FEHB plans at or above the 50th percentile of the relevant national, commercial benchmark year-on-year as measured by FEHB plan scored values on the designated high-priority indicators used continuously during the evaluation period. These high-priority measures include: risk adjusted all cause readmissions, timeliness of prenatal care and blood pressure control.

# 4. Human Resource Workforce Capability

**Goal Statement**: Improve the ability of the Federal human resource workforce to attract, develop, train, and support talent in the Federal Government by developing and launching a Federal HR curriculum. By the end of FY 2016, build and launch curricula for staffing and classification. Baseline HR professionals' proficiency levels for the Staffing specialty area competencies, and set targets for improvement. By the end of FY 2017, build and launch curricula for employee relations and labor relations; and design a certification of mastery for existing HR University curricula.

# 5. Cybersecurity Monitoring

**Goal Statement**: Continue enhancing the security of OPM's information systems by strengthening authentication and expanding the implementation of continuous monitoring.

OPM will enhance the use of two-factor authentication in multiple ways. By August of FY 2015, 99 percent of OPM users were required to use Personal Identity Verification (PIV) authentication for network access and the remaining one percent was enforced by the end of October 2015. By the end of FY 2016, 80 percent of non-OPM users who have a PIV card will be required to authenticate to OPM applications using their PIV cards. By the end of FY 2017, OPM will enforce two-factor authentication for 100 percent of all PIV-enabled users and 80 percent of non-PIV-enabled users.

OPM will enhance its security posture by expanding on the Continuous Diagnostic and Mitigation (CDM) capabilities implemented throughout FY 2015. The CDM program enables OPM to expand continuous diagnostic capabilities by increasing the network sensor capacity, automating sensor collections, and prioritizing risk alerts. By the end of the second quarter of FY 2016, OPM will have acquired and implemented four CDM controls including vulnerability assessment, continuous monitoring, hardware asset management, and software asset management. These tools should increase OPM's ability to identify and respond to security issues. By the end of FY 2016, OPM will have fully implemented dashboard capabilities allowing OPM to benchmark its CDM program with other Federal agencies. In FY 2017,

OPM will use the benchmarking results to identify and prioritize the implementation of other CDM controls. OPM will continue to pursue a number of additional actions as outlined in its Cybersecurity Monitoring goal.

# Cross-Agency Priority Goals and the President's Management Agenda

OPM supports the President's Management Agenda (PMA) in mission accomplishment, management effectiveness and efficiency initiatives. The agency is co-leader of two Cross-Agency Priority Goals:

1) Insider Threat and Security and

2) People and Culture.

OPM also invests in initiatives to improve effectiveness and efficiency of the agency's services in support of its customers, with a particular focus on supporting a digital service team, reducing its real property footprint, reducing improper payments and improving the Do Not Pay Initiative, moving to shared services, and implementing the Digital Accountability and Transparency Act of 2014 (DATA Act) and the Federal Information Technology Acquisition Reform Act (FITARA). This section highlights initiatives related to OPM's mission, Cross-Agency Priority Goals and other priorities in support of the President's Management Agenda.

## Mission Cross-Agency Priority Goal Implementation

### People and Culture

OPM is a co-leader of the Cross-Agency Priority Goal for People and Culture, and agency staff is directly involved in activities to achieve it. OPM is leading efforts to drive greater employee engagement, build a world-class Federal management team, and enable agencies to recruit and hire the best talent. OPM will continue to direct resources to support this work in FY 2017, in developing USA Hire assessments, and as the Federal Government leader of human capital category management. The agency is also seeking government-wide partners and funding to develop an intelligent hiring planning tool.

To increase employee engagement, Federal Government leaders are setting clear goals and conducting regular data-driven reviews to identify agency components and offices where improvements in employee engagement are required. Senior executives are being held accountable for improvement; data is disseminated to managers and organized for action; and agencies are motivated to increasingly adopt evidence-based practices. Each agency has named a Senior Accountable Official (SAO) to lead efforts to improve employee engagement. Senior representatives from OPM, OMB and the Presidential Personnel Office are engaging with each SAO to learn more about individual agency efforts and to share best practice from other agencies.

The Federal Employee Viewpoint Survey (FEVS), administered by OPM each year, provides the employee feedback from which the employee engagement index is derived. OPM has worked diligently over the last several years to broaden the impacts of the FEVS by: 1) expanding the reach of the survey by ensuring agencies provide lower-level organizational breakouts; 2) greatly increasing the number of

component and office level reports available to agencies; 3) improving the functionality of the FEVS Online Reporting and Analysis tool which enables agencies to analyze their results at various levels; 4) creating UnlockTalent.gov, a data visualization tool that displays FEVS results in ways that facilitates senior leaders' understanding; and 5) increasing the number of special reports and analysis focusing on the experiences of specific sub-populations such as veterans, millennials, women, and Lesbian, Gay, Bisexual, and Transgender (LGBT). The increased availability of FEVS results and the expanded number of reports and analysis provide agency managers and leaders with the information they need to develop targeted strategies to address conditions that lead to improved employee engagement and performance.

OPM will continue to lead efforts to implement reforms to modernize executive recruitment, hiring, development, and accountability mechanisms to benefit the management of most Federal programs, with an emphasis on a set of actions identified in a recent Executive Order on Strengthening the Senior Executive Service. This includes strengthening executive ownership of strategic recruitment for SES and ensuring agencies are integrating executive recruitment and leadership into a cohesive talent and development plan; streamlining the career SES hiring process to help reduce time to hire, reduce burden on applicants, and enhance the Qualifications Review Board process; establishing agency talent and succession management processes to provide organizational visibility into current and emerging talent across the enterprise; enhancing SES development by supporting effective onboarding, continual learning, strategic rotational experiences, and assessment approaches; and improving SES accountability and recognition for high performance.

To support agencies' efforts to recruit and hire highly-qualified talent, OPM will continue to lead efforts to ensure HR professionals have requisite training and skills to effectively support agency human capital programs. OPM will also support a government-wide hiring excellence campaign designed to provide robust guidance and tools to agency hiring managers and HR staff, training and education to help "untie the knots" in the hiring process, and support flexible hiring approaches and reforms to improve agencies ability to recruit and hire top talent.

*Human Capital Category Management*

OMB's Strategic Sourcing Leadership Council unanimously selected OPM to lead the Federal Government's management of the Human Capital (HC) category of spending for products and services. As a result, OPM has added a new related strategy (Strategy 10.01) to its Strategic Plan for FY 2017. As the HC Category Manager, OPM will identify and act on opportunities for significant cost savings across government through analysis of agencies' spending behaviors, management of agency demand through development of enterprise solutions, and identification of best in class products and services in line with OPM standards for effective management of human capital. As the President's advisor on human capital management, OPM is best positioned to guide agencies' and employees' selection of optimal human capital products and services, ensuring that solutions adhere to Federal HR policies and regulations, and advance the Federal Government as employer of choice for top talent through implementation of

standards and best practices embodied in OPM's Human Capital Framework and HRLoB Business Reference Model.

In FY 2017, OPM will develop a decision making tool to be housed on the Human Capital Common Acquisition Platform (commonly known as the Hallway) that will guide agency leaders and employees through needs assessments and alternative choices they can consider when making a final decision to purchase human capital products and services. The tool will be designed to make the human capital purchasing process as easy as possible, while educating a Federal leaders and employees on the principles and practices of strategic human capital management. Not only will agencies purchase optimal solutions, but they will gain awareness of and practice on strategic human capital management policies and practices. Based on Category Management Leadership Council (CMLC) spend analysis, the Human Capital and Training Solutions (HCaTS) contract, the flagship human capital and training category management solution co-lead by OPM and GSA, is expected to achieve $199 million in annual government-wide costs savings driven by increased competition and reduced prices paid.

## Insider Threat and Security Clearance Reform

OPM is also a co-leader of the Cross-Agency Priority Goal concerning prevention of Insider Threats and Security Clearance reform. The agency will continue to direct significant resources to this goal in FY 2017.

The Federal Government will continue to work to 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 Performance Accountability Council 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 (PAC PMO) is administratively housed at OPM, with a FY 2017 budget of $7.5 million. It is financed via transfers from nine agencies, with OPM contributing $500 thousand. The PAC PMO manages the Security, Suitability, and Credentialing Line of Business (SSCLoB) which is responsible for driving government-wide implementation of these goals, and identifying recommended solutions to further safeguard personnel and protects the nation's most sensitive information.

| CAP Goal | Organization | Strategy |
|---|---|---|
| Insider Threat (at OPM) | FSEM | 11.01 |
| Security Clearance | FIS, CIO | 1.02, 4.04<br>5.02, 8.01 |
| People and Culture | ODI, ES | 1.01, 1.02,<br>1.03, 2.04,<br>3.03, 3.04,<br>6.01, 6.02,<br>6.03, 6.04,<br>10.01, 10.04, 10.05,<br>12.01 |

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 these goals and progress where applicable.

# Contributions to President's Management Agenda Priorities

In addition to the activities described above, OPM invests in initiatives to improve effectiveness and efficiency of the agency's services in support of its customers, with a particular focus on supporting a digital service team, reducing its real property footprint, reducing improper payments and improving the Do Not Pay initiative, moving to shared services, and implementing the DATA Act and the Federal Information Technology Acquisition Reform Act (FITARA).

## Digital Service Team

In FY 2017, OPM will maintain the Digital Service team of experts that it is building in FY 2016. The team will have modern digital product design, software engineering, and product management skills, and will manage those OPM digital services that have the greatest impact to citizens and businesses, in alignment with the agency's Strategic IT Plan commitments to provide improved IT capabilities to 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 to hire a Chief Technology Officer (CTO),

and during FY 2016, will identify the high impact, high value services to which the Digital Service team will lend their expertise.

## Real Property

OPM has reduced its footprint by 46,234 usable square feet during FY 2012 – FY 2015, and the agency anticipates an additional reduction of approximately 29,000 usable square feet in FY 2016. However, an anticipated increase in staff within the Federal Investigative Services group may drive some growth in office space within the next few years.

OPM has reduced its footprint by improving its utilization of existing space, using the General Services Administration's (GSA) Total Workspace Program, and co-location arrangements. The agency has revised its space allocation standards for all field office locations to reflect a smaller work area, and will continue to implement this in a phased approach, to occur during planned renovations or relocation to new sites. OPM is also working with GSA and a commercial architecture firm to implement a pilot program in the Theodore Roosevelt Federal Building to create a more open and collaborative work environment that will significantly increase utilization efficiency. The program is currently in the early design phase, with a completion goal of early FY 2016. Further, OPM will continue to explore co-location opportunities with the Department of Defense and other Federal agencies prior to acquisition of new space.

OPM submitted a complete, 5-year real property efficiency plan to OMB in September 2015.

## Shared Services

In FY 2017, OPM will continue to support efforts to move to shared services to increase the effectiveness and efficiency of the Federal Government, including transitioning its financial system to a shared service provider.

### Financial System

OPM deployed a standardized system solution called Consolidated Business Information System (CBIS) to improve overall financial management and comply with the Financial Management Line of Business, Standard Financial Information Structure and Office of Federal Financial Management. OPM has been considering a change in its systems integrator and hosting contractor prior to and since the release of the Office of Management and Budget's (OMB) Memorandum 10-26, calling for the Immediate Review of Financial Systems IT Projects in FY 2010. OPM is currently considering a Federal Shared Service alternative to the current contract agreement with a private provider. CBIS Operations and Maintenance costs have escalated with the current provider since the initial contract was signed in FY 2010. Now that the contract term is coming to a close, it is opportune for OPM to consider changes to the status quo that would assist in reducing overall Operations and Maintenance costs while improving operations and OPM's compliance with Federal mandates (i.e., OMB M-13-08) and initiatives.

The CBIS program needs to be optimized and enhanced to achieve the 90- 95 percent of functionality as required by OPM's financial management vision. OPM believes this may be achievable through an interGovernmental arrangement with the Federal Shared Service Providers. OPM's success with CBIS reflects the disciplined use of best practices in information technology program/project management, earned value management, quality and organizational change management, and strategic communication.

## DATA Act Implementation

In response to the DATA Act, OPM has laid the groundwork for implementing the expansion of Federal Funding Accountability and Transparency Act through standardization of data, and publishing that data online to link OPM expenditures to contract spending at the programmatic levels.

## FITARA Implementation

OPM is implementing the requirements of the Federal Information Technology Acquisition Reform Act (FITARA). Pre-budget submission, OPM executives collaborate through an Investment Review Board, and the agency uses a budget prioritization tool to provide visibility of IT resource plans/decisions to the CIO. Both the CIO and CFO review and approve the IT resources at the agency. OPM has submitted a complete FITARA self-assessment and action plan to OMB.

# Organizational Framework

OPM's divisions and offices and their approximately 6,113 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 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.

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. 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 Suitability and Security Clearance Reform Performance and Accountability Council's Program Management Office (PAC PMO) is also housed within the OD.

- *Office of the General Counsel (OGC)* provides legal advice and representation to the Director and OPM managers and leaders so they can work to provide the Federal Government 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 fulfill other statutory or regulatory mandates and thus benefit other OPM offices or the Executive Branch as a whole. For example, OGC is responsible for the government-wide Hatch Act regulations, administers the internal agency Hatch Act and ethics programs and serves in 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 office that fosters and maintains relationships with Members of Congress and their staff. CLIA 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, State, Local and Tribal Governments.

- *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.

- *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 expeditious EEO complaints process (for example, EEO counseling, Alternative Dispute Resolution, and EEO Complaints Intake, Investigation, Adjudication, and Record-Keeping).

- *Office of Diversity and Inclusion (ODI)* examines policy options, government-wide data trends, and employee survey findings that affect OPM's management of HR policy, as it relates to diversity and inclusion throughout the Federal Government. ODI develops comprehensive strategies to drive diversity and 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. ODI also designs and implements all required internal OPM diversity and inclusion efforts, to promote diversity management.

- *Office of Procurement Operations (OPO)* awards and administers several thousand contract actions and interagency agreements annually, with an estimated value of $1 billion. OPO provides acquisition support to OPM programs and also provides assisted acquisition services in support of other federal agencies who require support under OPM contracts. OPO manages the agency suspension and debarment program, as well as supports the Small Business efforts for OPM in conjunction with public law, Federal regulations, and OPM contracting policies. The Acquisition Policy and Innovation function within OPO provides acquisition policy development and guidance agency-wide, as well as provides compliance and oversight over OPM's procurement program. OPO provides acquisition career management support and oversight for all Contracting Officers and Contracting Officer Representatives, and also manages and provides oversight of the Procurement Card Program. OPO serves as OPM's liaison to the Office of Federal Procurement Policy, Chief Acquisition Officers Council, and other key external agency partnerships.

- *Office of Small and Disadvantaged Business Utilization (OSDBU)* manages the development and implementation of appropriate outreach programs aimed at heightening the awareness of the small business community to the contracting opportunities available within OPM. The office's responsibilities, programs, and activities are managed under three lines of business: advocacy, outreach, and unification of the business process.

**Program Offices**

- *Employee Services (ES)* provides policy direction and leadership in designing, developing and promulgating government-wide human resources systems and programs. OPM continued to support agencies' recruiting and hiring programs with tools, education and direct support. Additionally, ES provides recruitment, Strategic Workforce Planning, 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 also 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.

- *Human Resources 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.

- *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.

**Mission Support Services**

- *Chief Financial Officer (CFO)* manages and oversees OPM accounting, billing, vendor payments, budgeting, strategic planning, performance, financial systems, travel, financial risk management, 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 comprehension of the agency's information technology architecture to further architecture integration, design consistency, and compliance with Federal standards. CIO also 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 & Emergency Management (FSEM)* manages the agency's personal and real property, building operations, space design and layout, mail management, realty, safety, physical security and occupational health programs. FSEM provides personnel security, suitability, and national security clearance determinations for OPM personnel. FSEM directs the operations and oversees OPM's preparedness and emergency response programs. In addition, it oversees publishing and printing management for internal and external design and reproduction, including 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.

# Budget by Organization

OPM's gross budget request increased by $28 million from FY 2016. This growth demonstrates the dedication of needed resources into our technology, investigation and retirement programs. This increase is proposed for critical targeted investments that are necessary to sustain on-going efforts.

HI's budget increased to include costs to enroll Tribal participants in the Federal Employees Health Benefit Program, as mandated by the Affordable Care Act. The OD budget increased due to expanded activity to oversee and support security clearances, working with the Security, Suitability, and Credentialing Line of Business (SSC-LOB). The OCIO request for FY 2017 reflects the cost of running multiple network environments while migrating systems onto a new IT platform. OCFO's reflects additional funds to replace a 30 year old Trust Fund Financial System. FIS request for increased funding for FY 2017 reflects a rise in cost for performance of services, and an overall increase in staff. FSEM and OPO reflect increases but these are new organizations that were stood up as a result of the reorganization of Facilities, Security, and Contracting (FSC). RS request for an increase to the FY 2017 budget is indicative of an increase in new employees and to support newly enacted legislation that provides that OPM pay SSA for establishing a procedure to recover FERS disability annuity overpayments from SSA.

The table below shows the variance by organization compared to our FY 2016 request. It also shows OPM's FTE utilization in FY 2017 which will increase by 207.5 FTE. When viewed at the organizational level, FTE utilization is projected to increase in 13 of OPM's 23 organizations. The increase is attributable to right sizing FTE levels in our ACA programs, Contracting, MSAC audit and compliance functions, and administrative operations.

## OPM Budget FY 2016 & FY 2017 by Organization—All Resources

| Organization | FY 2016 Enacted Dollars | FTE | FY 2017 Request Dollars | FTE | Variance Dollars | FTE |
|---|---|---|---|---|---|---|
| Chief Human Capital Officer Council | $1,100,000 | 4.4 | $1,100,000 | 5.2 | $0 | 0.8 |
| Chief Information Officer | $169,396,099 | 327.2 | $215,459,691 | 431.2 | $46,063,592 | 104.1 |
| Congressional, Legislative and Intergovernmental Affairs | $2,383,000 | 19.0 | $2,296,206 | 18.0 | ($86,794) | (1.0) |
| Employee Services | $41,755,602 | 266.5 | $40,444,558 | 258.9 | ($1,311,044) | (7.6) |
| Equal Employment Opportunity | $902,000 | 7.0 | $821,456 | 6.0 | ($80,544) | (1.0) |
| Facilities, Security & Contracting | $11,592,500 | 124.6 | | | ($11,592,500) | (124.6) |
| Facilities, Security & Emergency Management | | | $9,395,432 | 78.0 | $9,395,432 | 78.0 |
| Federal Investigative Services | $1,403,393,273 | 3,130.0 | $1,443,012,942 | 3,130.0 | $39,619,669 | 0.0 |
| Federal Prevailing Rate Advisory Committee | $219,000 | 1.0 | $212,211 | 1.0 | ($6,789) | 0.0 |
| Healthcare & Insurance | $41,913,792 | 150.9 | $35,139,755 | 175.4 | ($6,774,037) | 24.5 |
| HR Solutions | $278,960,910 | 376.0 | $194,797,495 | 388.0 | ($84,163,415) | 12.0 |
| Merit System Accountability & Compliance | $14,778,252 | 101.0 | $14,817,101 | 99.0 | $38,849 | (2.0) |
| Office of Communications | $2,290,000 | 16.0 | $2,628,389 | 18.0 | $338,389 | 2.0 |
| Office of Diversity and Inclusion | $1,975,310 | 12.0 | $1,947,613 | 12.0 | ($27,697) | 0.0 |
| Office of Procurement Operations | | | $4,144,733 | 28.0 | $4,144,733 | 28.0 |
| Office of Small and Disadvantaged Business Utilization | | | $383,870 | 2.0 | $383,870 | 2.0 |
| Office of the Chief Financial Officer | $32,147,260 | 141.6 | $44,272,771 | 133.0 | $12,125,511 | (8.7) |
| Office of the Director | $3,159,000 | 21.1 | $11,013,971 | 19.0 | $7,854,971 | (2.1) |
| Office of the Executive Secretariat | $1,565,000 | 13.0 | $1,564,871 | 13.0 | ($129) | 0.0 |
| Office of the General Counsel | $6,005,000 | 40.0 | $7,193,759 | 43.0 | $1,188,759 | 3.0 |
| Office of the Inspector General | $26,844,000 | 166.0 | $31,734,000 | 184.0 | $4,890,000 | 18.0 |
| Planning and Policy Analysis | $22,203,350 | 91.0 | $19,576,013 | 98.6 | ($2,627,337) | 7.6 |
| Rent/Centrally Funded Items | $23,759,500 | 0.0 | $23,177,597 | 0.0 | ($581,903) | 0.0 |
| Retirement Services | $96,638,907 | 972.0 | $105,915,438 | 1,045.5 | $9,276,531 | 73.5 |
| White House Fellows | $772,000 | 4.0 | $860,761 | 5.0 | $88,761 | 1.0 |
| **OPM Total** | **$2,183,753,755** | **5,984.2** | **$2,211,910,633** | **6,191.7** | **$28,156,878** | **207.5** |

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. The FY 2016 enacted amounts shown for Revolving Fund programs have been revised.

# Performance Budget by Strategic Goal

This section relates the OPM budget to performance. For each of the agency's strategies, it describes FY 2015 progress, planned accomplishments and performance targets for FY 2016 and FY 2017, and how each OPM organization will use its requested budgetary resources to achieve the agency's strategic goals. It is intended to meet the requirements of OMB Circular A-11, Part 6, Section 240 – *Annual Performance Planning*.

OPM is responsible for executing, administering, and enforcing the Civil Service Rules and other statutes and regulations relating to the civil service (including the laws relating to pay, benefits, and retirement) and advising the President concerning policy relating to the civil service. The agency's goals and strategies will guide efforts to accomplish its mission to *recruit, retain, and honor a world-class workforce to serve the America people* and achieve its vision for the Federal Government to *become America's model employer for the 21st century*. The agency aims to provide the highest quality of service to the people and entities with which it interacts: applicants, Federal employees, agencies, retirees, and, more recently, other Americans in the market for health insurance.

In this budget document, OPM details 10 strategic goals. These include five management goals and five program outcome goals. The OPM Strategic Plan includes targeted goals for the management of the agency as well as for the program outcomes the agency is 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, transparent budget, customer service, and evidence-based policy will support the efforts to achieve OPM's core mission. OPM's 10 strategic goals and corresponding strategies are designed to help other Federal agencies achieve their missions and produce superior results.

**Strategic Plan Changes**

OPM has made the following adjustments to the strategic goals and strategies in its FY 2014-2018 Strategic Plan for FY 2017-2018:

- Discontinued Strategy 5.01 (*Implement cost re-baselining*) because OPM has completed the work.

- Added a new Strategic Goal 10 (*Increase the efficiency and effectiveness of human capital management across the Federal Government*), shifting strategies 8.02, 8.03, and 8.04 to the new goal, and adding new strategies 10.01 (*Through the Category Management Initiative, enable the Federal Government to have products, services and providers that support the human capital management and organizational performance of Federal agencies)* and 10.03 (*Hold agencies accountable for closing skills gaps in their mission critical occupations).*

- Combined strategies 9.04 and 9.05 into a new Strategy 9.04 *(Develop novel partnerships in support of population health and enhance outreach and health literacy)*.

**Strategic Goals**

OPM's strategic goals are as follows:

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.

10. Outcome Goal: Increase the efficiency and effectiveness of human capital management across the Federal Government.

**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 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.

**Budget Request by Strategic Goal**

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 2017 to each of OPM's Strategic Goals. All resources are shown for each goal, 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; and
- The Office of the Inspector General

## FY 2017 Budget Request by Strategic Goal and Fund—All Resources

| STRATEGIC_GOAL | FY 2017 Request Dollars | FTE |
|---|---|---|
| | | |
| **Diverse and Effective OPM Workforce** | **$18,583,570** | **92.2** |
| TF Limit - Annual | $1,963,105 | 5.6 |
| Common Services | $5,981,293 | 38.0 |
| Advances & Reimbursements To S&E | $134,158 | 0.5 |
| RF - Revolving Fund Direct | $0 | 13.5 |
| RF - Training Services (HRS) | $1,542,409 | 0.0 |
| RF - USAJOBS | $136,482 | 0.4 |
| RF Employment Services (HRTT) | $407,076 | 0.8 |
| RF Enterprise Human Resources Integration | $99,564 | 0.3 |
| RF Investigative Services | $4,021,476 | 18.7 |
| TF Dental and Vision Benefits | $6,308 | 0.0 |
| Trust Fund Title 5 - Long Term Care | $4,614 | 0.0 |
| Trust Fund-Title 5 | $199,884 | 1.5 |
| Salaries & Expenses Appropriation | $3,023,408 | 10.9 |
| CIO Common Services | $1,063,793 | 2.0 |
| | | |
| **Timely, Accurate, and Responsive Customer Service** | **$1,429,590** | **10.2** |
| TF Limit - Annual | $66,599 | 1.0 |
| Common Services | $185,886 | 1.1 |
| Advances & Reimbursements To S&E | $59,579 | 0.3 |
| Salaries & Expenses Appropriation | $1,013,126 | 7.8 |
| CIO Common Services | $104,400 | 0.0 |
| | | |
| **Evidence-Based Policy and Practices** | **$1,491,588** | **9.1** |
| TF Limit - Annual | $66,599 | 1.0 |
| Common Services | $71,867 | 0.2 |
| Salaries & Expenses Appropriation | $1,353,122 | 7.9 |
| | | |
| **Efficient and Effective Information Systems** | **$318,954,534** | **435.1** |

| STRATEGIC_GOAL | FY 2017 Request Dollars | FTE |
|---|---|---|
| TF Limit - Annual | $23,381,041 | 42.4 |
| Common Services | $7,627,325 | 10.7 |
| RF - USAJOBS | $13,767,028 | 17.0 |
| RF Employment Services (HRTT) | $40,414,855 | 97.2 |
| RF Enterprise Human Resources Integration | $34,422,877 | 24.6 |
| RF HRLOB Activities | $3,000,000 | 0.0 |
| RF Investigative Services | $94,601,838 | 50.0 |
| Trust Fund-Title 5 | $3,482,301 | 2.0 |
| Salaries & Expenses Appropriation | $20,726,296 | 48.1 |
| CIO Common Services | $40,530,973 | 143.1 |
| CIO Salaries & Expenses No-Year | $37,000,000 | 0.0 |
| | | |
| **Transparent and Responsive Budgets** | **$8,595,747** | **55.2** |
| TF Limit - Annual | $458,249 | 3.2 |
| Common Services | $5,537,036 | 34.2 |
| RF - Training Services (HRS) | $1,455,245 | 10.0 |
| RF Investigative Services | $256,796 | 2.0 |
| Trust Fund-Title 5 | $118,000 | 0.8 |
| Salaries & Expenses Appropriation | $770,421 | 5.0 |
| | | |
| **Engaged Federal Workforce** | **$102,591,996** | **206.9** |
| Common Services | $274,307 | 1.7 |
| Advances & Reimbursements To S&E | $119,158 | 0.2 |
| RF - Training Services (HRS) | $99,237,355 | 186.0 |
| Salaries & Expenses Appropriation | $2,961,176 | 19.0 |
| | | |
| **Improved Retirement Services** | **$104,760,458** | **1,038.3** |
| TF Limit - Annual | $57,758,438 | 651.0 |
| Common Services | $103,020 | 0.3 |
| Trust Fund Limitation - No Year | $6,000,000 | 0.0 |
| Trust Fund Title 5 - FERCCA | $2,109,000 | 12.0 |
| Trust Fund-Title 5 | $38,790,000 | 375.0 |
| | | |
| **Enhanced Federal Workforce Integrity** | **$1,352,568,152** | **3,111.0** |
| Common Services | $265,182 | 1.7 |
| RF Investigative Services | $1,352,302,970 | 3,109.3 |
| | | |
| **Healthier Americans** | **$40,866,912** | **226.9** |
| TF Limit - Annual | $19,685,486 | 120.0 |
| TF Dental and Vision Benefits | $6,211,715 | 3.8 |
| Trust Fund Title 5 - Long Term Care | $2,013,692 | 4.3 |
| Trust Fund-Title 5 | $166,605 | 1.0 |
| Salaries & Expenses Appropriation | $12,789,414 | 97.8 |
| | | **296.0** |

| STRATEGIC_GOAL | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | **$89,740,653** | **296.0** |
| Common Services | $25,913 | 0.1 |
| RF - Training Services (HRS) | $70,363,801 | 166.0 |
| Salaries & Expenses Appropriation | $19,350,939 | 129.9 |
| | | |
| **Additional Government-wide Mandated or Compliance Function Supported by OPM** | **$44,724,451** | **215.3** |
| Common Services | $7,585,622 | 45.2 |
| RF - Training Services (HRS) | $9,238,743 | 26.0 |
| Salaries & Expenses Appropriation | $22,287,116 | 135.3 |
| CIO Common Services | $5,612,970 | 8.8 |
| | | |
| **Enabling Structural Capacity Functions of OPM** | **$127,602,982** | **495.5** |
| TF Limit - Annual | $22,624,291 | 46.6 |
| Common Services | $37,253,898 | 193.3 |
| Advances & Reimbursements To S&E | $7,787,105 | 4.2 |
| OIG Salaries & Expenses | $5,072,000 | 21.0 |
| OIG TF Limit - Annual | $26,662,000 | 138.0 |
| RF - Revolving Fund Direct | $0 | 65.0 |
| RF - Training Services (HRS) | $12,959,942 | 0.0 |
| TF Dental and Vision Benefits | $34,500 | 0.0 |
| Trust Fund Title 5 - FERCCA | $11,600 | 0.0 |
| Trust Fund Title 5 - Long Term Care | $7,100 | 0.0 |
| Trust Fund-Title 5 | $1,000,000 | 0.0 |
| Salaries & Expenses Appropriation | $14,190,546 | 27.5 |
| **OPM Total** | **$2,211,910,633** | **6,191.7** |

The following table is a more granular view of the prior table. It shows the operating resources budgeted to each strategy within the strategic goals, and 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) and the Security, Suitability, and Credentialing Line of Business;
- 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 of the agency; and
- The Office of Inspector General.

## FY 2017 Budget Request by Goal and Strategy—All Resources

| STRATEGIC_GOAL | STR_NO | STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|---|---|
| Diverse and Effective OPM Workforce | 1.01 | Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce | $3,171,079 | 32.3 |
| | 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 | $13,130,142 | 56.9 |
| | 1.03 | Provide targeted learning and developmental opportunities for OPM's employees | $2,282,349 | 3.0 |
| Strategic Goal Total | | | $18,583,570 | 92.2 |
| 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 | $185,886 | 1.1 |
| | 2.02 | Promote shared accountability for the customer service strategy | $294,667 | 3.3 |
| | 2.03 | Improve IT Capabilities to interface with customers | $104,400 | 0.0 |
| | 2.04 | Improve customers understanding of the policies and procedures that apply throughout the employee lifecycle | $844,637 | 5.8 |
| Strategic Goal Total | | | $1,429,590 | 10.2 |
| Evidence-Based Policy and Practices | 3.01 | Create an owner to drive focused attention to data analysis | $610,666 | 3.1 |
| | 3.02 | Build strong data analysis, infrastructure and implementation tools and talent | $668,979 | 3.5 |
| | 3.03 | Develop partnerships to access and analyze data | $78,745 | 0.5 |

| STRATEGIC_GOAL | STR_NO | STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|---|---|
| | 3.04 | Make data analytics a fundamental part of OPM culture | $133,198 | 2.0 |
| **Strategic Goal Total** | | | **$1,491,588** | **9.1** |
| **Efficient and Effective Information Systems** | 4.01 | Commit to an enterprise-wide IT systems strategy based on principle that business drives IT strategy | $1,917,927 | 10.0 |
| | 4.02 | Implement enabling successful practices and initiatives that strengthen IT leadership and IT governance | $14,472,507 | 53.9 |
| | 4.03 | Implement enterprise initiatives that leverage capabilities and tools throughout OPM | $72,056,087 | 126.8 |
| | 4.04 | Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other federal agencies to achieve their missions | $230,508,013 | 244.4 |
| **Strategic Goal Total** | | | **$318,954,534** | **435.1** |
| **Transparent and Responsive Budgets** | 5.02 | Institutionalize corporate prioritization | $6,786,686 | 46.2 |
| | 5.03 | Widely inform key stakeholders on new agency budget process | $22,876 | 0.1 |
| | 5.04 | Configure and Deploy Agency-wide Cost Accounting Models | $1,786,185 | 8.9 |
| **Strategic Goal Total** | | | **$8,595,747** | **55.2** |
| **Engaged Federal Workforce** | 6.01 | Design and deliver leadership training to increase employee engagement | $80,511,256 | 104.1 |
| | 6.02 | Support agencies in hiring leaders strong in managing and leading high-performing organizations | $912,134 | 4.0 |
| | 6.03 | Provide a comprehensive suite of engagement services and models for agencies and employees | $16,029,669 | 73.1 |
| | 6.04 | Ensure agencies target, address, and measure key drivers of employee engagement | $4,213,571 | 19.2 |
| | 6.05 | Partner with agencies to drive greater diversity, inclusion and employee engagement | $925,366 | 6.5 |
| **Strategic Goal Total** | | | **$102,591,996** | **206.9** |

| STRATEGIC_GOAL | STR_NO | STRATEGY | FY 2017 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 | $1,103,020 | 7.3 |
| | **7.02** | Improve OPM service to Federal agency benefit officers | $1,955,000 | 7.0 |
| | **7.03** | Advance the 21st-century, customer-focused retirement processing system for claims adjudication in a timely and accurate manner | $101,702,438 | 1,024.0 |
| **Strategic Goal Total** | | | **$104,760,458** | **1,038.3** |
| **Enhanced Federal Workforce Integrity** | **8.01** | Enhance policy, procedures and processes used to ensure people are fit to serve | $1,352,568,152 | 3,111.0 |
| **Strategic Goal Total** | | | **$1,352,568,152** | **3,111.0** |
| **Healthier Americans** | **9.01** | Sponsor high quality, consumer friendly, affordable insurance products | $28,826,712 | 137.9 |
| | **9.02** | Optimize insurance-related business processes | $8,598,304 | 60.0 |
| | **9.03** | Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans | $1,894,005 | 14.0 |
| | **9.04** | Develop novel partnerships in support of population health and enhance outreach and health literacy | $1,547,891 | 15.0 |
| **Strategic Goal Total** | | | **$40,866,912** | **226.9** |
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | **10.01** | Through the Category Management Initiative, enable the Federal Government to have products, services and providers that support the human capital management and organizational performance of Federal agencies | $25,913 | 0.1 |
| | **10.02** | Provide guidance, tools, and training to help agencies attain human capital management goals and meet OPM requirements | $71,153,074 | 194.0 |
| | **10.03** | Hold agencies accountable for closing skills in their mission critical occupations | $904,786 | 5.8 |
| | **10.04** | Assure effective human capital management of Senior Executive Service (SES) and other senior employees | $3,479,335 | 22.8 |

| STRATEGIC_GOAL | STR_NO | STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|---|---|
| | 10.05 | Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems | $14,177,545 | 73.3 |
| **Strategic Goal Total** | | | **$89,740,653** | **296.0** |
| **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 | $44,724,451 | 215.3 |
| **Strategic Goal Total** | | | **$44,724,451** | **215.3** |
| **Enabling Structural Capacity Functions of OPM** | | Indirect or internal-facing programs | $127,602,982 | 495.5 |
| **Strategic Goal Total** | | | **$127,602,982** | **495.5** |
| **OPM Total** | | | **$2,211,910,633** | **6,191.7** |

## FY 2017 Budget Request Strategy by Organization—All Resources

The following table shows FY 2017 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; and
- The Office of Inspector General.

| FY 2017 OMB Passback<br><br>Organization | Diverse and Effective OPM Workforce<br><br>1 | Timely, Accurate, and Responsive Customer Service<br><br>2 | Evidence-Based Policy and Practices<br><br>3 | Efficient and Effective Information Systems<br><br>4 | Transparent and Responsive Budgets<br><br>5 | Engaged Federal Workforce<br><br>6 | Improved Retirement Services<br><br>7 | Enhanced Federal Workforce Integrity<br><br>8 | Healthier Americans<br><br>9 | Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government<br><br>10 | Additional Government-wide Mandated or Compliance Function Supported by OPM<br><br>Other | FY 2017 Request Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Chief Human Capital Officer Council | $134,158 | $59,579 | $0 | $0 | $0 | $119,158 | $0 | $0 | $0 | $0 | $787,105 | $1,100,000 |
| Chief Information Officer | $2,267,221 | $104,400 | $0 | $207,475,100 | $0 | $0 | $0 | $0 | $0 | $0 | $5,612,970 | $215,459,691 |
| Congressional, Legislative and Intergovernmental Affairs | $94,652 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $2,201,554 | $2,296,206 |
| Employee Services | $5,470,400 | $844,637 | $321,353 | $1,049,889 | $351,936 | $1,083,091 | $0 | $0 | $0 | $10,697,068 | $20,626,184 | $40,444,558 |
| Equal Employment Opportunity | $45,461 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $775,995 | $821,456 |
| Facilities, Security & Emergency Management | $183,293 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $9,212,139 | $9,395,432 |

| Organization | Diverse and Effective OPM Workforce 1 | Timely, Accurate, and Responsive Customer Service 2 | Evidence-Based Policy and Practices 3 | Efficient and Effective Information Systems 4 | Transparent and Responsive Budgets 5 | Engaged Federal Workforce 6 | Improved Retirement Services 7 | Enhanced Federal Workforce Integrity 8 | Healthier Americans 9 | Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government 10 | Additional Government-wide Mandated or Compliance Function Supported by OPM Other | FY 2017 Request Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Federal Investigative Services | $3,958,503 | $0 | $0 | $86,494,673 | $256,796 | $0 | $0 | $1,352,302,970 | $0 | $0 | $0 | $1,443,012,942 |
| Federal Prevailing Rate Advisory Committee | $16,250 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $195,961 | $212,211 |
| Healthcare & Insurance | $813,527 | $133,198 | $133,198 | $1,438,077 | $273,636 | $0 | $0 | $0 | $32,348,119 | $0 | $0 | $35,139,755 |
| HR Solutions | $1,542,409 | $0 | $0 | $0 | $1,455,245 | $99,237,355 | $0 | $0 | $0 | $70,363,801 | $22,198,685 | $194,797,495 |
| Merit System Accountability & Compliance | $395,731 | $0 | $183,032 | $659,287 | $281,667 | $245,604 | $0 | $0 | $0 | $8,653,871 | $4,397,909 | $14,817,101 |
| Office of Communications | $60,687 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $2,567,702 | $2,628,389 |
| Office of Diversity and Inclusion | $553,008 | $0 | $0 | $0 | $0 | $910,416 | $0 | $0 | $0 | $0 | $484,189 | $1,947,613 |
| Office of Procurement Operations | $81,509 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $4,063,224 | $4,144,733 |
| Office of Small and Disadvantaged Business Utilization | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $383,870 | $383,870 |
| Office of the Chief Financial Officer | $876,170 | $0 | $0 | $17,949,663 | $5,273,590 | $0 | $0 | $0 | $0 | $0 | $20,173,348 | $44,272,771 |
| Office of the Director | $423,772 | $185,886 | $71,867 | $0 | $0 | $274,307 | $103,020 | $265,182 | $0 | $25,913 | $9,664,024 | $11,013,971 |
| Office of the Executive Secretariat | $31,900 | $0 | $0 | $0 | $130,189 | $0 | $0 | $0 | $0 | $0 | $1,402,782 | $1,564,871 |

| Organization | FY 2017 OMB Passback — Diverse and Effective OPM Workforce 1 | Timely, Accurate, and Responsive Customer Service 2 | Evidence-Based Policy and Practices 3 | Efficient and Effective Information Systems 4 | Transparent and Responsive Budgets 5 | Engaged Federal Workforce 6 | Improved Retirement Services 7 | Enhanced Federal Workforce Integrity 8 | Healthier Americans 9 | Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government 10 | Additional Government-wide Mandated or Compliance Function Supported by OPM Other | FY 2017 Request Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Office of the General Counsel | $205,242 | $0 | $0 | $0 | $304,688 | $0 | $0 | $0 | $0 | $0 | $6,683,829 | $7,193,759 |
| Office of the Inspector General | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $31,734,000 | $31,734,000 |
| Planning and Policy Analysis | $406,697 | $101,890 | $782,138 | $3,887,845 | $0 | $722,065 | $0 | $0 | $8,518,793 | $0 | $5,156,585 | $19,576,013 |
| Rent/Centrally Funded Items | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $23,177,597 | $23,177,597 |
| Retirement Services | $990,000 | $0 | $0 | $0 | $268,000 | $0 | $104,657,438 | $0 | $0 | $0 | $0 | $105,915,438 |
| White House Fellows | $32,980 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $827,781 | $860,761 |
| OPM Total | $18,583,570 | $1,429,590 | $1,491,588 | $318,954,534 | $8,595,747 | $102,591,996 | $104,760,458 | $1,352,568,152 | $40,866,912 | $89,740,653 | $172,327,433 | $2,211,910,633 |

# Strategic Goal 1: Diverse and Effective OPM Workforce

**Goal Owners:**

Andrea Bright, Deputy Associate Director, Employee Services; Justin Johnson, Executive Director, Chief Human Capital Officer Council; Mark Sherwin, Deputy Associate Director, Federal Investigative Services; Michael Amato, Director, Office of Communications

**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 any 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 (*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 to close identified skills gaps – agency-specific. The agency will focus on competencies such as problem-solving, data analysis, influencing/negotiating, and strategic thinking. The agency will support mentoring programs and train OPM employees on the agency's culture.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Diverse and Effective OPM Workforce** | | |
| **1.01** | | |
| **Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce** | **$3,171,079** | **32.3** |
| *Chief Human Capital Officer Council* | | |
| Advances & Reimbursements To S&E | $59,579 | 0.2 |
| *Employee Services* | | |
| Common Services | $2,712,835 | 20.6 |
| RF - Revolving Fund Direct | $0 | 8.8 |
| Salaries & Expenses Appropriation | $142,026 | 1.0 |
| *Federal Prevailing Rate Advisory Committee* | | |
| Salaries & Expenses Appropriation | $16,250 | 0.0 |
| *Office of Diversity and Inclusion* | | |
| Salaries & Expenses Appropriation | $39,503 | 0.6 |
| *Office of the Director* | | |
| Common Services | $200,886 | 1.1 |
| **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** | **$13,130,142** | **56.9** |
| *Chief Human Capital Officer Council* | | |
| Advances & Reimbursements To S&E | $74,579 | 0.3 |
| *Chief Information Officer* | | |
| RF - USAJOBS | $122,882 | 0.4 |
| RF Employment Services (HRTT) | $243,166 | 0.8 |
| RF Enterprise Human Resources Integration | $81,502 | 0.3 |
| TF Limit - Annual | $148,566 | 0.6 |
| Trust Fund-Title 5 | $3,627 | 0.0 |
| Salaries & Expenses Appropriation | $158,720 | 0.4 |
| CIO Common Services | $643,583 | 1.5 |
| *Employee Services* | | |
| Common Services | $1,509,099 | 11.1 |
| RF - Revolving Fund Direct | $0 | 4.7 |
| Salaries & Expenses Appropriation | $626,032 | 2.4 |
| *Equal Employment Opportunity* | | |
| Common Services | $25,461 | 0.6 |
| *Federal Investigative Services* | | |
| RF Investigative Services | $3,958,503 | 18.7 |
| *HR Solutions* | | |
| RF - Training Services (HRS) | $1,542,409 | 0.0 |
| *Office of Diversity and Inclusion* | | |
| Salaries & Expenses Appropriation | $369,702 | 2.4 |
| *Office of the Chief Financial Officer* | | |
| Common Services | $488,650 | 1.7 |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| TF Limit - Annual | $159,977 | 0.7 |
| **Office of the Director** | | |
| Common Services | $222,886 | 1.1 |
| **Office of the General Counsel** | | |
| Common Services | $190,242 | 0.5 |
| **Retirement Services** | | |
| TF Limit - Annual | $800,000 | 4.0 |
| Trust Fund-Title 5 | $190,000 | 1.5 |
| **White House Fellows** | | |
| Salaries & Expenses Appropriation | $29,980 | 0.3 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $8,500 | 0.0 |
| Salaries & Expenses Appropriation | $298,208 | 1.0 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $383,745 | 0.0 |
| Salaries & Expenses Appropriation | $276,051 | 0.0 |
| **Congressional, Legislative and Intergovernmental Affairs** | | |
| Common Services | $59,530 | 0.5 |
| **Office of Communications** | | |
| Common Services | $50,687 | 0.6 |
| **Planning and Policy Analysis** | | |
| TF Dental and Vision Benefits | $5,808 | 0.0 |
| TF Limit - Annual | $155,764 | 0.3 |
| Trust Fund Title 5 - Long Term Care | $4,114 | 0.0 |
| Trust Fund-Title 5 | $5,757 | 0.0 |
| Salaries & Expenses Appropriation | $133,754 | 0.3 |
| **Office of the Executive Secretariat** | | |
| Common Services | $31,900 | 0.3 |
| **Office of Procurement Operations** | | |
| Common Services | $39,136 | 0.0 |
| Salaries & Expenses Appropriation | $7,477 | 0.0 |
| **Facilities, Security & Emergency Management** | | |
| Common Services | $80,145 | 0.0 |
| **1.03** | | |
| **Provide targeted learning and developmental opportunities for OPM's employees** | **$2,282,349** | **3.0** |
| **Chief Information Officer** | | |
| RF - USAJOBS | $13,600 | 0.0 |
| RF Employment Services (HRTT) | $163,910 | 0.0 |
| RF Enterprise Human Resources Integration | $18,062 | 0.0 |
| RF Investigative Services | $62,973 | 0.0 |
| TF Limit - Annual | $102,827 | 0.0 |
| Salaries & Expenses Appropriation | $83,593 | 0.0 |
| CIO Common Services | $420,210 | 0.5 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $480,408 | 1.0 |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Equal Employment Opportunity** | | |
| Common Services | $20,000 | 0.0 |
| **Office of Diversity and Inclusion** | | |
| Salaries & Expenses Appropriation | $143,803 | 1.5 |
| **Office of the Chief Financial Officer** | | |
| Common Services | $140,317 | 0.0 |
| TF Limit - Annual | $87,226 | 0.0 |
| **Office of the General Counsel** | | |
| Common Services | $15,000 | 0.0 |
| **White House Fellows** | | |
| Salaries & Expenses Appropriation | $3,000 | 0.0 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $10,330 | 0.0 |
| Salaries & Expenses Appropriation | $78,693 | 0.0 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $75,000 | 0.0 |
| Salaries & Expenses Appropriation | $78,731 | 0.0 |
| **Congressional, Legislative and Intergovernmental Affairs** | | |
| Common Services | $35,122 | 0.0 |
| **Office of Communications** | | |
| Common Services | $10,000 | 0.0 |
| **Planning and Policy Analysis** | | |
| TF Dental and Vision Benefits | $500 | 0.0 |
| TF Limit - Annual | $50,000 | 0.0 |
| Trust Fund Title 5 - Long Term Care | $500 | 0.0 |
| Trust Fund-Title 5 | $500 | 0.0 |
| Salaries & Expenses Appropriation | $50,000 | 0.0 |
| **Office of Procurement Operations** | | |
| Common Services | $27,419 | 0.0 |
| Salaries & Expenses Appropriation | $7,477 | 0.0 |
| **Facilities, Security & Emergency Management** | | |
| Common Services | $103,148 | 0.0 |
| **OPM Total** | **$18,583,570** | **92.2** |

## 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 (I.E., 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 any barriers to diversity.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

In FY 2016, OPM will continue to require the active participation of hiring managers in recruiting, ensuring that they develop and implement recruiting strategies, with the support of OPM HR staff. 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.

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 pursuing efforts that will foster a diverse workforce, and will continue to involve hiring managers in recruiting and outreach, to enhance efforts to reach the broadest possible spectrum of potential candidates. 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. OPM will also continue to institutionalize the use of appropriate applicant assessment tools, to ensure the workforce has the talents needed to accomplish the agency's mission.

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 that it 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.

In FY 2017, OPM will continue to involve hiring managers in recruiting and outreach to enhance efforts to reach the broadest possible spectrum of potential candidates. OPM will continue to use data analytics and workforce dashboards to track and report new hires. The agency will continue to improve its ability to analyze applicant flow data, with increased focus on areas of particular interest, such as mission critical occupations, and begin the process of developing standardized reports.

Further, OPM will continue to expand its recruiting and outreach efforts by identifying and leveraging available networks into which it has not previously tapped, to support the diversity of applicant pools.

## Implementation Organizations:

Employee Services (ES), Office of Diversity & Inclusion (ODI), Office of the Director (OD), Chief Human Capital Officers Council (CHCOC), and Federal Prevailing Rate Advisory Committee (FPRAC)

## Implementation Considerations:

ES (OPM Human Resources) staff, in coordination with ODI, will provide program management, policy, guidance, and communication and coordination with hiring managers and employees. Additionally, ES' Veterans Employment Program Office supports the recruitment of veterans and outreach to the veterans' community. The goal also requires the participation and support of implementation organizations and 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 (OC). Dashboard and data analysis tools, along with analytical expertise, are provided required for ongoing monitoring and feedback.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of USA Staffing® hiring actions for which OPM managers reviewed applicant flow data | N/A* | 82.1%^ | 66.1%~ | - | ≥75% | ≥75% |

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

~OPM made 187 of 283 hires after HR and/or hiring manager review of applicant flow data.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Diverse and Effective OPM Workforce** | | |
| **1.01** | | |
| **Deploy agile recruitment and outreach tactics to attract a diverse and talented workforce** | **$3,171,079** | **32.3** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $59,579 | 0.2 |
| **Employee Services** | | |
| Common Services | $2,712,835 | 20.6 |
| RF - Revolving Fund Direct | $0 | 8.8 |
| Salaries & Expenses Appropriation | $142,026 | 1.0 |
| **Federal Prevailing Rate Advisory Committee** | | |
| Salaries & Expenses Appropriation | $16,250 | 0.0 |
| **Office of Diversity and Inclusion** | | |
| Salaries & Expenses Appropriation | $39,503 | 0.6 |
| **Office of the Director** | | |
| Common Services | $200,886 | 1.1 |
| **OPM Total** | **$3,171,079** | **32.3** |

# 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:**

OPM recently defined employee engagement as the employee's sense of purpose that is evident in his or her display of dedication, persistence, and effort in work or overall attachment to the organization and its mission. 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.

## FY 2016 and FY 2017 Anticipated Accomplishments:

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, OPM will promote best-practices of the agency subcomponents in employee empowerment, diversity and 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 work time 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 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 re-launched the supervisory training and development framework in FY 2015, by focusing on core developmental objectives and instructor led learning experiences, and in FY 2016, OPM will continue this program, using ongoing evaluation for continuous improvement and responsiveness to participants' and OPM leadership needs.

Also based on evaluation results, OPM re-launched 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. OPM will continue providing support for innovation projects in FY 2016, incorporating Human Centered Design and Lean Six Sigma.

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

In FY 2017, OPM will continue to require all supervisors to make specific commitments and to take actions to demonstrate support for diversity, inclusion and engagement. After conducting inventories of recognition programs and communications vehicles being used by OPM components in late FY 2015, OPM will refine employee recognition efforts and align communications to improve employee satisfaction with awards, recognition and the quality of information being provided, as measured by the Employee Viewpoint Survey and periodic pulse surveys. The agency will continue to use Human Centered Design and Lean Six Sigma to improve processes by including more employees and affected parties in decision making. Finally, OPM will continue to assess and select supervisors based on leadership competencies.

## Implementation Organizations:

Chief Information Officer (CIO), Chief Human Capital Officer Council (CHCOC), Employee Services (ES), Equal Employment Opportunity (EEO), Facilities, Security & Emergency Management (FSEM), Office of Procurement Operations (OPO), Federal Investigative Services (FIS), HR Solutions (HRS), 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), Executive Secretariat (OES), White House Fellows (WHF), Health Care and Insurance (HI), , Office of Communication (OC), and Planning and Policy Analysis (PPA)

## Implementation Considerations:

Implementation of this strategy is dependent on the Human Resources staff, OPM Learning team, ODI staff, and OC staff to provide program management, policy, guidance, and communication and coordination with all supervisors and employees. Due to budget constraints, OPM will work through Human Resources Solutions to provide targeted learning and development opportunities as funds are available. This strategy 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; ODI supports internal engagement programs; PPA and HRS work with OPM HR to help OPM components analyze survey results and create action plans. All of the implementing organizations work together to provide ongoing support to supervisors.

Because this strategy involves leveraging Employee Resource Groups and internal social media, and other technology to include employees across OPM in activities such as mentoring and community building, rules of engagement and expectations on the use of time for these activities must be clarified. The Federal Employee Viewpoint Survey dashboard and data analysis tools are required for ongoing evaluation and refinement. Targeted training for supervisors and non-supervisors on identified skills, such as data

analytics, critical thinking, and communications is essential. Sufficient funding and time for these capacity-building activities must be maintained as practicable.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| OPM's Federal Employee Viewpoint Survey Employee Engagement Index score | 72% | 72% | 71.1% | - | ≥73% | ≥74% |
| Overall New IQ score | 64% | 64% | 64.0% | - | ≥66% | ≥67% |

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

| | FY 2017 Request | |
|---|---|---|
| STRATEGIC GOAL/STRATEGY | 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** | **$13,130,142** | **56.9** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $74,579 | 0.3 |
| **Chief Information Officer** | | |
| TF Limit - Annual | $148,566 | 0.6 |
| RF - USAJOBS | $122,882 | 0.4 |
| RF Employment Services (HRTT) | $243,166 | 0.8 |
| RF Enterprise Human Resources Integration | $81,502 | 0.3 |
| Trust Fund-Title 5 | $3,627 | 0.0 |
| Salaries & Expenses Appropriation | $158,720 | 0.4 |
| Information Technology Funding | $643,583 | 1.5 |
| **Employee Services** | | |
| Common Services | $1,509,099 | 11.1 |
| RF - Revolving Fund Direct | $0 | 4.7 |
| Salaries & Expenses Appropriation | $626,032 | 2.4 |
| **Equal Employment Opportunity** | | |
| Common Services | $25,461 | 0.6 |
| **Federal Investigative Services** | | |
| RF Investigative Services | $3,958,503 | 18.7 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $1,542,409 | 0.0 |
| **Office of Diversity and Inclusion** | | |
| Salaries & Expenses Appropriation | $369,702 | 2.4 |
| **Office of the Chief Financial Officer** | | |
| TF Limit - Annual | $159,977 | 0.7 |
| Common Services | $488,650 | 1.7 |
| **Office of the Director** | | |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| Common Services | $222,886 | 1.1 |
| **Office of the General Counsel** | | |
| Common Services | $190,242 | 0.5 |
| **Retirement Services** | | |
| TF Limit - Annual | $800,000 | 4.0 |
| Trust Fund-Title 5 | $190,000 | 1.5 |
| **White House Fellows** | | |
| Salaries & Expenses Appropriation | $29,980 | 0.3 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $8,500 | 0.0 |
| Salaries & Expenses Appropriation | $298,208 | 1.0 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $383,745 | 0.0 |
| Salaries & Expenses Appropriation | $276,051 | 0.0 |
| **Congressional, Legislative and Intergovernmental Affairs** | | |
| Common Services | $59,530 | 0.5 |
| **Office of Communications** | | |
| Common Services | $50,687 | 0.6 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $155,764 | 0.3 |
| TF Dental and Vision Benefits | $5,808 | 0.0 |
| Trust Fund Title 5 - Long Term Care | $4,114 | 0.0 |
| Trust Fund-Title 5 | $5,757 | 0.0 |
| Salaries & Expenses Appropriation | $133,754 | 0.3 |
| **Office of the Executive Secretariat** | | |
| Common Services | $31,900 | 0.3 |
| **Office of Procurement Operations** | | |
| Common Services | $39,136 | 0.0 |
| Salaries & Expenses Appropriation | $7,477 | 0.0 |
| **Facilities, Security & Emergency Management** | | |
| Common Services | $80,145 | 0.0 |
| **OPM Total** | **$13,130,142** | **56.9** |

## 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

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will execute an agency corporate workforce plan, which is being designed in FY 2015. The agency will also establish criteria for OPM leaders, supervisors, and managers to apply when prioritizing training investments and evaluating training impact. OPM will also implement the agency's skills gap action plan by providing enterprise training on data analytics, problem solving, customer service and written and oral communication. The agency will continue design, testing and assessment of cohort-based supervisory development programs, including new supervisor boot camp and mandatory supervisory training, and implement OPM skills development programs, including: Lean Six Sigma training and certification, executive development workshops, Director's Fellows, Aspiring Leaders, OPMConnect, Speed of Trust training, and maximizing employee engagement. OPM will also implement OPM career development programs, including: President's Management Council rotations, OPM mentoring, OPM coaching, Career Power Training for employees and managers, and career development programs. Further, the agency will link OPM's mentoring program to government-wide mentoring resources through the Human Resources University (HRU)'s Federal Mentorship Hub, and also design a

virtual learning center to enhance the online learning and development experience for employees in mission critical occupations.

In FY 2017, OPM will pilot and evaluate the virtual learning center to ensure it supports agency-wide training and development and Individual Development Plans; finalize adjustments, based on pilot results, and launch the new OPM Learning programs and courses such as the Aspiring Leaders program, Lean Six Sigma certification, executive development workshops, OPMConnect, Speed of Trust training, maximizing employee engagement, and the Director's Fellows program. The agency will also develop a framework to implement and support the established criteria for OPM leaders, supervisors and managers to apply when prioritizing training investments and evaluating training impact, and build evaluation methods and a framework to measure levels 3, 4 and 5 in accordance with established evaluation methodology. At its most basic level, evaluating training simply considers the attendees' satisfaction/enjoyment. More robust evaluations consider whether the participant learned (level 2), if the training resulted in a change in on-the-job behavior (level 3), whether job performance/results improved (level 4), and the extent to which the monetary benefits of the training exceed the cost (level 5). Further, OPM will continue to close gaps in agency mission critical occupations using blended approaches that incorporate theory, practice and sustainability, and also launch career counseling certification.

## Implementation Organizations:

Chief Information Officer (CIO), Employee Services (ES), Equal Employment Opportunity (EEO), Facilities, Security & Emergency Management (FSEM), Office of Procurement Operations (OPO), Office of Diversity & Inclusion (ODI), Office of the Chief Financial Officer (OCFO), Office of the General Counsel (OGC), White House Fellows (WHF), Merit Systems Accountability & Compliance (MSAC), Congressional, Legislative and Intergovernmental Affairs (CLIA), Healthcare and Insurance (HI), Office of Communications (OC), and Planning and Policy Analysis (PPA)

## Implementation Considerations:

The success of the strategy is contingent upon the support of managers throughout OPM. ES will leverage government-wide models, tools and best practices to support OPM HR's implementation of a workforce plan and gap closure strategy. ES will conduct data collection/analysis and coordinate agency-wide workforce planning for long term institutional sustainability. Access to Comprehensive Human Resources Integrated System, Enterprise Human Resources Integration and other data sources will be critical to apply the appropriate data analysis to forecasting OPM workforce directions/gaps, and creating and sustaining plans to fill those gaps.

ES will also support the design, implementation, and management and evaluation of the programs to provide targeted learning and developmental opportunities for OPM's employees, and coordinate identification of 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. The goal also requires the participation and support of implementation organizations and managers at all levels of the agency.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of employees participating in corporate training opportunities | N/A* | 28% | 94.9%~ | ≥30% | ≥30% | 30% |
| Percent of employees satisfied with the opportunity to improve their skills as reported in the Employee Viewpoint Survey | 65% | 62% | 64.0%^ | - | ≥65% | 65% |

*N/A - Not Available - no historical data available for this period.
~Of 5,113 employees, 4,849 enrolled in one or more corporate learning opportunities through the agency's Learning Management System.
^ Of the respondents, 2,161 of 3,375 employees reported that they were satisfied with the opportunity to improve their skills.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Diverse and Effective OPM Workforce** | | |
| **1.03** | | |
| **Provide targeted learning and developmental opportunities for OPM's employees** | **$2,282,349** | **3.0** |
| **Chief Information Officer** | | |
| TF Limit - Annual | $102,827 | 0.0 |
| RF - USAJOBS | $13,600 | 0.0 |
| RF Employment Services (HRTT) | $163,910 | 0.0 |
| RF Enterprise Human Resources Integration | $18,062 | 0.0 |
| RF Investigative Services | $62,973 | 0.0 |
| Salaries & Expenses Appropriation | $83,593 | 0.0 |
| Information Technology Funding | $420,210 | 0.5 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $480,408 | 1.0 |
| **Equal Employment Opportunity** | | |
| Common Services | $20,000 | 0.0 |
| **Office of Diversity and Inclusion** | | |
| Salaries & Expenses Appropriation | $143,803 | 1.5 |
| **Office of the Chief Financial Officer** | | |
| TF Limit - Annual | $87,226 | 0.0 |
| Common Services | $140,317 | 0.0 |
| **Office of the General Counsel** | | |
| Common Services | $15,000 | 0.0 |
| **White House Fellows** | | |
| Salaries & Expenses Appropriation | $3,000 | 0.0 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $10,330 | 0.0 |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| Salaries & Expenses Appropriation | $78,693 | 0.0 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $75,000 | 0.0 |
| Salaries & Expenses Appropriation | $78,731 | 0.0 |
| **Congressional, Legislative and Intergovernmental Affairs** | | |
| Common Services | $35,122 | 0.0 |
| **Office of Communications** | | |
| Common Services | $10,000 | 0.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $50,000 | 0.0 |
| TF Dental and Vision Benefits | $500 | 0.0 |
| Trust Fund Title 5 - Long Term Care | $500 | 0.0 |
| Trust Fund-Title 5 | $500 | 0.0 |
| Salaries & Expenses Appropriation | $50,000 | 0.0 |
| **Office of Procurement Operations** | | |
| Common Services | $27,419 | 0.0 |
| Salaries & Expenses Appropriation | $7,477 | 0.0 |
| **Facilities, Security & Emergency Management** | | |
| Common Services | $103,148 | 0.0 |
| **OPM Total** | **$2,282,349** | **3.0** |

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

**Goal Owners:**

Linda Bradford, Deputy Associate Director, Retirement Services; Allison Davis, Branch Chief, Office of the Chief Information Officer; and Dean Hunter, Director, Facilities, Security and Emergency Management

**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 includes 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.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 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** | **$185,886** | **1.1** |
| **Office of the Director** | | |
| Common Services | $185,886 | 1.1 |
| **2.02** | | |
| **Promote shared accountability for the customer service strategy** | **$294,667** | **3.3** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $59,579 | 0.3 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $66,599 | 1.0 |
| Salaries & Expenses Appropriation | $66,599 | 1.0 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $101,890 | 1.0 |
| **2.03** | | |
| **Improve IT Capabilities to interface with customers** | **$104,400** | **0.0** |
| **Chief Information Officer** | | |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
| --- | --- | --- |
| | Dollars | FTE |
| CIO Common Services | $104,400 | 0.0 |
| **2.04** | | |
| **Improve customers understanding of the policies and procedures that apply throughout the employee lifecycle** | **$844,637** | **5.8** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $844,637 | 5.8 |
| **OPM Total** | **$1,429,590** | **10.2** |

## 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.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016 and FY 2017, OPM will implement its Customer Experience Strategic Plan by communicating it to all employees; sustaining an intra-agency Customer Experience Community of Practice; establishing a baseline for Accuracy, Responsiveness, and Timeliness (ART) and overall satisfaction of customer experience; establishing performance improvement program office teams; investing in and rewarding employees; and promoting accountability and transparency across OPM. The agency will also provide customer experience training by developing updated training, conducting user testing, and marketing revised training. OPM will track the progress of trained employees. Further, in FY 2017, OPM will evaluate the intra-agency customer experience community of practice; and set targets for Accuracy, Responsiveness, and Timeliness (ART) and overall satisfaction of customer experience implementing a performance improvement approach.

### Implementation Organizations:

Office of the Director (OD)

### Implementation Considerations:

OD 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. For Strategy 2.01, OD will have a Chief Experience Officer (CXO) function that oversees implementation of the Customer Experience Strategic Plan and provides

implementation guidance to the program offices as necessary. At present, the COO serves in that capacity. Other Office of the Director staff will implement the Customer Experience Strategic Plan to improve the services the office provides to its customers.

The CHCOC will support implementation of the Customer Experience Strategic Plan's step of investing and rewarding employees.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of program offices meeting their customer satisfaction score targets | N/A* | N/A* | 43.8% | - | Establish Baseline | Establish Baseline |
| Percent of OPM employees who took online customer service training | N/A* | N/A* | 22.0%~ | - | Establish Baseline | Establish Baseline |

*N/A - Not Available - no historical data available for this period.
^Seven of 16 external-facing program offices met their customer satisfaction score targets.
~ Of 4,933 OPM employees, 1,083 took the training.

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

| | FY 2017 Request | |
|---|---|---|
| STRATEGIC GOAL/STRATEGY | 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** | **$185,886** | **1.1** |
| **Office of the Director** | | |
| Common Services | $185,886 | 1.1 |
| **OPM Total** | **$185,886** | **1.1** |

## Strategy: 2.02 Promote shared accountability for the customer service strategy

**Strategy Overview:**

Promote shared accountability for the customer service strategy by:

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

- developing customer service standards (timeliness, accuracy, responsiveness 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.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

In FY 2016, OPM will establish a baseline for Accuracy, Responsiveness, and Timeliness (ART) and overall satisfaction of customer experience by analyzing ART and overall satisfaction data, reviewing existing surveys, updating or creating new surveys, and administering the surveys, compiling and analyzing data; creating baseline measures; and creating normalized ART and overall satisfaction scores. In FYs 2016 and 2017, OPM will implement a performance improvement approach by identifying areas of improvements and opportunities, analyzing options for solutions, developing action plans, implementing and track action plans, measuring effectiveness of action items, and communicating improvements. Further, OPM will invest in and reward employees by providing continuous training in customer experience; recruiting, hiring, and engaging customer service professionals; and celebrating and rewarding outstanding customer service. OPM will promote accountability and transparency across the agency by sharing existing customer service performance elements with the intra-agency community of practice. In FY 2017, OPM will set targets for the next survey administration cycle for Accuracy, Responsiveness, and Timeliness (ART) and overall satisfaction of customer experience by using baseline data and re-evaluating any previously set targets.

## Implementation Organizations:

Chief Human Capital Officer (CHCO) Council, Healthcare and Insurance (HI), and Planning and Policy Analysis (PPA)

## Implementation Considerations:

PPA will administer the Federal Employee Viewpoint Survey (FEVS) and the Federal Employee Benefits Survey and analyze the survey results related to customer satisfaction.

The CHCOC helps coordinate human capital initiatives to improve service delivery to a variety of customers, including applicants, managers looking to hire and current employees seeking development opportunities.

HI's responsibilities relate to the oversight and management of OPM's Benefit Programs, namely 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). For that reason, HI assists enrollees with open season enrollment and MSP enrollment, and resolves disputed claims in accordance with governing law. HI will continue to assess customer satisfaction in these areas.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of program offices measuring their customer service accuracy | N/A* | N/A* | 25.0%~ | - | Establish Baseline | Establish Baseline |
| Percent of program offices measuring their customer service responsiveness | N/A* | N/A* | 31.3%^ | - | Establish Baseline | Establish Baseline |
| Percent of program offices measuring their customer service timeliness | N/A* | N/A* | 37.5%+ | - | Establish Baseline | Establish Baseline |

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

~ Of 16 external-facing program offices, four measured their customer service accuracy in FY 2015

^ Of 16 external-facing program offices, five measured their customer service responsiveness in FY 2015.

+ Of 16 external-facing program offices, six measured their customer service timeliness in FY 2015

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Timely, Accurate, and Responsive Customer Service** | | |
| **2.02** | | |
| **Promote shared accountability for the customer service strategy** | **$294,667** | **3.3** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $59,579 | 0.3 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $66,599 | 1.0 |
| Salaries & Expenses Appropriation | $66,599 | 1.0 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $101,890 | 1.0 |
| **OPM Total** | **$294,667** | **3.3** |

## Strategy: 2.03 Improve IT Capabilities to interface with customers

### Strategy Overview:

Improve IT Capabilities to interface with customers by:

- 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 tool kits for customers; and

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

### FY 2016 and FY 2017 Anticipated Accomplishments:

OPM will implement a performance improvement approach, implementing IT improvements from program office action plans and providing new web-based toolkits for customers. The agency will also promote accountability by building an internal prototype of a public facing dashboard, which will display Accuracy, Responsiveness, and Timeliness (ART) and overall satisfaction scores and communicate the actions taken to improve scores.

### Implementation Organizations:

Chief Information Officer (CIO)

### Implementation Considerations:

CIO will build and maintain the prototype of a public-facing Customer Experience Dashboard on OPM's intranet site with the capabilities to (1) visualize overall satisfaction, Accuracy, Responsiveness, and Timeliness performance data and (2) prompt OPM users to send their feedback about the dashboard to a designated point of contact.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of Strategy 2.03 milestones from the Customer Experience Strategic Plan completed | N/A* | N/A* | 37.5%~ | - | ≥10% | ≥10% |

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

~ In FY 2015, OPM completed nine of 24 Strategy 2.03 milestones from the Customer Experience Strategic Plan.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
| --- | --- | --- |
| | Dollars | FTE |
| **Timely, Accurate, and Responsive Customer Service** | | |
| **2.03** | | |
| **Improve IT Capabilities to interface with customers** | **$104,400** | **0.0** |
| **Chief Information Officer** | | |
| CIO Common Services | $104,400 | 0.0 |
| **OPM Total** | **$104,400** | **0.0** |

## 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 communicating key topics on multiple platforms.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

OPM will implement a performance improvement approach, implementing policy and procedure communications from program office action plans. The agency will also create a customer journey map. In FY 2017, the agency will communicate improvements.

**Implementation Organizations:**

Employee Services (ES)

**Implementation Considerations:**

ES provides support to agencies through briefings and other mediums to promote better understanding of the policies and procedures that apply throughout the employee lifecycle. 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.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of Strategy 2.04 milestones from the Cust Experience Strategic Plan completed | N/A* | N/A* | 50.0%~ | - | ≥10% | ≥10% |

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

~ In FY 2015, OPM completed 11 of 22 Strategy 2.04 milestones from the Customer Experience Strategic Plan.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 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** | **$844,637** | **5.8** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $844,637 | 5.8 |
| **OPM Total** | **$844,637** | **5.8** |

## Strategic Goal 3: Evidence-Based Policy and Practices

**Goal Owners:**

Kimya Lee, Senior Advisor on Research and Evaluation, Planning and Policy Analysis; and Leslie Pollack, Deputy Associate Director, HR Strategy and Evaluation; Veronica Villalobos, Deputy Associate Director, Employee Services

**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 require evidence-based decision making. The objective of this strategic goal is to further OPM's lead role in setting 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 continue to be vigilant with respect to the need to protect Personally Identifiable Information (PII), information protected by the Privacy Act, and other confidential information in compliance with the law and accepted practice.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Evidence-Based Policy and Practices** | | |
| **3.01** | | |
| **Create an owner to drive focused attention to data analysis** | **$610,666** | **3.1** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $321,353 | 1.9 |
| **Office of the Director** | | |
| Common Services | $71,867 | 0.2 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $217,446 | 1.0 |
| **3.02** | | |
| | **$668,979** | **3.5** |
| **Build strong data analysis, infrastructure and implementation tools and talent** | | |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $183,032 | 1.0 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $485,947 | 2.5 |
| **3.03** | | |
| **Develop partnerships to access and analyze data** | **$78,745** | **0.5** |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $78,745 | 0.5 |
| **3.04** | | |
| **Make data analytics a fundamental part of OPM culture** | **$133,198** | **2.0** |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $66,599 | 1.0 |
| Salaries & Expenses Appropriation | $66,599 | 1.0 |
| **OPM Total** | **$1,491,588** | **9.1** |

## 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.

**FY 2016 and FY 2017 Anticipated 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 standard operating procedures for budgeting, submitting, selecting, and completing projects for the OPM research agenda. Also in FY 2016, OPM will establish a chief of data analytics position who will be empowered to consolidate the data information from the various programs it collects on the Federal workforce. The primary role will be seeding new data analytics efforts and encouraging their perpetuation across offices, developing a process flow change, and positioning the OPM of the future to be a data-aggregator akin to the Bureau of Labor Statistics for Federal personnel (with all appropriate safeguards). In FY 2017, OPM will issue guidance for the first annual research agenda report (second quarter), complete a first draft of the research report (third quarter), and host a research summit (fourth quarter). OPM will finalize and issue a final FY 2017 OPM research agenda report in the first quarter of 2018.

**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. These units 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, material covered by the Privacy Act, and other data security issues. The Office of the Director senior leadership will continue to support the implementing partners by engaging the necessary stakeholders and identifying resources to support this goal.

| FY 2016 Milestones |
| --- |
| Release the first annual OPM research agenda |
| Establish a governance board overseeing data analysis |
| **FY 2017 Milestones** |
| Issue the first annual research agenda report |
| Host a summit to showcase the research studies, including the methods and findings |

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

| | FY 2017 Request | |
| --- | --- | --- |
| **STRATEGIC GOAL/STRATEGY** | **Dollars** | **FTE** |
| **Evidence-Based Policy and Practices** | | |
| **3.01** | | |
| **Create an owner to drive focused attention to data analysis** | **$610,666** | **3.1** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $321,353 | 1.9 |
| **Office of the Director** | | |
| Common Services | $71,867 | 0.2 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $217,446 | 1.0 |
| **OPM Total** | **$610,666** | **3.1** |

## 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.

### FY 2016 and FY 2017 Anticipated 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 the results of the data analysis and analytic tools survey and research agenda goals.

OPM will continue to build strong data analysis tools in FY 2017 by continuing to track and analyze OPM spending to identify opportunities for cross-agency collaboration and efficiencies; finalizing standardized policy and business processes for OPM-wide evidence-based decision making; and implementing the shared data analysis, visualization, communication and decision making tools identified as a result of the data analysis and analytic tools survey and research agenda goals.

### Implementation Organizations:

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

### Implementation Considerations:

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

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Number of user accounts on the Federal Employee Viewpoint Survey Online Reporting and Analysis Tool | 1,233 | 1,458 | 2,156 | - | ≥1,700 | ≥2,200 |
| Number of users on the Federal Talent Dashboard | N/A* | 540 | 10,428 | - | ≥3,700 | ≥11,600 |

*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 2017 Request Dollars | FTE |
|---|---|---|
| **Evidence-Based Policy and Practices** | | |
| **3.02** | | |
| **Build strong data analysis, infrastructure and implementation tools and talent** | **$668,979** | **3.5** |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $183,032 | 1.0 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $485,947 | 2.5 |
| **OPM Total** | **$668,979** | **3.5** |

## 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 Chief Human Capital Officers (CHCO) Council and HR Line of Business; 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 Officers Council and cross-sector HR data analytics community to identify commonly used data and emerging research agenda and initiatives.

### FY 2016 and FY 2017 Anticipated 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; partnering with inter-agency work groups to identify the most commonly used data and information; and piloting the use of crowdsourcing (as a means to leverage analytic support from an online community) to cultivate analytic partnerships with other Federal and private sector entities, as appropriate. To assess the effectiveness of this approach, OPM will evaluate the benefits and challenges of using this partnership to leverage analytic capabilities and use the agency's resources most effectively.

OPM will continue to develop partnerships to access and analyze data in FY 2017 by expanding the number of collaboration agreements with agencies, academic institutions, and think tanks to leverage data sets, analytic capabilities, and research findings; standardizing the requirements for commonly used data and information across agencies; evaluating the experience of crowd sourcing to determine sustainability of crowd sourcing as a mechanism for data analytics; and evaluating the benefits and challenges of using partnerships to leverage external analytic capabilities for evidence-based policy making.

### Implementation Organizations:

Planning and Policy Analysis (PPA)

### Implementation Considerations:

PPA will lead the development of partnerships to access and analyze data, expanding the number of collaboration agreements with academic institutions, professional associations, think tanks or industry to seven or more.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Number of signed research agreements with academic institutions, professional associations, think tanks, or industry | N/A* | N/A* | 2 | - | ≥5 | ≥7 |

*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 2017 Request Dollars | FTE |
|---|---|---|
| **Evidence-Based Policy and Practices** | | |
| **3.03** | | |
| Develop partnerships to access and analyze data | **$78,745** | **0.5** |
| Planning and Policy Analysis | | |
| Salaries & Expenses Appropriation | $78,745 | 0.5 |
| **OPM Total** | **$78,745** | **0.5** |

## 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 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; and
- providing advanced data analytics, visualization and decision making training to OPM employees responsible for data analysis and/or policy design.

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.

**FY 2016 and FY 2017 Anticipated 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. Further, the agency will implement USA Staffing® customer data delivery through data warehouse and ad hoc reporting Application Programming Interfaces, 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.

In FY 2017, OPM will continue developing learning opportunities in decision making and data analytics for all employees, including, if feasible, a certification program to designate employees reaching required levels of data analytics mastery. OPM will publish its first annual report on progress and challenges related to data analysis, and will identify tools that could be deployed and/or developed in order to improve OPM's evidence-based policy making.

**Implementation Organizations:**

Healthcare & Insurance (HI)

## Implementation Considerations:

HI will promote and advance the analytical work and research being done in support of the FEHB, FEGLI, Dental Vision, Long Term Care, and FSAFeds programs. Activities include providing information on HI's current and future data analytic and research needs, determining internal research projects, and partnering with universities, nonprofits, and industry, as appropriate on research collaborations.

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.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Number of employees (students) who completed a data analytics course | N/A* | N/A* | 6 | - | ≥150 | ≥165 |

*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 2017 Request Dollars | FTE |
|---|---|---|
| **Evidence-Based Policy and Practices** | | |
| **3.04** | | |
| **Make data analytics a fundamental part of OPM culture** | **$133,198** | **2.0** |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $66,599 | 1.0 |
| Salaries & Expenses Appropriation | $66,599 | 1.0 |
| **OPM Total** | **$133,198** | **2.0** |

# Strategic Goal 4: Efficient and Effective Information Systems

**Goal Owners:**

Donna Seymour, Chief Information Officer, Office of the Chief Information Officer; Nina Ferraro, Senior Procurement Executive, Office of Procurement Operations; and Reggie Brown, Deputy Associate Director, Human Resources Solutions

**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. Through the development and implementation of the OPM-wide IT strategy, published in February 2014, OPM is taking steps to manage its IT systems more efficiently and effectively. By taking a 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 so that scarce resources are spent wisely based on agency business priorities.

In addition to these actions, OPM has made progress in strengthening its cyber defense and will continue to make this a top priority in FY 2016 and FY 2017. Congressional support will be paramount in order for OPM to continue its ongoing actions to enhance the security of the Federal Government's data including health insurance information on over 5 million Federal employees, retirees and their families, and payroll records and the official personnel records for the entire Federal Government.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 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 | **$1,917,927** | **10.0** |
| Chief Information Officer | | |
| Salaries & Expenses Appropriation | $325,935 | 0.0 |
| CIO  Common Services | $1,591,992 | 10.0 |
| **4.02** | | |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Implement enabling successful practices and initiatives that strengthen IT leadership and IT governance** | **$14,472,507** | **53.9** |
| **Chief Information Officer** | | |
| TF Limit - Annual | $159,410 | 1.0 |
| RF HRLOB Activities | $3,000,000 | 0.0 |
| Salaries & Expenses Appropriation | $4,012,968 | 34.7 |
| CIO  Common Services | $3,148,482 | 18.2 |
| CIO Salaries & Expenses No-Year | $4,151,647 | 0.0 |
| **4.03** | | |
| **Implement enterprise initiatives that leverage capabilities and tools throughout OPM** | **$72,056,087** | **126.8** |
| **Chief Information Officer** | | |
| Salaries & Expenses Appropriation | $13,471,749 | 11.9 |
| CIO  Common Services | $35,790,499 | 114.9 |
| CIO Salaries & Expenses No-Year | $22,793,839 | 0.0 |
| **4.04** | | |
| **Implement business initiatives that provide capabilities spanning the HR life cycle, allowing OPM and other federal agencies to achieve their missions** | **$230,508,013** | **244.4** |
| **Chief Information Officer** | | |
| TF Limit - Annual | $8,779,839 | 36.4 |
| Trust Fund-Title 5 | $3,482,301 | 2.0 |
| RF - USAJOBS | $13,767,028 | 17.0 |
| RF Employment Services (HRTT) | $40,414,855 | 97.2 |
| RF Enterprise Human Resources Integration | $34,422,877 | 24.6 |
| RF Investigative Services | $8,107,165 | 50.0 |
| CIO Salaries & Expenses No-Year | $10,054,514 | 0.0 |
| **Employee Services** | | |
| Common Services | $151,000 | 0.0 |
| Salaries & Expenses Appropriation | $898,889 | 0.0 |
| **Federal Investigative Services** | | |
| RF Investigative Services | $86,494,673 | 0.0 |
| **Office of the Chief Financial Officer** | | |
| TF Limit - Annual | $9,911,792 | 1.0 |
| Common Services | $7,387,871 | 10.7 |
| Salaries & Expenses Appropriation | $650,000 | 0.0 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $88,454 | 0.0 |
| Salaries & Expenses Appropriation | $570,833 | 1.5 |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $642,155 | 0.0 |
| Salaries & Expenses Appropriation | $795,922 | 0.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $3,887,845 | 4.0 |
| **OPM Total** | **$318,954,534** | **435.1** |

## 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 Reference Model 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 align 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 life cycle as documented in the HR Line of Business, Business Reference Model that recognizes and synergizes the technology and tools within OPM, Shared Service Centers, and industry;
- establishing a culture of both openness and trust throughout the HR IT community and among key Federal stakeholder communities by, among other things, taking appropriate steps to safeguard personal information while appropriately using aggregate data; and
- establishing a practice of transparent IT cost accounting throughout OPM.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

In FY 2016, OPM will continue to implement and refine robust service--level agreements for IT services with each stakeholder community to ensure transparency of costs and methods for measuring success. These service level agreements 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 to hire a Chief Technology Officer, and during FY 2016, we will identify the high impact, high value services to which the Digital Services team will lend its expertise.

In FY 2017, OPM will develop government-wide HRIT function business requirements for performance management. These requirements will be used to approve performance management providers in category

management "hallways." These hallways will house everything from subject expertise and data, to tools and on-demand procurement assistance for Federal buyers.

OPM will also develop a government-wide HRIT function Service Component Reference Model for Compensation Management. This model will define standard service offerings for approved compensation management providers in Category Management hallways

Further, OPM will propose updates to the OMB Federal Enterprise Architecture and budget guidance to align with the HR Business Reference Model v3.0 sub-functions, which is expected to lead to increased HRIT spending transparency at agencies and assist in identifying HRIT investments that should leverage shared services.

## Implementation Organizations:

Chief Information Officer (CIO)

## Implementation Considerations:

The publication of its Strategic IT Plan in February 2014 provides OPM with a framework for a set of standards that supports the entirety of the HR life cycle using the HR Line of Business, Business Reference Model. This framework will enable shared data and performance outcomes across the HR life-cycle while allowing flexibility for Shared Service Centers and agencies to adopt IT tools and technologies that best meet the mission of the Federal Government. The framework will enable an improved culture of openness and trust through common practices and transparent IT spending while providing increased accountability for IT decisions. OPM has worked with the Chief Human Capital Officers 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. OPM's CFO and contracting staff will coordinate with the CIO for compliance with agency standards.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of HR life cycle for which National Information Exchange Model data standards are published | N/A* | 0% | 1.37%~ | ≥5% | ≥15% | ≥25% |
| Percent of HR lifecycle examined for automation opportunities | N/A* | N/A* | 60.0%^ | ≥5% | ≥60% | Discontinued |

*N/A - Not Available - no historical data available for this period.
~OPM defined 24 of the 1757 data elements in the NIEM standard.
^OPM examined six of the 10 parts of the HR lifecycle for automation opportunities.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 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** | **$1,917,927** | 10.0 |
| **Chief Information Officer** | | |
| Salaries & Expenses Appropriation | $325,935 | 0.0 |
| CIO Common Services | $1,591,992 | 10.0 |
| **OPM Total** | **$1,917,927** | **10.0** |

# 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 Chief Human Capital Officers Council 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 HR Line of Business, Business Reference Model;

- 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.

## FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, 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. The agency will also refine the IT governance model to engage more stakeholders, including agencies, in planning of government-wide HR solutions. OPM will continue to implement robust enterprise architecture to ensure the agency's technology meets the agency's complex, integrated business and data requirements. The agency will adopt agile IT principles throughout OPM's IT portfolio for speed in adapting to evolving policies and business needs. OPM will 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. The agency will also strengthen its 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. OPM will complete the implementation of the first four Continuous Diagnostic and Mitigation controls and dashboard capabilities, and also enforce two factor authentication for 100 percent of non-Personal Identity Verification enabled users. Further, OPM will develop a strategic plan for data.

In FY 2017, OPM will continue with the implementation of Continuous Diagnostic and Mitigation controls. By the end of FY 2017, all appropriate controls will be in place and monitoring the OPM network. Also in FY 2017, OPM will complete the training and/or hiring actions so that 100 percent of the agency's major investments are managed by a Federal Acquisitions Certification for Program and Project Managers Level 3 certified project manager. Further, OPM will begin the implementation of actions defined in the strategic plan for data that it will develop.

## Implementation Organizations:

Chief Information Officer (CIO)

## Implementation Considerations:

CIO is dedicating resources in FY 2017 so that 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 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of major investments with IT program managers certified in Federal Acquisition Institute Training Application System | N/A* | N/A* | 63.6%~ | - | ≥80% | 100% |

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

~Seven of 11 major investments were managed by a certified program manager.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
|---|---|---|
| | Dollars | FTE |
| **Efficient and Effective Information Systems** | | |
| **4.02** | | |
| **Implement enabling successful practices and initiatives that strengthen IT leadership and IT governance** | **$14,472,507** | **53.9** |
| **Chief Information Officer** | | |
| RF HRLOB Activities | $3,000,000 | 0.0 |
| TF Limit - Annual | $159,410 | 1.0 |
| Salaries & Expenses Appropriation | $4,012,968 | 34.7 |
| CIO Common Services | $3,148,482 | 18.2 |
| CIO Salaries & Expenses No-Year | $4,151,647 | 0.0 |
| **OPM Total** | **$14,472,507** | **53.9** |

## 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 are being measured against the 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 $5.2 billion per month, 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.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

OPM stores more personally identifiable information (PII) than almost any other Federal agency, including banking information and information collected for background investigations. Being well-positioned to protect this personal information is critical.

OPM intends to create a stronger, more reliable, and better protected network architecture through implemented and sustained agency network upgrades and security software maintenance. To strengthen its defense against cybersecurity incidents, the agency maintain critical updates that were 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 improve the security and resiliency of its network against cyber-attacks. This updated network must be

maintained over time in order 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 firewalls and storage devices for capturing security log information used for analysis should a cyber-attack occur.

OPM will deploy tools on its network to help with intrusion detection and vulnerability assessment and to incorporate other safeguards that will provide real time information to both strengthen the agency's security and provide OPM the ability to respond more quickly to threats.

With a fully accredited data center platform, the Infrastructure Improvement effort will evolve to support the Federal IT Business Systems team as the applications are prepared for and deployed to the Shell platform. The Shell phase of our IT modernization plan phase includes the design and delivery of a new enterprise architecture and target infrastructure that is simplified, modern and flexible. We have designed the target architecture with security in mind.

Internal OPM applications will be updated to align with the Shell platform, tested for functionality, and placed on the schedule for migration to the new platform, adhering to Information Technology Infrastructure Library based processes. In addition, after an analysis of major systems, the Shell program management office will develop a plan that identifies the migration activities of the major systems. Also as part of the Shell migration efforts, OPM expects to decommission a significant amount of end of life servers and software.

In FY 2016, OPM expects to migrate shared collaboration services, for example, email, personal drives, MS Office applications, advanced collaboration mechanisms, etc., to Microsoft Office 365 and integrate them with the Shell platform to maximize the security protections. This effort will provide OPM's employees the ability to provide efficient web-based systems and software to its employees in a secure manner.

In June 2015, OMB issued a new policy requiring all publicly accessible Federal websites and web services to provide content only over secured connections, with a deadline of the close of 2016 calendar year. OPM intends to comply with this new policy and have all websites and web services connections

secured with Hypertext Transfer Protocol Secure, which is the strongest privacy and integrity protection currently available for public web connections. The OPM web services manager will strive to achieve compliance for all of the current websites and services well in advance of the 2016 deadline, and will also check any new sites and services for compliance with this new guidance. OPM will track and monitor all existing and new websites and services on a monthly basis for compliance, and provide the information directly to the Associate CIO for Infrastructure.

In FY 2017, OPM will focus on coordinating the migration of components of the major systems that support external stakeholders to Shell. The migration efforts include the testing and staging of components in accordance with CIO enterprise policy. The phased approach will mitigate the risks associated with transitioning High Availability systems.

OPM will continue to assess and improve the management practices for Shell installed in FY 2016 to maintain the continued benefits. OPM will also continue efforts to strengthen the agency's asset management practices and monitor adherence to them, with special attention on decommissioning legacy hardware and software no longer required by the agency. The agency will also complete configuration for Federal Investigative Services and Retirement Services case management solutions. Further, OPM Web Services will define the strategic path forward for an enterprise content management solution.

## Implementation Organizations:

Chief Information Officer (CIO)

## Implementation Considerations:

To improve our cyber readiness, 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 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's controls and reporting activities will aim to 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 put in place plans to effectively capture and maintain 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 improve compliance with the Managing Government Records Directive, but also facilitate openness by making it easier to respond appropriately 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 (that is, at the appropriate point in their lifecycle and according to the records schedule approved by the Archivist of the United States or at such point when they are no longer subject to a litigation hold – whichever comes later), 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.

All resources budgeted to this strategy are from the CIO to operate the newly installed Shell infrastructure that will allow for the phased deployment of state-of-the–art systems, while also continuing to operate OPM's current systems and legacy infrastructure to meet its mission. The request also reflects funding needed for a series of investments designed to enhance secure and efficient delivery of services to OPM customers by reengineering or replacing outdated systems that will not be able to transition to and operate in Shell.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result) | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Customer satisfaction with OPM | N/A* | N/A* | 3 | ≥3 | ≥4 | ≥4 |

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result) | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| infrastructure services | | | Satisfied | Satisfied | Highly Satisfied | Highly Satisfied |
| Deviation from SLA cost of OPM infrastructure services | N/A* | N/A* | N/A* | Establish Baseline | Establish Baseline | Establish Baseline |
| IT security compliance rating for OPM infrastructure services | N/A* | N/A* | 1 Unsecure | ≥3 Secure | ≥4 Highly Secure | ≥4 |
| Percent of public-facing OPM systems using single sign on capability | N/A* | N/A* | 73.3%~ | Establish Baseline | Establish Baseline | ≥80 |
| Percent of internal OPM systems using single sign on capability | N/A* | N/A* | N/A* | Establish Baseline | Establish Baseline | Establish Baseline |

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

~ In FY 2015, 44 of the 60 identified systems made public through OPM.gov had single sign on capabilities through Windows Management Instrumentation Command.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Efficient and Effective Information Systems** | | |
| **4.03** | | |
| **Implement enterprise initiatives that leverage capabilities and tools throughout OPM** | **$72,056,087** | **126.8** |
| **Chief Information Officer** | | |
| Salaries & Expenses Appropriation | $13,471,749 | 11.9 |
| CIO Common Services | $35,790,499 | 114.9 |
| CIO Salaries & Expenses No-Year | $22,793,839 | 0.0 |
| **OPM Total** | **$72,056,087** | **126.8** |

## 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 & Insurance initiatives; and
- supporting current and planned business initiatives for which IT is an enabler.

During 2015, OPM created 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.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, 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; and operating and maintaining systems for Retirement Services, OCFO, Healthcare and Insurance and Actuaries. Major projects that OPM will develop during FY 2016 are the Enterprise Case Management System, Online Retirement Application, the data bridge to FACES, and an online natural transaction menu and the Payroll Office Master File replacements. OPM will also implement 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 in FY 2015, and the program office will keep the Committee informed of all activities, including any necessary changes that may arise during the implementation phase. Further, the program office will conduct extensive performance testing and usability testing

throughout the design and implementation phases to ensure the product meets user needs. OPM will also implement systems to support Healthcare and Insurance's Multi-State Plan Program.

In FY 2017, OPM will continue efforts to migrate systems to the Shell environment per the migration created in FY 2016. USAJOBS will implement four releases that will result in redesigned job opportunity announcements, a job matching search tool, upgraded résumé center and improved notification/job status capabilities. In addition to the job seeker changes, the agency portal will include enhancements delivered within the same four releases that improve existing data analytics dashboards and launch three new dashboards.

## Implementation Organizations:

Chief Information Officer (CIO), Employee Services (ES), Federal Investigation Services (FIS), Office of the Chief Financial Officer (OCFO), Merit System Accountability & Compliance (MSAC), Healthcare & Insurance (HI), and Planning and Policy Analysis (PPA)

## 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.

OPM operates 14 systems supporting the FIS background investigations. These are mission critical systems that must be operated and maintained at high availability in support of global operations for performing background investigations in support of suitability and security decisions for the Federal workforce, including government and contractor personnel. As such, the systems contain sensitive personally identifiable information (PII) that must be protected at the highest levels. OPM has implemented numerous security controls to protect this data as the interagency team works through the standing up of the NBIB and the transfer of IT systems to DOD, and will continue to improve upon this security so that these systems are better capable of detecting, preventing, isolating, and remediating advanced threats. Additionally, as Federal Investigative Standards change, these systems must be modified to reflect and institutionalize those changes to standards.

**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.

### Health Claims Data Warehouse (HCDW)

The HCDW project is an initiative to collect, maintain, and analyze claims data from the FEHB Program on an ongoing basis. The HCDW will be housed in a secure environment within the OCIO. PPA will collaborate with OCIO to continue to build HCDW with data from additional health plans. PPA staff will conduct analyses of the data which will be used to support PPA's actuarial, demographic, economic and statistical analyses.

### 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 (Issuers) contract with OPM to offer health insurance options (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 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Aggregate customer satisfaction rating with OPM IT business systems | N/A* | N/A* | 2.5 Below Standards | ≥3 Satisfied | ≥4 Highly Satisfied | ≥4 Highly Satisfied |
| IT security compliance rating for OPM business systems | N/A* | N/A* | 1 Below Standards | ≥3 Secure | ≥4 Highly Secure | ≥4 Highly Secure |

*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 2017 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** | **$230,508,013** | **244.4** |
| **Chief Information Officer** | | |
| TF Limit - Annual | $8,779,839 | 36.4 |
| Trust Fund-Title 5 | $3,482,301 | 2.0 |
| RF - USAJOBS | $13,767,028 | 17.0 |
| RF Employment Services (HRTT) | $40,414,855 | 97.2 |
| RF Enterprise Human Resources Integration | $34,422,877 | 24.6 |
| RF Investigative Services | $8,107,165 | 50.0 |
| CIO Salaries & Expenses No-Year | $10,054,514 | 0.0 |
| **Employee Services** | | |
| Common Services | $151,000 | 0.0 |
| Salaries & Expenses Appropriation | $898,889 | 0.0 |
| **Federal Investigative Services** | | |
| RF Investigative Services | $86,494,673 | 0.0 |
| **Office of the Chief Financial Officer** | | |
| TF Limit - Annual | $9,911,792 | 1.0 |
| Common Services | $7,387,871 | 10.7 |
| Salaries & Expenses Appropriation | $650,000 | 0.0 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $88,454 | 0.0 |
| Salaries & Expenses Appropriation | $570,833 | 1.5 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $642,155 | 0.0 |
| Salaries & Expenses Appropriation | $795,922 | 0.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $3,887,845 | 4.0 |
| **OPM Total** | **$230,508,013** | **244.4** |

# Strategic Goal 5: Transparent and Responsive Budgets

**Goal Owners:**

Dennis Coleman, Chief Financial Officer, Office of the Chief Financial Officer; Kathy McGettigan, Deputy Associate Director, Human Resources Solutions; and Nick Ashenden, Deputy Associate Director, Retirement Services

**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 resource 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 the 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.

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

| | FY 2017 Request | |
|---|---|---|
| **STRATEGIC GOAL/STRATEGY** | **Dollars** | **FTE** |
| **Transparent and Responsive Budgets** | | |
| **5.02** | | |
| **Institutionalize corporate prioritization** | **$6,786,686** | **46.2** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $351,936 | 2.2 |
| **Federal Investigative Services** | | |
| RF Investigative Services | $256,796 | 2.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $1,455,245 | 10.0 |
| **Office of the Chief Financial Officer** | | |
| TF Limit - Annual | $171,431 | 1.0 |
| Common Services | $3,436,098 | 23.2 |
| **Office of the General Counsel** | | |
| Common Services | $304,688 | 2.0 |
| **Retirement Services** | | |
| TF Limit - Annual | $75,000 | 0.6 |
| Trust Fund-Title 5 | $50,000 | 0.4 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $281,667 | 1.8 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $136,818 | 1.0 |
| Salaries & Expenses Appropriation | $136,818 | 1.0 |
| **Office of the Executive Secretariat** | | |
| Common Services | $130,189 | 1.0 |
| **5.03** | | |
| **Widely inform key stakeholders on new agency budget process** | **$22,876** | **0.1** |
| **Office of the Chief Financial Officer** | | |
| Common Services | $22,876 | 0.1 |
| **5.04** | | |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Configure and Deploy Agency-wide Cost Accounting Models** | **$1,786,185** | 8.9 |
| **Office of the Chief Financial Officer** | | |
| Common Services | $1,643,185 | 7.9 |
| **Retirement Services** | | |
| TF Limit - Annual | $75,000 | 0.6 |
| Trust Fund-Title 5 | $68,000 | 0.4 |
| **OPM Total** | **$8,595,747** | **55.2** |

## Strategy: 5.01 Implement Cost Re-baselining

### Strategy Overview:

OPM has completed activities under this strategy. 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

### FY 2016 Anticipated Accomplishments:

OPM will continue to maintain and institutionalize the improvements initiated in FY 2014 to build and execute budgets. The agency's use of the new corporate prioritization approach instituted in FY 2014 for all resource requests ensures that OPM identifies and prioritizes requirements and directs resources 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.

Note: OPM discontinued this strategy for FY 2017 because the agency will complete work in FY 2016.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Actual resource variance from plan | 0.98% | 0.76% | 0.57%~ | - | Discontinued | Discontinued |
| Percent of stakeholders who agree that OPM's budget processes are transparent and responsive | N/A* | N/A* | N/A* | - | Establish Baseline | Establish Baseline |

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

~ The variance from the $310,653,518 plan was $1,781,559.

## 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.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

In FY 2016, OPM will 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. In FY 2017, OPM will complete development and implementation of an OPM budget formulation system, use automation to enhance the budget prioritization tool, and enhance measurement and reporting tools.

**Implementation Organizations:**

Employee Services (ES), Office of the Executive Secretariat (OES), HR Solutions (HRS), Federal Investigative Services (FIS), Office of Chief Financial Officer (OCFO), Office of the General Counsel (OGC), Retirement Services (RS), Merit System Accountability & Compliance (MSAC), 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. Sustainment of the corporate prioritization process is of importance to achieve intended results. Additionally, proactive measure to advance, refine and upgrade the prioritization tool will continue to support corporate decision making. As roles and responsibilities change, training on OPM's budget process and supporting functions 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 activities. Throughout the fiscal year, quarterly Performance Point reviews will be conducted by strategic goals to monitor financial results, align resources to priorities, and address under-funded priorities. The CFO's 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 the 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 statutory 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.

Through collaborative partnerships within OPM program offices, the CFO Office will lead and drive efforts to advance enterprise-wide budget processes and program management tools which ultimately support prioritization goals and objectives. Continued sustainment of this goal will be achieved through active participation and execution of the following activities: budget formulation and execution, business operations support, accounting code structure mapping, travel support, procurement and invoicing management, strategic planning support and goal-focused budget and spending alignment, enhanced internal financial reporting, monthly financial target reviews, budgetary quality control, and error reduction focused requisition monitoring and oversight. Using various approaches such as the Resource Management Officers Council, Common Services Committee, and Performance Measurement and Reporting Officials group, the CFO Office will be able to communicate status and results of our efforts to achieve greater transparency and provide a forum to engage stakeholders. Additionally, proactive measures to advance, refine and upgrade OPM's prioritization process and tools will continue to support corporate decision making. As roles and responsibilities change, training on OPM's budget process and supporting functions will also continue to achieve intended results and deliver senior leadership and managers with comprehensive and direct financial and budget support to affect corporate-level financial management efficiency, sustainability and excellence.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Actual resource variance from plan | 0.98% | 0.76% | 0.57%~ | - | Discontinued | Discontinued |
| Percent of stakeholders who agree that OPM's budget processes are transparent and responsive | N/A* | N/A* | N/A* | - | Establish Baseline | Establish Baseline |

*N/A - Not Available - no historical data available for this period.
~ The variance from the $310,653,518 plan was $1,781,559.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Transparent and Responsive Budgets** | | |
| **5.02** | | |
| **Institutionalize corporate prioritization** | **$6,786,686** | **46.2** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $351,936 | 2.2 |
| **Federal Investigative Services** | | |
| RF Investigative Services | $256,796 | 2.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $1,455,245 | 10.0 |
| **Office of the Chief Financial Officer** | | |
| Common Services | $3,436,098 | 23.2 |
| TF Limit - Annual | $171,431 | 1.0 |
| **Office of the General Counsel** | | |
| Common Services | $304,688 | 2.0 |
| **Retirement Services** | | |
| TF Limit - Annual | $75,000 | 0.6 |
| Trust Fund-Title 5 | $50,000 | 0.4 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $281,667 | 1.8 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $136,818 | 1.0 |
| Salaries & Expenses Appropriation | $136,818 | 1.0 |
| **Office of the Executive Secretariat** | | |
| Common Services | $130,189 | 1.0 |
| **OPM Total** | **$6,786,686** | **46.2** |

## 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.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

In FY 2016, OPM will continue to maintain improvements initiated in FY 2014 by informing stakeholders of all changes to the budget process. By doing so, stakeholders will contribute to the agency's efforts to enhance budget transparency, and use tools and guidance for formulating and executing quality budgets. In FY 2017, the agency will continue to host forums to share timely budget and financial management information with OPM stakeholders, and hold annual training to educate and refresh stakeholders on OPM's budget, performance, and financial management processes.

**Implementation Organizations:**

Office of the Chief Financial Officer (OCFO)

**Implementation Considerations:**

This strategy will be maintained with support from the OCFO. The results obtained will continue to be impacted by their due-diligence and thorough review, analysis and reporting of information.

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. OCFO 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.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of stakeholders who agree that information is available to educate and inform users | N/A* | N/A* | N/A* | - | Establish Baseline | Establish Baseline |

**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.

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

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

|  | FY 2017 Request | |
|---|---|---|
| **STRATEGIC GOAL/STRATEGY** | Dollars | FTE |
| **Transparent and Responsive Budgets** | | |
| **5.03** | | |
| **Widely inform key stakeholders on new agency budget process** | **$22,876** | **0.1** |
| **Office of the Chief Financial Officer** | | |
| Common Services | $22,876 | 0.1 |
| **OPM Total** | **$22,876** | **0.1** |

## 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, 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;

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

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

**FY 2016 and FY 2017 Anticipated Accomplishments:**

OPM will ensure 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, produce more accurate data and promote transparency in spending and cost data. In FY 2017, the agency will strengthen governance and processes to support OPM's internal enterprise-wide managerial cost accounting program, continue to refine costing models, and continue development of OPM's cost accounting system.

**Implementation Organizations:**

Office of the Chief Financial Officer (CFO) and Retirement Services (RS)

**Implementation Considerations:**

Successful achievement of this goal will depend on acceptance and support from 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.

Retirement Services was one of the pilot organizations for the project, and will continue to work with OCFO to support implementation.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Revolving Fund net income (three year rolling average) | N/A* | $272 million | $125 million | - | ≥0 | ≥0 |

| FY 2016 Milestone |
|---|
| Deploy automated Cost Accounting Technical model that traces direct and indirect agency costs using the pre-defined agency-wide cost accounting. |

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

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

| | FY 2017 Request | |
|---|---|---|
| STRATEGIC GOAL/STRATEGY | Dollars | FTE |
| **Transparent and Responsive Budgets** | | |
| **5.04** | | |
| Configure and Deploy Agency-wide Cost Accounting Models | $1,786,185 | 8.9 |
| **Office of the Chief Financial Officer** | | |
| Common Services | $1,643,185 | 7.9 |
| **Retirement Services** | | |
| TF Limit - Annual | $75,000 | 0.6 |
| Trust Fund-Title 5 | $68,000 | 0.4 |
| **OPM Total** | **$1,786,185** | **8.9** |

# Strategic Goal 6: Engaged Federal Workforce

**Goal Owners:**

Mark Reinhold, Associate Director, Employee Services; Bruce Stewart, Acting Director, Office of Diversity and Inclusion; and Joseph Kennedy, Associate Director, Human Resources Solutions

**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 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.

Moreover, the investments requested will expand government-wide efficiencies and improve 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.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Engaged Federal Workforce** | | |
| **6.01** | | |
| **Design and deliver leadership training to increase employee engagement** | **$80,511,256** | **104.1** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $59,579 | 0.1 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $80,451,677 | 104.0 |
| **6.02** | | |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Support agencies in hiring leaders strong in managing and leading high-performing organizations** | **$912,134** | **4.0** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $637,827 | 2.3 |
| **Office of the Director** | | |
| Common Services | $274,307 | 1.7 |
| **6.03** | | |
| **Provide a comprehensive suite of engagement services and models for agencies and employees** | **$16,029,669** | **73.1** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $59,579 | 0.1 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $418,314 | 3.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $15,408,602 | 69.0 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $143,174 | 1.0 |
| **6.04** | | |
| **Ensure agencies target, address, and measure key drivers of employee engagement** | **$4,213,571** | **19.2** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $12,000 | 0.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $3,377,076 | 13.0 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $245,604 | 1.2 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $578,891 | 5.0 |
| **6.05** | | |
| **Partner with agencies to drive greater diversity, inclusion and employee engagement** | **$925,366** | 6.5 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $14,950 | 0.0 |
| **Office of Diversity and Inclusion** | | |
| Salaries & Expenses Appropriation | $910,416 | 6.5 |
| **OPM Total** | **$102,591,996** | **206.9** |

## 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;

- 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 learning activities 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 President's Management Agenda People and Culture goal is to build a world-class Federal management team, starting with the Senior Executive Service, 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 foster employee engagement. Leaders need the knowledge and tools to perform in this capacity.

OPM has extensive experience in developing and delivering education and training to leaders 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.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, to support leader training regarding engagement, OPM will continue to promulgate improvement in onboarding of senior executives, with emphasis on employee engagement, by leveraging the results of a pilot to focus and exploit those areas that yield high payoffs. OPM will also seek to improve the integration of improvement targets related to employee engagement in Senior Executive Service (SES) performance plans. The agency will also seek innovative ways to increase and improve OPM training delivery to managers and supervisors to achieve more inclusive and engaged workforces, as reflected in increased Federal Employee Viewpoint Survey scores and New IQ (Inclusion Quotient) scores. OPM will deliver professional leadership development via expanded e-learning options that will provide emerging/cutting-edge leadership techniques, approaches and required skills to executive leaders

in support of better employee engagement, including two SES onboarding briefings and four SES seminars).

These courses/programs 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. Further, OPM will improve access to common/shared training and resources that support and facilitate improved employee engagement. In addition, the agency will continue to hold agencies accountable for meeting training requirements outlined in 5 CFR 412 of the Code of Federal Regulations (Supervisory, Management, and Executive Development) through OPM's HR Oversight Program.

In FY 2017, the agency will continue to improve the Leadership for a Democratic Society blended learning class, leveraging participant feedback and building strengths-infused leadership development curriculum.

OPM will continue expanding its capabilities related to IT systems and the products and services delivered using those systems. The agency will fully deploy the USA Performance system in FY 2016, adding capability for non-Senior Executive Service appraisals. OPM will also initiate USA SurveySM replacement activities in FY 2016. This will entail replacing the USA Survey system with newer survey administration and reporting software/systems.

The agency plans to build new content for the USA Hires online assessment platform, expanding job series coverage and providing more online assessment options for agencies.

OPM's Center for Leadership Development will continue to build a corps of intermittent faculty with specialized expertise in areas of need for its programs, allowing increased flexibility and agility and increased efficiencies. The Center will also collaborate with Federal agencies that deliver leadership development options to all Federal employees to reduce duplication of services and identify potential areas for learning programs not currently served. Further, the Center will create a local marketing plan for the Washington, DC and Colorado Federal sectors, and will enter into a contract for expanded evaluation and assessment capabilities to better analyze its programs effectiveness, providing additional information for programmatic decisions.

OPM's Eastern Management Development Center will develop new partnerships with DC-based customers to deliver in-house programs with specific focus on those agencies with diminished internal training and development capabilities. The Center will also partner with client agencies to deliver courses throughout the country where there are significant numbers of Federal employees who require quality learning to support workforce development/succession planning. Further, the Center will realign the career development paths for its employees and enrich jobs.

The agency's Federal Executive Institute will develop a mobile-based app that will augment its Center for Leadership Development Central Learning Management System. The app will be available for download on a variety of mobile platforms (for example, iOS and Android) and will provide program participants with real-time updates and connection to Federal Executive Institute program curriculum, social learning and other functionalities. The Institute will also develop technology-based tools to empower team leaders

to more effectively establish lines of communication with team members. Further, the Institute will develop and employ a research agenda to collect and analyze data from its executive-level participants. Research will inform the development of the Institute's programs and offerings and also contribute broadly to the field of executive leadership development. The Institute will continue to expand and exploit its academic partnerships and partnerships within the Federal Government to leverage expertise from higher education and practicing executives within Federal service.

OPM's Western Management Development Center will grow the custom leadership development portfolios of a number of long-term partners (for example, the National Security Agency, Army Aberdeen Proving Ground, Veterans Affairs, and other domestic agencies) to include new curricula and areas of supervisory training.

The agency will deliver two career Senior Executive Service (SES) orientation briefings, and offer quarterly SES onboarding forums. OPM will design and promote the SES Executive Fellows Program with a scheduled delivery for FY 2018. Further, OPM will deliver quarterly SES Executive Labs—day-long programs focused on current issues for SES development.

### Implementation Program Organizations:

Chief Human Capital Officers (CHCO) Council and Human Resources Solutions (HRS)

### Implementation Considerations:

OPM's CHCOC and HRS will directly support and guide this strategy to design and deliver leadership training to increase employee engagement. HRS will provide training, workshops, and courses on succession planning, supervisory/executive assessment, the Qualifications Review Board review process, and supervisory/executive selection.

HRS' Center for Leadership development Federal Executive Institute will provide open enrollment (interagency) and custom (single agency) programs, distance and blended learning approaches, international programs and academic partnerships to provide training flexibility for customers while offering a complete range of leadership training courses. This includes the premier Leadership for a Democratic Society program.

Also under the Center for Leadership Development are the Eastern Management Development Center and the Western Management Development Center. These will provide interagency and single agency open enrollment courses, including custom solutions designed to develop Government employees at various stages of their Federal career. The Eastern Management Development Center LEAD 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.

USA Learning® will provide 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.

The Presidential Management Fellows Program is a flagship entry-level leadership development program for advanced degree candidates, designed to develop a cadre of high-performing potential Federal Government leaders.

HR University is the Federal Governments' training resource center for the Federal Human Resources professional. Utilizing a web-based platform, HR University provides human resources professionals with a wide variety of specialized training and development resources, including multiple delivery learning options (blended learning), career maps, curriculum framework, course catalogues and registration, and cross-agency mentoring opportunities.

The Innovation Lab and Learning Center also comprise part of the Center for Leadership Development. The Innovation Lab is a human-centered design program, where solutions are developed from the perspective of the end user, which assist Federal agencies in developing innovative solutions for delivering services and programs. The Learning Center is a multi-platform learning environment providing employees with classes and personal counseling sessions designed to aid them in furthering their careers.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of components of CHCO organizations that increased "leaders lead" scores | N/A* | N/A* | 57.3%~ | ≥41% | ≥50% | ≥68% |
| Number of participants who achieve mastery of competencies upon completion of the manager or executive level LEAD certificate program | N/A* | N/A* | N/A * until FY 2016 | - | Establish Baseline | Establish Baseline |
| Number of CHCO agencies using Manager and Executive level certificate programs | N/A* | N/A* | N/A* until FY 2016 | - | Establish Baseline | Establish Baseline |

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

~ Of 496 CHCO organizations, 284 increased their score by one percentage point or more.

| 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 2017 Request | |
| --- | ---: | ---: |
| | Dollars | FTE |
| **Engaged Federal Workforce** | | |
| **6.01** | | |
| **Design and deliver leadership training to increase employee engagement** | **$80,511,256** | **104.1** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $59,579 | 0.1 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $80,451,677 | 104.0 |
| **OPM Total** | **$80,511,256** | **104.1** |

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 (that is 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, including requirements for submission to the Qualifications Review Board (QRB); 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 an agency's 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 interpreting and implementing the statutes governing, providing support for, and engaging in oversight of 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 segment of the Federal workforce. These activities will support agencies in identifying, assessing, and retaining effective leaders.

## FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will develop rigorous, competency-based assessments that directly target the unique capabilities required to effectively manage people and build and retain an engaged workforce, and begin making the assessments available for hiring actions. This effort will assist agencies in building 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.

OPM will also continue to identify and promulgate opportunities and partnerships that will support Federal agencies with leadership assessments and succession planning activities. The agency will 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. Further, OPM will work with agencies to improve the QRB process, and will issue guidance regarding alterative materials that can be submitted for consideration by the QRB. In addition, the agency will expand the Interagency Rotation Program to all President's Management Council agencies and interested regional areas, and include Senior Executive Service members.

In FY 2017, OPM will conduct analysis of current, ongoing efforts to improve and expand the use of rigorous, competency-based assessments to determine effectiveness and incorporate best and/or promising practices.

## Implementation Program Organizations:

Employee Services (ES) and Office of the Director (OD).

## Implementation Considerations:

OPM's ES and OD 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.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of components of CHCO organizations that increased "leaders lead" scores | N/A* | N/A* | 57.3%~ | ≥41% | ≥50% | ≥68% |

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

~ Of 496 CHCO organizations, 284 increased their score by one percentage point or more.

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

| | FY 2017 Request | |
|---|---|---|
| STRATEGIC GOAL/STRATEGY | Dollars | FTE |
| **Engaged Federal Workforce** | | |
| **6.02** | | |
| Support agencies in hiring leaders strong in managing and leading high-performing organizations | $912,134 | 4.0 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $637,827 | 2.3 |
| **Office of the Director** | | |
| Common Services | $274,307 | 1.7 |
| **OPM Total** | **$912,134** | **4.0** |

## 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. Strategy 6.03 encompasses a broad set of initiatives to provide an even more comprehensive /robust 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 improved or new processes for information/knowledge sharing among agencies. By focusing on key 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.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, to provide a comprehensive suite of engagement services and models for agencies and employees, OPM will continue to support the Engagement Community of Practice to promote best practices in employee engagement government-wide. The agency will also 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. OPM will consult with agencies on Federal Employee Viewpoint Survey action plan development and implementation. In addition, OPM will 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; and with learning strategies that improve employee engagement through OPM contracting vehicles. The agency will leverage HR University, the Diversity & Inclusion Strategic Partnership, and Federal Employee Resource Groups to promote successful practices; and 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. OPM will conduct multi-agency pilots to test programs and technologies to share talent within and across agencies through GovConnect. The agency will also 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 the HR Training On Demand program; and train HR professionals across the Federal Government through HR University and the HR Training on Demand program and assisting HR specialists with additional policy and guidance. Further, OPM will continue to identify opportunities and partnerships that will support Federal agencies with leadership assessments and succession planning approaches that are effective and proactive.

The agency will also continue to develop, enhance, and integrate the three components in the USA Suite of Services: USA HireSM, USA PerformanceSM, USA SurveySM, and USA Learning to achieve end-to-end capability and to integrate with other OPM HR systems where possible. OPM will 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. Further, OPM will work with agencies to foster an effective Qualifications Review Board process; and move forward with implementation of government-wide Diversity and Inclusion Strategic Plan.

In FY 2017, OPM will continue to develop, refine, and deliver course content to agency customers. OPM will continue expanding the capabilities of the USA Suite systems, and the products and services delivered using those systems. The development and implementation of USA Survey℠ replacement activities scheduled to begin in FY 2016, and build new content for the USA Hire℠ online assessment platform by expanding series coverage and providing more online assessment options for customers. The full USA Performance℠ system will be deployed in FY16 and continue to fully develop and be implemented in FY 2017.

In addition, OPM will build new content for the USA Hire℠ online assessment platform, which will result in expanded series coverage and more online assessment options for customer agencies. PPM anticipates the USA Survey℠ replacement will be completed in FY 2016, which will enable the Agency to implement the system with customers throughout FY 2017.

## Implementation Program Organizations:

Chief Human Capital Officers (CHCO) Council, Employee Services (ES), Human Resources Solutions (HRS) and Planning and Policy Analysis (PPA).

## Implementation Considerations:

OPM's CHCOC, ES, HRS, and PPA 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; and PPA will develop and provide metrics and analysis as well as overall oversight on People & Culture engagement activities.

HR's HR Strategy and Evaluation Services' Assessment and Evaluation Branch includes the Leadership and Workforce Development Assessment (LWDA) group, the Selection and Promotions Assessment (SPA) group, and the Organizational Assessment (OA) group. The Leadership and Workforce

Development Assessment group develops, validates, and administers leadership and workforce planning assessments to measure leader and employee effectiveness, assessment target competencies, personality, and leadership potential. It also conducts competency modeling and gap assessments for workforce training and development.

The Selection and Promotion Assessment group 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. It also provides assessment training and support, as well as the USA Hire online assessment platform.

The Organizational Assessment group does 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.

HR Strategy and Evaluation Services' HR Strategy Branch includes Organization Design and Position Classification (ODPC) which performs 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.

Workforce and Succession Planning (WFSP) includes 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.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of CHCO Act agencies that access the Employee Viewpoint Survey Online Reporting & Analysis Tool | N/A* | N/A* | 100%^ | - | 100% | Discontinued |
| Percent of CHCO Act agency component-level reports that have been accessed on the Federal Employee Viewpoint Survey Online Reporting and Analysis Tool | N/A* | N/A* | 72.6%+ | - | ≥95% | ≥100% |
| Percent of CHCO Act agency lower-level components reports that have been accessed on the Federal Employee Viewpoint Survey Online Reporting and Analysis Tool | N/A* | N/A* | 44.8%~ | - | ≥75% | ≥90% |
| Percent of users satisfied with Unlocktalent.gov | N/A* | N/A* | N/A* | - | Establish Baseline | Establish Baseline |
| Percent of components of CHCO organization that increased their "Leaders Lead" Scores | N/A* | N/A* | 57.3%** | ≥41% | ≥50% | ≥68% |

*N/A - Not Available - no historical data available for this period.
^All 24 of 24 CHCO Act agencies accessed the tool.

+ In FY 2015, 254 of 350 CHCO Act Agency component-level reports were accessed on the Federal Employee Viewpoint Survey Online Reporting and Analysis Tool.
~ Of 20,099 lower-level components report, 9,007 were accessed.
∗∗Of 496 CHCO organizations, 284 increased their score by one percentage point or more.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
| --- | --- | --- |
| | Dollars | FTE |
| **Engaged Federal Workforce** | | |
| **6.03** | | |
| **Provide a comprehensive suite of engagement services and models for agencies and employees** | **$16,029,669** | **73.1** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $59,579 | 0.1 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $418,314 | 3.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $15,408,602 | 69.0 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $143,174 | 1.0 |
| **OPM Total** | **$16,029,669** | **73.1** |

## 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.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, to ensure agencies target, address, and measure key drivers of employee engagement, OPM will further intensify efforts to provide activities and training delivered by commercial partners to develop and monitor key employee metrics. The agency will provide organizational assessment and program evaluation related services designed to enhance organizational effectiveness and assist agencies in improving their Federal Employee Viewpoint Survey results. OPM will also provide at least two training sessions for agency supervisors and managers on effective action planning to address employee engagement challenges, and provide training to managers and supervisors that will create more inclusive and engaged workforces, as reflected in increased Federal Employee Viewpoint Survey scores within diverse demographics. OPM will assist agencies in implementing HRStat quarterly reviews as an agency-driven mechanism to use data for effective HR decision making. The agency will also 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. Further, OPM will 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.

In FY 2017, OPM will continue to assess agency results on targeted employee engagement areas through OPM-led reviews and application of the Accountability System Assessment Tool, continue to ensure agency independent audit programs periodically assess agency training programs, and continue to ensure agency evaluation plans incorporate assessment of employee engagement efforts.

## Implementation Program Organizations:

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, MSAC, and PPA 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' Performance Management will administer the USA Performance℠ automated performance management system, performance management strategy and program development, performance appraisal program development, performance plan reviews, telework services, and supervisor, manager, and executive performance management training; PPA will develop and provide metrics and analysis; and MSAC will provide oversight and accountability to monitor and assess results of agency activity results. Resources will also be leveraged to support the use of technology to facilitate the deployment of virtual training sessions that reach Federal leaders across the country and expand course availability.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of components of CHCO organizations that increased "leaders lead" scores | N/A* | N/A* | 57.3%~ | ≥41% | ≥50% | ≥68% |

*N/A - Not Available - no historical data available for this period.
~Of 496 CHCO organizations, 284 increased their score by one percentage point or more.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Engaged Federal Workforce** | | |
| **6.04** | | |
| **Ensure agencies target, address, and measure key drivers of employee engagement** | **$4,213,571** | **19.2** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $12,000 | 0.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $3,377,076 | 13.0 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $245,604 | 1.2 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $578,891 | 5.0 |
| **OPM Total** | **$4,213,571** | **19.2** |

## 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.

## FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, 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, OPM 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, Equal Employment Opportunity Directors, and Diversity and Inclusion Directors, where they exist.

OPM will enlist affinity groups and employee resource groups to provide support and feedback on government-wide diversity and inclusion efforts.

The agency will also conduct "train-the-trainer" sessions for the New IQ (Inclusion Quotient) and other training to help agencies address key drivers of inclusion and engagement, track training and use of New IQ techniques by OPM managers and supervisors, provide New IQ training to managers and supervisors, and track the use of New IQ techniques within the OPM workforce.

OPM will align business intelligence tools and USA Staffing® reports to reflect applicant flow-data to encourage and promote diversity and inclusion. For agencies that do not use USA Staffing®, OPM will share relevant work requirements and reporting capabilities to inform them about the steps to be taken in working with their own provider to acquire the data. OPM will develop business intelligence tools to help decision makers, such as hiring managers and supervisors, analyze key workforce data, including applicant flow, attrition/retention, and inclusion data; provide race, national origin, sex, and disability data by job vacancy, once the vacancy has closed; deliver information in a dashboard via USA Staffing® to appropriate diversity and inclusion personnel and hiring managers; provide training to all managers on how to utilize OPM applicant flow-data ; and analyze Federal Employee Viewpoint Survey scores for all employees, with an emphasis on people with disabilities and the LGBT community.

In FY 2017, OPM will continue to build tools and training to drive diversity and inclusion throughout Government. Efforts will include training on how to map and leverage organizational network analysis; an inclusive diversity resource guide, focused on data analytics, the New IQ index, and organizational network analysis; a web-based diversity and inclusion successful practices portal; *a Hiring Manager's Guide to Hiring and Retaining People with Disabilities;* and bi-annual diversity and inclusion summits focused on affinity and employee resource groups, and data analytics.

## Implementation Program Organizations:

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

## Implementation Considerations:

OPM's ODI will directly support this strategy by partnering with its ES and HRS offices. It will directly support this strategy to ensure agencies target, address and measure key drivers of employee engagement by providing policy direction and leadership; and focusing on strategies and initiatives designed to create a more diverse, inclusive and engaged Federal workforce. 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.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2014 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of non-seasonal, full-time permanent employees onboard in the Federal Government with targeted disabilities | 1.02% | 1.07%^ | N/A* until Q3 FY 2016 | - | ≥1.1% | ≥1.2% |
| Percent of components of CHCO organizations that increased "leaders lead" scores | N/A* | N/A* | 57.3%~ | ≥41% | ≥50% | ≥68% |
| Percent of USAJOBS hiring actions for which managers and/or Human Resources government-wide reviewed applicant flow-data | N/A* | 53.0% | 76.6%+ | ≥25% | ≥50% | ≥75% |

^ In FY 2014, 19,536 of 1,825,762 employees had targeted disabilities.

~ Of 496 CHCO organizations, 284 increased their score by one percentage point or more.

+ Managers and/or Human Resources reviewed data for 263,624 of 344,040 hiring actions.

*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 2017 Request | |
|---|---|---|
| | Dollars | FTE |
| **Engaged Federal Workforce** | | |
| **6.05** | | |
| **Partner with agencies to drive greater diversity, inclusion and employee engagement** | **$925,366** | 6.5 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $14,950 | 0.0 |
| **Office of Diversity and Inclusion** | | |
| Salaries & Expenses Appropriation | $910,416 | 6.5 |
| **OPM Total** | **$925,366** | **6.5** |

# Strategic Goal 7: Improved Retirement Services

**Goal Owners:**

Kenneth Zawodny, Associate Director, Retirement Services; May Cheng, Office of the Chief Information Officer; and Jason Levine, Director, Congressional, Legislative and Inter-Governmental Affairs

**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.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 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** | **$1,103,020** | 7.3 |
| **Office of the Director** | | |
| Common Services | $103,020 | 0.3 |
| **Retirement Services** | | |
| TF Limit - Annual | $1,000,000 | 7.0 |
| **7.02** | | |
| **Improve OPM service to Federal agency benefit officers** | **$1,955,000** | 7.0 |
| **Retirement Services** | | |
| TF Limit - Annual | $1,900,000 | 7.0 |
| Trust Fund Title 5 - FERCCA | $55,000 | 0.0 |
| **7.03** | | |
| **Advance the 21st-century, customer-focused retirement processing system for claims adjudication in a timely and accurate manner** | **$101,702,438** | 1,024.0 |
| **Retirement Services** | | |
| TF Limit - Annual | $54,858,438 | 637.0 |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| Trust Fund Limitation - No Year | $6,000,000 | 0.0 |
| Trust Fund-Title 5 | $38,790,000 | 375.0 |
| Trust Fund Title 5 - FERCCA | $2,054,000 | 12.0 |
| **OPM Total** | **$104,760,458** | **1,038.3** |

## 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;
- establishing 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;
- continuing agency audits to improve quality of retirement submissions; and
- engaging employees across the employee life-cycle in preparation for retirement.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

In FY 2016, OPM will advise and provide technical assistance to all OPM offices and Congress on Federal retirement policy matters; perform on-going audits of agency submissions; 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.

In FY 2017, OPM will continue to advise and provide technical assistance to all OPM offices, including the Chief Human Capital Officers Council, and Congress on Federal retirement policy matters; develop and deliver a training suite of resources based on surveyed needs; and provide continued feedback to agencies on claims deficiencies.

**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, on a government-wide basis for 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. OPM conducts an annual benefits officers' survey to determine training needs. This information is used to develop a suite of webinars, in person trainings, and other developmental opportunities. This tailored training enhances benefits officers' ability to prepare the Federal workforce for retirement. 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. The Office of the Director will continue to engage stakeholders across agencies to ensure Chief Human Capital Officers, Chief Operating Officers and Human Resources Directors are aware of the support OPM provides to agencies and opportunities to educate the Federal workforce about retirement.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Relative ratio of complete retirement submissions versus incomplete cases | 92% | 84% | 87.7%^ | ≥85% | ≥90% | ≥90% |

^ Of the 67,920 submissions reviewed 59,571were complete.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 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** | **$1,103,020** | **7.3** |
| **Office of the Director** | | |
| Common Services | $103,020 | 0.3 |
| **Retirement Services** | | |
| TF Limit - Annual | $1,000,000 | 7.0 |
| **OPM Total** | **$1,103,020** | **7.3** |

# Strategy: 7.02 Improve OPM service to Federal agency benefit officers

**Strategy Overview:**

Improve OPM service to Federal agency benefit officers by:

- developing an agency benefits officers' service delivery model emphasizing shared responsibility for benefits/retirement among Federal employees, OPM and other Federal agencies;
- defining standards for agency benefit officers, measuring their results, and recognizing them for exceptional customer service;
- developing training certification for agency benefit/retirement officers on retirement services;
- providing 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
- developing a recognition program for exceptional customer service.

**FY 2016 and FY 2017 Anticipated Accomplishments:**

OPM will develop a recognition program for exceptional customer service, defining exceptional customer service and defining types of recognition; determining resource availability and creating a recognition plan; develop and deliver a training suite of resources based on surveyed needs; presenting monthly webcasts for benefits officers on important areas of benefits and retirement administration; scheduling webcasts and tracking attendance; and providing the Benefits Training Seminar, either in person or virtually, to share benefits initiatives, best practices, and crosscutting issues in retirement, insurance, and Thrift Savings Plan administration.

**Implementation Organizations:**

Retirement Services (RS)

**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 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of benefits officers trained per year | 63%^ | 65% | 93.0%~ | ≥52% | ≥52% | ≥60% |
| Overall customer satisfaction with guidance material, webinars, virtual conference, live conference, and training | N/A* | N/A* | N/A* | - | Establish Baseline | Establish Baseline |

~ OPM trained 120 of 129 benefits officers.
^Revised FY 2013 results in FY 2015.
*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 2017 Request Dollars | FTE |
|---|---|---|
| **Improved Retirement Services** | | |
| **7.02** | | |
| **Improve OPM service to Federal agency benefit officers** | **$1,955,000** | **7.0** |
| **Retirement Services** | | |
| TF Limit - Annual | $1,900,000 | 7.0 |
| Trust Fund Title 5 - FERCCA | $55,000 | 0.0 |
| **OPM Total** | **$1,955,000** | **7.0** |

## 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 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.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will integrate process improvements through Lean Six Sigma and enhance reporting tools to monitor and manage Retirement Services workloads. OPM will also implement initiatives from the IT Plan, including a Guide to Retirement Data Reporting Feeds/Electronic Retirement Record, updating to add the Online Retirement Application applicant sourced data, and promoting Interior Business Center Electronic Retirement Record to production. In addition, we will implement an Enterprise Case Management System, beginning to build the Retirement Services configuration of the system product, starting with replacement of the current system; data bridge functionality, with a bridge limited Interior Business Center data set from Retirement Data Repository to Federal Annuity Claims

Expert System; an online retirement application, acquiring and beginning to configure the application; and a Retirement Data Repository Data Viewer expansion and enhancement, which will grant additional federal agencies and payroll service providers access to sections of the repository, and expand by adding systems of records, including Individual Retirement Record Close-Out Data Capture Solution. Further, OPM will identify customer service trends and implement process improvements to deliver optimal customer service experiences, and maintain and enhance Services Online.

In FY 2017, OPM will continue to integrate process improvements through Lean Six Sigma and enhance reporting tools to monitor and address Retirement Services workloads. We will also continue to implement the five initiatives from the IT Strategic Plan, including a Guide to Retirement Data Reporting Feeds/ Electronic Retirement Record, providing updates as needed and working with another payroll office to test Electronic Retirement Records; an Enterprise Case Management System, continuing the Retirement Services configuration; data bridge functionality, expanding the Interior Business Center data set bridged from the Retirement Data Repository to the Federal Annuity Claims Expert System; an online retirement application, completing configuration and testing with the Interior Business Center; and a Retirement Data Repository Data Viewer expansion and enhancement, adding retirement systems and other electronic records and expand agency and payroll service provider access to those systems and records. OPM will also continue to identify customer service trends and implement process improvements to deliver optimal customer service experiences; and maintain and enhance Services Online.

Additionally, Section 841 of the Bipartisan Budget Act of 2015, Pub. L. 114-74 (approved November 2, 2015), adds a new section (1127A) to Title XI of the Social Security Act (42 U.S.C. 1301 et seq.). Section 1127A of the Social Security Act establishes a procedure for the Social Security Administration (SSA) to offset past-due Social Security disability annuity payments to recover FERS disability annuity overpayments, which are created when a past-due SSDI payment covers the same period of time that a disability annuity payment must be reduced under 5 U.S.C. § 8452(a) for receipt of SSDI payments. Section 1127A(a) requires OPM and SSA to enter into a "coordination agreement" for exchange of necessary information to accomplish the offset from individuals who are entitled to both past-due Social Security disability annuity payments and FERS disability annuity under 5 U.S.C. § 8452(a). Both OPM and SSA will incur expenses to make changes to systems and business processes. Section 1127A(g) provides that OPM must pay SSA "an amount equal to the amount estimated by [SSA] as the total cost incurred by the Social Security Administration in carrying out this section for each calendar quarter." The estimate for this cost to RS in FY 2017 is $6 million.

**Implementation Organizations:**

Retirement Services (RS)

**Implementation Considerations:**

RS is responsible, on a government-wide basis, for 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.

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.

OPM actively encourages individuals to take advantage of the resources available through Services Online. Services Online provides retirement services on demand, enabling users to accomplish a wide variety of transactions online such as viewing case status while in interim pay, updating email and/or address information, and other retirement related activities. To help enhance customer service, Retirement Services continues to evaluate staffing needs based on available resources.

Information technology resources also play a critical role in accomplishing this strategy. These resources are budgeted to OPM's CIO, 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 RS IT 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 Data Viewer expansion and enhancement.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Average unit cost (direct labor only) for processing retirement claims | $91.37 | $129.83 | $124.48 | ≤$129.01 | ≤$128.47 | ≤$128.15 |
| Percent of retirement and survivor claims processed accurately | 93% | 94% | 94.1%^ | ≥95% | ≥95% | ≥95% |
| Percent of retirement claims processed within 60 days | N/A* | 79% | 70.1%~ | ≥90% | ≥90% | ≥90% |
| Percent of customers satisfied with overall retirement services | 76% | 78% | 76%^^ | ≥75% | ≥75% | ≥78% |
| Rate of improper payments in the retirement program | 0.36% | 0.38% | 0.38%+ | ≤0.37% | ≤0.37% | ≤0.36% |
| Percent of retirement program customer calls handled | 82% | 76% | 72.0%** | ≥75% | ≥78% | ≥75% |

^124,472 of 132,299 cases were processed accurately.
~ OPM processed 67,029 of 95,625 pending claims within 60 days.

+ Of more than $81 billion in payments, $304 million in improper payments includes both overpayments and underpayments.
** OPM handled 1,375,774 of 1,909,997 calls received.
^^Of the 183 respondents who answered the question, 140 reported that they were satisfied.
*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 2017 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** | **$101,702,438** | **1,024.0** |
| **Retirement Services** | | |
| TF Limit - Annual | $54,858,438 | 637.0 |
| Trust Fund Limitation - No Year | $6,000,000 | 0.0 |
| Trust Fund-Title 5 | $38,790,000 | 375.0 |
| Trust Fund Title 5 - FERCCA | $2,054,000 | 12.0 |
| **OPM Total** | **$101,702,438** | **1,024.0** |

# Strategic Goal 8: Enhanced Federal Workforce Integrity

**Goal Owners:**

Mert Miller, Associate Director, Federal Investigative Services; Tim Curry, Deputy Associate Director, Employee Services

**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 to ensure that those whom agencies select and retain to serve the United States Government and the American people are fit to serve.

As the Suitability Executive Agent, the Director is responsible for developing and implementing 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.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
| --- | --- | --- |
| | Dollars | FTE |
| **Enhanced Federal Workforce Integrity** | | |
| **8.01** | | |
| **Enhance policy, procedures and processes used to ensure people are fit to serve** | **$1,352,568,152** | **3,111.0** |
| **Federal Investigative Services** | | |
| RF Investigative Services | $1,352,302,970 | 3,109.3 |
| **Office of the Director** | | |
| Common Services | $265,182 | 1.7 |
| **OPM Total** | **$1,352,568,152** | **3,111.0** |

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

**Strategy Overview:**

OPM's Federal Investigative Services (FIS) provides personnel background investigative services to determine individuals' suitability or fitness for Federal civilian or contract employment, eligibility for employment in a sensitive position or for an identity credential, or eligibility for access to classified national security information as a civilian or contract employee or as member of the Armed Services. 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 timeliness standards of the Intelligence Reform and Terrorism Prevention Act of 2004 and the requirements set by the Director of National Intelligence (DNI) continue to be a primary focus of the background investigations program. FIS continues to strive to complete 90 percent of initial Top Secret clearances within an average of 80 days or fewer, and to complete 90 percent of all clearance investigations within an average of 40 or fewer days, as required by the DNI and the Intelligence Reform and Terrorism Prevention Act of 2004, respectively. In February 2014, FIS's 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 meet suitability, fitness, and eligibility standards 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;

- 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 Performance Accountability Council process;

- completing the joint promulgation of 5 CFR part 1400 with the DNI;

- jointly preparing, with the DNI, revisions to guidance on position designation that align with the new regulations in 5 CFR part 1400;

- 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 materialize annually;

- 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;

- conducting security and suitability program audits of Federal agencies as required by law and executive order, including joint security audits with the DNI; 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.

On January 22, 2016, the Administration announced that it will establish a new government-wide service provider for background investigations, the National Background Investigations Bureau (NBIB), which will be housed within OPM. As part of this effort, NBIB will absorb much of the work of FIS; however, primary responsibility for the security of background investigation data will be transferring to the Department of Defense. OPM anticipates beginning transition of FIS work to NBIB (using Revolving Funds) during the remainder of FY 2016. Therefore, for purposes of this budget, language identifying FIS as a Revolving Fund activity and information pertaining to FIS is intended to apply not only to FIS in its current form, but also to any transition efforts from FIS to NBIB, and potentially the operation of NBIB, in FY 2017.

## FY 2016 and FY 2017 Anticipated Accomplishments:

OPM's Federal Investigative Services (FIS) will strive to complete all initial national security background investigations within the defined Act target of 90 percent completed within an average of 40 or fewer days. In addition, FIS will strive to meet or exceed the DNI target to complete the fastest 90 percent of initial Top Secret investigations within an average of 80 days or fewer, and Secret initial clearance investigations within 40 days. To meet this standard, OPM 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, OPM will apply $2 million in appropriated funding to implement the 2012 mandated Federal Investigative Standards. 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 continue to pursue 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 and tools to increase 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.

In FY 2016, OPM will implement the government-wide quality standards for investigations. The agency will deliver initial capability for Tier 3 of the 2012 Federal Investigation Standards, which established a 5-tier approach to conducting investigations, with each successively higher level of investigation building upon, but not duplicating, the level before it. OPM will develop initial capability for Tiers 4 and 5 of the 2012 Federal Investigation Standards, and develop full capability for all tiers of the 2012 Federal Investigation Standards. In addition, OPM will also award a contract for technical requirements relating to the enterprise case management system. The agency will also work with Director of National Intelligence and other stakeholders to provide recommendations for optimal mix of Federal/contract employees across the Federal Government's investigation service providers. Further, OPM will work with a cross-agency workload planning group to provide a report to the Performance Accountability Council to improve workload projections and evenly distribute investigation submissions throughout the year.

In FY 2017, OPM will remain committed to meeting the timeliness standards in the Intelligence Reform and Terrorism Prevention Act of 2004 and by the requirements of the DNI for security investigations, and working to see that investigations meet the highest quality standards. As the agency moves forward with the transition to NBIB, OPM currently plans to continue to integrate its enterprise case management system into its existing processes and systems, and streamline processes and procedures, while working with DOD as it begings developing NBIB's IT systems. OPM will also enhance data collection methods and continue to liaison with national, state, and local record providers to ensure OPM receives timely and pertinent information from record providers. Further, the agency will ensure OPM's investigations comply with the government-wide quality standards. OPM is on track to deliver full capability of the tiered investigation products of the 2012 Federal Investigative Standards in 2017. Accordingly, all OPM background investigation products will comply with the 2012 Federal Investigative Standards.

In addition, FIS will continue to support the Federal Government's suitability and security investigation programs by providing internal and external investigator and suitability training and investigation products and services to meet customer agencies' needs.

## Implementation Organizations:

Federal Investigative Services (FIS) and Office of the Director (OD)

## Implementation Considerations:

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.

Technology to support this goal includes the Personnel Investigation Processing System (PIPS), CVS, Dashboard, and Electronic Questionnaires for Investigations Processing (e-QIP), Fieldwork System (FWS), OPM PIPS Imaging System, 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.

In FY 2017, all OPM background investigation products will comply with the 2012 Federal Investigative Standards. The investments required to achieve this goal will eventually enhance and streamline investigative products and improve its ability to remain current with customer needs and evolving security threats. The new Standards established requirements for conducting background investigations to determine eligibility for logical and physical access, suitability for U.S. Government employment, fitness to perform work for, or on behalf of, the U.S. Government as a contract employee, and eligibility for access to classified information or to hold a sensitive position. The standards consist of five tiers with an Expandable Focused Investigation (EFI) model at each tier. Phased implementation of the Federal Investigative Standards began on October 1, 2014, with Tier 1 and Tier 2 investigative products. Each successively higher level of investigation shall build upon, but not duplicate, work completed at a lower tier of investigation. FIS plans to deliver the final operating capability (FOC) for all five Tiers in fiscal year 2017.

Tier 1. Investigations conducted to this standard are for positions designated as low risk, non-sensitive, and for physical and/or logical access, pursuant to Federal Information Processing Standards Publication 201 and Homeland Security Presidential Directive-12.

Tier 2. Investigations conducted to this standard are for non-sensitive positions designated as moderate risk public trust.

Tier 3. Consists of investigations designated as non-critical sensitive, and/or requiring eligibility for "L" access or access to Confidential or Secret information. This is the lowest level of investigation acceptable for access to classified information. FIS will provide initial operating capability for Tier 3 initial and reinvestigation products in fiscal year 2016.

Tier 4. Investigations conducted to this standard are for non-sensitive positions designated as high risk public trust. An initial operating capability will be provided in fiscal year 2017.

Tier 5. Investigations conducted to this standard are for positions designated as critical sensitive, special sensitive, and/or requiring eligibility for "Q" access or access to Top Secret or Sensitive Compartmented Information (SCI). This tier's operating capability will also be provided in fiscal year 2017.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of investigations determined to be quality complete | 99.8% | 99.9% | 99.9%^ | ≥99% | ≥99% | ≥99% |
| Average number of days to complete the fastest 90 percent of all initial national security investigations | 35 | 35 | 67 | ≤40 | ≤40 | ≤40 |
| Average number of days to complete the fastest 90 percent of initial Secret national security investigations | 28 | 30 | 58 | ≤40 | ≤40 | ≤40 |
| Average number of days to complete the fastest 90 percent of initial Top Secret national security investigations | 80 | 75 | 147 | ≤80 | ≤80 | ≤80 |

^ OPM determined that 2,363,096 of 2,364,677 background investigations delivered to agencies were quality complete.
*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 2017 Request Dollars | FTE |
|---|---|---|
| **Enhanced Federal Workforce Integrity** | | |
| **8.01** | | |
| **Enhance policy, procedures and processes used to ensure people are fit to serve** | **$1,352,568,152** | **3,111.0** |
| **Federal Investigative Services** | | |
| RF Investigative Services | $1,352,302,970 | 3,109.3 |
| **Office of the Director** | | |
| Common Services | $265,182 | 1.7 |
| **OPM Total** | **$1,352,568,152** | **3,111.0** |

*Note: For FY 2017, OPM shifted the former strategies 8.02, 8.03, and 8.04 to the new goal 10.*

## Strategic Goal 9: Healthier Americans

**Goal Owners:**

John O'Brien, Director, Healthcare and Insurance; Anne Easton, Deputy Director, Planning and Policy Analysis; and Dan Marella, Deputy Chief Financial Officer

**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 recognizes 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 in addition to 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 insurance, long term care, dental, and vision insurance, 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 8.2 million Federal employees, retirees, and their families, as well as tribal employees and their families. The HI organization consolidates all of OPM's healthcare and insurance responsibilities into a single organization. These include the Federal Employees Health Benefit Program (FEHBP), Federal Employees' Group Life Insurance (FEGLI), Flexible Spending Account (FSAFEDS), 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 Americans, including those previously uninsured, 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.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Healthier Americans** | | |
| **9.01** | | |
| **Sponsor high quality, consumer friendly, affordable insurance products** | **$28,826,712** | **137.9** |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $11,546,443 | 66.5 |
| TF Dental and Vision Benefits | $5,926,020 | 1.8 |
| Trust Fund Title 5 - Long Term Care | $1,618,943 | 1.8 |
| Salaries & Expenses Appropriation | $5,896,185 | 40.3 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $3,082,756 | 23.5 |
| TF Dental and Vision Benefits | $211,715 | 1.0 |
| Trust Fund Title 5 - Long Term Care | $236,692 | 1.0 |
| Trust Fund-Title 5 | $166,605 | 1.0 |
| Salaries & Expenses Appropriation | $141,353 | 1.0 |
| **9.02** | | |
| **Optimize insurance-related business processes** | **$8,598,304** | **60.0** |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $1,680,770 | 11.5 |
| TF Dental and Vision Benefits | $73,980 | 1.0 |
| Trust Fund Title 5 - Long Term Care | $158,057 | 1.5 |
| Salaries & Expenses Appropriation | $2,220,140 | 18.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $3,006,448 | 14.5 |
| Salaries & Expenses Appropriation | $1,458,909 | 13.5 |
| **9.03** | | |
| **Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans** | **$1,894,005** | **14.0** |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $77,377 | 1.0 |
| Salaries & Expenses Appropriation | $1,699,241 | 12.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $117,387 | 1.0 |
| **9.04** | | |
| **Develop novel partnerships in support of population health and enhance outreach and health literacy** | **$1,547,891** | **15.0** |
| **Healthcare & Insurance** | | |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| TF Limit - Annual | $77,377 | 1.0 |
| Salaries & Expenses Appropriation | $1,373,586 | 13.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $96,928 | 1.0 |
| **OPM Total** | **$40,866,912** | **226.9** |

# 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 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 resource use.

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 meet Federal employees' needs and to make 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 approximately 17,000 tribal members enrolled in FEHB plans.

OPM is responsible for implementing and overseeing the Multi-State Plan program, authorized by the Affordable Care Act (ACA), to make health insurance better available to all 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 MSP programs. 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 assist in the processing of consumer and issuer appeals; and
- monitor MSP contractor performance and quality.

PPA conducts evaluations of public and private sector organizations' benefit survey results. These results are used to ensure Federal benefits are comparable to those offered by private and other public sector organizations, and to identify opportunities for enhancing benefit offerings. OPM also conducts ongoing analyses through various surveys. PPA provides benefits policy guidance based on these evaluations and also collects, maintains and analyzes healthcare data on an ongoing basis. PPA will use the Health Claims Data Warehouse when conducting evaluations of health conditions, especially chronic conditions. Chronic conditions are not only debilitating to those that experience them, but their poor control can lead to very high health costs and resulting premium increases. This data will also be used to support PPA's actuarial, demographic, economic and statistical analyses. PPA will continue to assess how Affordable Care Act (ACA) requirements have affected FEHB programs and will continue to monitor the implementation of employer shared responsibility requirements under Internal Revenue Code (IRC) Sections 4980H and 6056. PPA will also implement any changes as a result of the legislative program on FEHB modernization.

## FY 2016 Anticipated Accomplishments:

OPM will work with insurance carriers to negotiate the best rates and value of benefits. The agency will also work on initiatives to advance cost management, such as lowering overall pharmacy growth and specialty drug costs. In addition, OPM will work with carriers on improvement of health care quality through comprehensive wellness programs, preventive care and care condition management techniques. OPM's Healthcare and Insurance aims to expand the MSPP by adding new plans and new States to this program. OPM will continue formal consultation with tribes, tribal organizations and urban tribes to expand tribal enrollment. PPA will access the Health Claims Data Warehouse to conduct cost and utilization analysis. PPA will oversee successful transmission of federal employee data by Shared Service Centers to the Internal Revenue Service to comply with ACA requirements.

## FY 2017 Anticipated Accomplishments:

OPM will develop a strategy and action plan to address the effects of the excise tax for high cost employer-sponsored health coverage (an ACA provision) on FEHB plans. The agency will work with insurance carriers to negotiate the best rates and benefits value; advance cost management, such as adopting practices to manage pharmacy utilization; and improve health care quality through use of techniques such as health risk assessments and care condition management techniques. OPM will also expand the availability of the MSPP by continuing to add new plans and new States to this program. OPM will also continue formal consultation with tribes, tribal organizations and urban tribes, and work to expand tribal enrollment.

**Implementation Organizations:**

Healthcare & Insurance (HI) and Planning and Policy Analysis (PPA)

**Implementation Considerations:**

PPA's roles include:

- developing of the health claims data warehouse (HCDW);

- negotiating with FEHB insurance carriers for the best premium rates;

- conducting rigorous evaluations of health-related issues affecting Federal employees and retirees;

- administering and analyzing the Federal Employee Benefits Survey;

- conducting rate review and rate certification for health issuers under agreements with OPM to offer MSPs;

- providing external review of health issuer decisions on health claims for MSP enrollees;

- assessing MSPs performance through analyses of claims data and other information;

- evaluating the impact of tribal enrollment on the program to determine whether there is an equitable distribution of claims cost experience reflected in FEHB premiums; and

- analyzing cost, utilization and quality trends through the Health Claims Data Warehouse and other means. 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 obtain the best value of benefits;

- using new metrics to measure health carrier contract performance;

- advancing cost management such as lowering overall pharmacy growth and specialty drug costs;

- 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 MSPP consumer and issuer appeals;

- conducting management audits of MSP performance and quality;

- supporting review of MSP 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; and

- shifting the cost of administering premium collection from tribal entities participating in the FEHBP to the Trust Fund limitation. This change is the result of an extensive review of financing mechanisms that occurred during FY 2015.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Number of people enrolled in the Multi-State Plan program | N/A* | 351,437 | 473,700 | - | ≥500,000 | ≥505,000 |
| Number of tribes, tribal organizations or urban Indian organizations participating in FEHB | 48 | 61 | 85 | - | ≥84 | ≥92 |
| Number of tribal employees enrolled in FEHB | 10,304 | 15,580 | 17,500 | - | ≥18,000 | ≥20,000 |
| Percent of FEHBP enrollees satisfied | 79.2% | 82% | 72.9% | - | ≥Industry Trend~ | ≥Industry Trend~ |

\* N/A - Not Available - no historical data available for this period.
~ The satisfaction rate is based on the Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys conducted annually.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Healthier Americans** | | |
| **9.01** | | |
| **Sponsor high quality, consumer friendly, affordable insurance products** | **$28,826,712** | 137.9 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $11,546,443 | 66.5 |
| TF Dental and Vision Benefits | $5,926,020 | 1.8 |
| Trust Fund Title 5 - Long Term Care | $1,618,943 | 1.8 |
| Salaries & Expenses Appropriation | $5,896,185 | 40.3 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $3,082,756 | 23.5 |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
|---|---|---|
| | Dollars | FTE |
| TF Dental and Vision Benefits | $211,715 | 1.0 |
| Trust Fund Title 5 - Long Term Care | $236,692 | 1.0 |
| Trust Fund-Title 5 | $166,605 | 1.0 |
| Salaries & Expenses Appropriation | $141,353 | 1.0 |
| **OPM Total** | **$28,826,712** | **137.9** |

## 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 and securing 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 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. To ensure the MSP program's success, OPM will need to continue to work closely and on a continuing basis with State departments of insurance and Exchanges. The inter-agency effort to implement and administer Exchanges is continually evolving and new 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 to ensure 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 family members. While this system has allowed agencies to enroll employees and collect premiums, OPM believes a new centralized system would improve enrollment processes and allow for family member audits to enhance accountability, cost-effectiveness and optimize this business process.

OPM works closely with OPM's Office of the 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 audit issues. HI manages timeliness of the audit reconciliation process.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will convene a Multi-State Plan Advisory Board to evaluate and make recommendations on important issues related to the MSP program.

OPM will expand the "Benefits Plus" system and use it to assist Federal employees and retirees in identifying the benefits they need at the lowest cost. "Benefits Plus" will include development of a new Plan Comparison Tool that adds functionality and enhance consumer experience in evaluating health plans. OPM will organize cross-agency work teams to re-design the new Plan Comparison Tool.

OPM will continue its efforts to make improvements in the procurement process for the programs and systems that support the Federal benefit programs.

OPM will also continue to include new carriers in the FEHB program to provide enrollees with variety and value.

In FY 2017, OPM will use the FEHB Plan Performance Assessment System to analyze plan performance for the three high priority measures to identify successful practices and address remediation with plans that are lagging. For FY 2017, the high priority measures are: timeliness of prenatal care, blood pressure control and plan all-cause readmissions. Plan performance will be compared to national benchmarks. OPM will also continue to convene the MSP Advisory Board to discuss recommendations on important issues related to the MSP program; OPM will review family member coverage under the FEHB Program and take appropriate steps to remove ineligible individuals.[1] The agency will also utilize the Health Claims Data Warehouse to conduct cost and utilization analysis.

## Implementation Organizations:

Healthcare & Insurance (HI) and Planning and Policy Analysis (PPA)

## 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;

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[1] The review is of the eligibility of the family members in a sample of family contracts. Currently, the Family Member Verification Audit is on hiatus while eligibility verification materials to be used are cleared through the Paperwork Reduction Act. OPM anticipates this being completed by first quarter FY 2017. OPM will propose mechanisms to remove ineligible individuals from the contract.

- 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 foster 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.

PPA will:

- continue to support the operations of the benefit programs by providing policy and actuarial and data analyses.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent increase in FEHB premiums | 3.7% | 3.2% | 6.4% | ≤ Industry Trend^ | ≤ Industry Trend^ | ≤ Industry Trend^ |
| Percent increase in FEHB premiums based on actual population | 2.9% | 3.2% | N/A* until June 2016 | - | ≤Industry Trend | ≤Industry Trend |
| Growth of FEHBP prescription drug costs | 4.4% | 8% | 12% | ≤ Industry Average | ≤ Industry Average | Discontinued~ |
| Percent of plans with all-cause readmission to hospital within 30 days of inpatient hospital stay above the national commercial 50th percentile | N/A* | 49% | 51% | - | ≥51% | Establish Baseline |

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

^The industry measures for private sector premiums are released by PriceWaterhouseCoopers and CalPERS.

~ OPM is discontinuing this measure because it no longer provides valuable information regarding FEHB's prescription drug costs. Most plans have achieved robust levels of generic prescribing, and the growth in the number and use of expensive specialty drugs has rendered the prescription drug trend uninformative.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Healthier Americans** | | |
| **9.02** | | |
| **Optimize insurance-related business processes** | **$8,598,304** | **60.0** |
|     **Healthcare & Insurance** | | |
|       TF Limit - Annual | $1,680,770 | 11.5 |
|       TF Dental and Vision Benefits | $73,980 | 1.0 |
|       Trust Fund Title 5 - Long Term Care | $158,057 | 1.5 |
|       Salaries & Expenses Appropriation | $2,220,140 | 18.0 |
|     **Planning and Policy Analysis** | | |
|       TF Limit - Annual | $3,006,448 | 14.5 |
|       Salaries & Expenses Appropriation | $1,458,909 | 13.5 |
| **OPM Total** | **$8,598,304** | **60.0** |

## 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 and Policy 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 measures 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 which provides insights from Federal employees on the value 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.

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will increase influenza immunization rates through optimal use of health insurance benefits, occupational health resources, and employee wellness programs. OPM's guidance to FEHB carriers will continue to include emphasis on preventive services. OPM will also issue an annual call letter stating the Multi-State Plan program goals, which include causing the MSP coverage designs to maintain a strong preventive care focus.

In FY 2017, OPM will promote and support balanced, effective combinations of worksite wellness programs and insurance benefits to provide for a healthy workforce. The agency will also continue to emphasize the importance of a strong preventive care focus in insurance programs; ensure no or low out-

of-pocket costs for hypertension or cholesterol medications, FDA-approved tobacco cessation medications and OTC nicotine replacement products. OPM will continue to promote the FEHB tobacco cessation benefit and to measure employee awareness. Further, OPM will increase influenza immunization rates through policy guidance and optimal use of health insurance benefits, occupational health resources, and employee wellness programs.

## Implementation Organizations:

Healthcare & Insurance (HI) and Planning and Policy Analysis (PPA)

## Implementation Considerations:

HI's roles include improving health care quality through comprehensive wellness programs, preventive care, and care management techniques.

PPA's role includes outreach to other Federal agencies and stakeholders on preventive benefits; especially targeting influenza prevention and tobacco cessation initiatives.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of adults receiving flu shots based on Consumer Assessment of Healthcare Providers and Systems Effective Care | 53% | 50% | 49% | Contextual | Contextual | Contextual |
| Percent of plans with timely prenatal care above the national commercial 50th percentile | 43.4% | 39.8%. | 41% | - | ≥41% | Establishing New Baseline |
| Percent of plans controlling blood pressure above the national commercial 50th percentile | N/A* | 49.0% | 43% | - | ≥43% | Establishing New Baseline |

*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 2017 Request Dollars | FTE |
|---|---|---|
| **Healthier Americans** | | |
| **9.03** | | |
| **Improve preventive services delivery to employees, retirees, families, tribal employees, and newly insured Americans** | **$1,894,005** | **14.0** |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $77,377 | 1.0 |
| Salaries & Expenses Appropriation | $1,699,241 | 12.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $117,387 | 1.0 |
| **OPM Total** | **$1,894,005** | **14.0** |

## Strategy: 9.04 Develop novel partnerships in support of population health and enhance outreach and health literacy

**Strategy Overview:**

Develop novel partnerships that support population health by:

- prioritizing healthy workforce aims in the Chief Human Capital Officers (CHCO) Council 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 the 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. 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.

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 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).

### FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will prioritize healthy workforce aims in the Chief Human Capital Officers Council, union negotiations, labor-management forums, and interactions with consumer advocates; promote tobacco free workplaces; and collaborate with Substance Abuse and Mental Health Services Administration to promote awareness of mental health and employee assistance resources available to Federal employees. The agency will also 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, and other initiatives. In addition, 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; and communicate to employees across all OPM platforms including *USAJOBS, USAStaffing, Retirement Services Online, Employee Express, and OPM.gov*. OPM will target agencies by enrollment to deliver educational seminars on employee benefits. The agency will develop an outreach strategy and implement educational sessions for Indian Tribes on FEHB. Further, OPM will 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.

In FY 2017, OPM will continue to ensure Federal agency benefits officers are well informed about insurance programs and promote benefits awareness through interagency education programs and use of social media. OPM will also target agencies by enrollment to deliver educational seminars on employee benefits; promote tobacco free workplaces; and collaborate with the Substance Abuse and Mental Health Services Administration to promote awareness of mental health and employee assistance resources available to Federal employees. To assist Federal employees and retirees in identifying the benefits they need at the lowest cost, OPM will use the "Benefits Plus" system and a new Plan Comparison Tool to enhance consumer experience in evaluating health plans. Further, OPM will develop an outreach strategy and implement educational sessions for Indian Tribes on the FEHB Program.

## Implementation Organizations:

Healthcare & Insurance (HI) and Planning and Policy Analysis (PPA)

## Implementation Considerations:

HI and PPA 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;
- provide actuarial, demographic, economic or statistical analyses of and responses to information requests from the Department of Health and Human Services; and
- continue to use the Health Claims Data Warehouse to conduct evaluations of health conditions, especially chronic conditions and focus outreach to agencies on population health.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of employees aware of FEHB tobacco cessation benefit | 10.2% | N/A* | N/A* until 2016 | - | ≥15% | ≥20% |

*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 2017 Request Dollars | FTE |
|---|---|---|
| **Healthier Americans** | | |
| **9.04** | | |
| **Develop novel partnerships in support of population health and enhance outreach and health literacy** | **$1,547,891** | 15.0 |
| **Healthcare & Insurance** | | |
| TF Limit - Annual | $77,377 | 1.0 |
| Salaries & Expenses Appropriation | $1,373,586 | 13.0 |
| **Planning and Policy Analysis** | | |
| TF Limit - Annual | $96,928 | 1.0 |
| **OPM Total** | **$1,547,891** | **15.0** |

Note: For FY 2017, OPM combined the former strategies 9.04 and 9.05 into a new Strategy 9.04.

## Strategic Goal 10: Efficient and Effective Federal Human Capital Management

**Goal Owners:**

Joseph Kennedy, Associate Director, Human Resources Solutions; Mark Reinhold Associate Director, Employee Services; and Mark Lambert, Associate Director, Merit System Accountability and Compliance

**Strategic Goal Statement:**

**Increase the efficiency and effectiveness of human capital management across the Federal Government by providing procedures and services that increase accountability, and provide greater organizational and management flexibility.**

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 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.

OPM plays a unique and vital role in leading Federal systems and standards for strategic human capital management. OPM perform as this role through policy leadership, accountability and compliance work, as well as the provision of human capital products and services that move agencies toward 21st century talent management strategies.

As the President's advisor on Federal human capital management, OPM is regularly called upon to provide leadership in the human capital components of key management initiatives. Examples include leading the People and Culture Cross-Agency Priority Goal, closing skills gaps in fulfillment of the CHCO Act and in response to GAO's high risk report, and most recently serving as OMB's designated category manager for the human capital category of Federal spending.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | | |
| **10.01** | | |
| **Through the Category Management Initiative, enable the Federal Government to have products, services and providers that support the human capital management and organizational performance of Federal agencies** | **$25,913** | 0.1 |
| **Office of the Director** | | |
| Common Services | $25,913 | 0.1 |
| **10.02** | | |
| **Provide guidance, tools, and training to help agencies attain human capital management goals and meet OPM requirements** | **$71,153,074** | 194.0 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $5,894,791 | 34.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $64,343,466 | 154.0 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $914,817 | 6.0 |
| **10.03** | | |
| **Hold agencies accountable for closing skills in their mission critical occupations** | **$904,786** | 5.8 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $904,786 | 5.8 |
| **10.04** | | |
| **Assure effective human capital management of Senior Executive Service (SES) and other senior employees** | **$3,479,335** | 22.8 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $3,479,335 | 22.8 |
| **10.05** | | |
| **Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems** | **$14,177,545** | 73.3 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $418,156 | 2.8 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $6,020,335 | 12.0 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $7,739,054 | 58.5 |
| **OPM Total** | **$89,740,653** | **296.0** |

## Strategy 10.01: Through the Category Management Initiative, enable the Federal Government to have products, services and providers that support the human capital management and organizational performance of Federal agencies

### Strategy Overview:

OPM will enable the Federal Government to have products, services and providers that support the human capital management and organizational performance of Federal agencies by:

- defining the government-wide human capital management purchasing requirements;
- determining the human capital products and services that best meet those purchasing requirements;
- selecting the best- in-class providers (Government and private) to offer human capital products and services;
- offering human capital products and services;
- working with GSA to develop the human capital "hallway"/corridor of the Common Acquisition Portal; and
- evaluating the effectiveness and efficiency of human capital products and services as well as the human capital outcomes of the Category Management Initiative, including improving Spend Under Management.

### FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will establish a Human Capital Category Management governance team to establish and implement a governance process for the design, execution and monitoring of the overarching Human Capital Category Management process. Additionally, the governance team will assist with the development of a resource plan in support of the human capital category. The governance team will prioritize the creation of future sub-categories for implementation and will oversee the design and execution of the sub category teams compared to milestones. OPM will establish one sub-category team in FY 2016 to launch management of the talent management subcategory.

OPM will continue communicating with stakeholders about the resources available on the human capital hallway, and in the first quarter, develop the Human Capital Category Management strategic plan, identify performance measures to assess the effectiveness and efficiency of the Human Capital Category Management program, and identify the data needed to conduct a spending analysis for talent development spending. In the second quarter, OPM will create an action plan to improve data access and quality, and in the third quarter, the agency will use available data to conduct a spend analysis.

In FY 2017, OPM will maintain the human capital hallway as a vital resource for agencies to use when identifying products and services in the Talent Development sub-category. OPM will complete the data

analysis and supply/demand management strategies for Talent Development and Talent Management sub-categories. OPM will launch two new sub-categories within the human capital category.

## Implementation Organizations:

Office of the Director (OD)

## Implementation Considerations:

ES and HRS are OPM's lead organizations for the category management initiative.

ES's ability to support category management is critically dependent on budgetary resources to attain skilled talent with experience in human capital foresight and data analytics. Access to relevant spending data and agency human capital plans will also be an essential contribution to this effort.

HRS' Center for Management Services provides strategic, financial, operational, and infrastructure support to Human Resources Solutions Practice Areas via three offices: Strategy, Operations and Support, Marketing and Business Development, and Human Resources. Support activities include enhancing fiscal transparency of core Human Resources Solutions business process, IT and Space management and support, developing and managing market research strategies to include both internal and external customer marketing, producing business intelligence reports, and HR operations, training, and employee and labor relations support.

Additionally in support of the category management initiative, it is anticipated that FY17 will be the first full operating year under the General Services Administration (GSA)/OPM Human Capital and Training Solutions (HCaTS) contract. The HCaTS contract vehicle will provide Federal agencies with direct and assisted acquisition access to customized training and development services, human capital strategy services, and organizational performance improvement services.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Number of "hallway" users | N/A* | N/A* | N/A* | - | - | Establish Baseline |
| Number of vendors who deliver human capital goods and services that meet the "best in class" criteria. | N/A* | N/A* | N/A* | - | - | Establish Baseline |

*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 2017 Request | |
|---|---|---|
| | Dollars | FTE |
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | | |
| **10.01** | | |
| **Through the Category Management Initiative, enable the Federal Government to have products, services and providers that support the human capital management and organizational performance of Federal agencies** | **$25,913** | **0.1** |
| **Office of the Director** | | |
| Common Services | $25,913 | 0.1 |
| **OPM Total** | **$25,913** | **0.1** |

# Strategy 10.02: 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;

- promoting and delivering 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 the new HR Training On Demand program;

- 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; and

- promoting training programs across all OPM platforms, including USA Learning, HR Learning Connection, OPM Learning Center, HR University, THEO (the OPM intranet site), USAJOBS, and OPM.gov.

## FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will develop and roll out a government-wide agency evaluator certification program. OPM will continue to ensure training provided by OPM's Agency Compliance Evaluation and HR Solutions staff is well received and useful to participants. Providing high quality certification programs allows agencies to build HR capacity by conducting training sessions for agencies, including certifying staff to carry out competitive examining and evaluation functions, conducting open enrollment sessions through the Federal Staffing Center HR Training on Demand, and evaluating the effectiveness of training provided. Further, agencies are able to assist customers in accomplishing their recruiting goals through Staff Acquisition Group recruitment and branding services; and collecting and monitoring customer satisfaction data at the end of the second and fourth quarters (OPM will monitor financial data monthly and achieve 35 percent of sales and revenue by the end of the second quarter).

OPM will continue, in partnership with General Services Administration, to implement the new Human Capital and Training Solutions 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). OPM will provide Training and Management Assistance Program vendor-delivered strategic human capital improvement activities by educating and training agency HR professionals; ensure Training Management Assistance Program services are delivered as dictated by the market and executed within compliance, and deliverables are accepted at a rate of 99 percent by the requesting agency; and work 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.

In addition, OPM will 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. The agency will develop and deliver no less than four professional development series classroom training courses for labor and employee relations practitioners and line managers, and no less than six webinar trainings for labor and employee relations practitioners and line managers. The agency will provide a refresher update to existing labor and employee relations web-based training or develop new web-based training, if appropriate resources are available; and develop and deliver no less than four webinar trainings for HR practitioners and line managers on hiring assessments and workforce restructuring, and a 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. OPM will educate potential applicants about the Federal Government and how to apply for jobs through numerous outreach efforts (for example, visits to colleges and universities and webinars).

In support of the Presidential Management Fellows (PMF) program, OPM will provide web-based training during the PMF virtual job fair; conduct monthly webinars with the Fellows on Federal employment as well as one for new supervisors; hold a one-day leadership training session at Mount Vernon; expand training with additional resources; and 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 the assistance of counsel, OPM will review any necessary revisions to regulations and guidance as the work arises and provide further guidance as needed.

In FY 2017, OPM will evaluate the effectiveness of the evaluator certification program to determine whether adjustments to the certification process are warranted. Furthermore, OPM will continue to ensure training provided OPM's staff is well received and useful to participants so that agencies build HR capacity by conducting training sessions for agencies, including certifying staff to carry out competitive

examining and evaluation functions, conducting open enrollment sessions through the Federal Staffing Center HR Training on Demand, and evaluating the effectiveness of training provided.

OPM's Federal Executive Institute will continue to offer its in-residence Leadership for a Democratic Society program, modifying the teaching and learning methodology as well as the curriculum to allow the Institute to reach a wider audience and have a greater impact. OPM will also expand its assistance in developing foreign Government executives.

The Institute will develop and deliver a Senior Executive Service portfolio, including orientation sessions, and onboarding seminars. OPM will offer quarterly seminar offerings for the Senior Executive Service. The offerings will be day-long seminars on core competencies and current issues of concern for senior executives, and will become an open-enrollment option. OPM is also developing the SES Fellows Program, which will be offered no later than FY 2017.

Additionally, in FY 2017, OPM's Innovation Lab will partner with the White House's interagency community of practice on community solutions ("place-based initiative") to design a comprehensive curriculum for Federal employees that provide grants, programs and services to communities across a range of policy domains including housing, economic development, and transportation infrastructure. The curriculum would build Federal employee competencies in community collaboration, including stakeholder mapping, coalition-building, collaboration, conflict management, and negotiating/influencing. The Lab will apply human centered design methods to design the curriculum, which will itself build design thinking capabilities across the community-serving Federal workforce. The aim of this initiative is to improve current Federal policies and programs' responsiveness to community needs, and to leverage Federal resources across agencies to meet community goals and requirements.

## Implementation Organizations:

Employee Services (ES), Merit System Accountability & Compliance (MSAC) and Human Resources Solutions (HRS)

## Implementation Considerations:

Successful implementation is dependent on MSAC 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.

Implementation of training by Employee Services' HRU is critically dependent on resources for the procurement and maintenance of the HRU learning management system, including contracting funds and skilled staff to manage ongoing updates and enhancements to HRU. Delivering training and development resources through HRU assumes that funds are available for the design and delivery of learning content.

Human Resources Solutions' (HRS) Federal Staffing Center (FSC) is comprised of USA Staffing®, Staff Acquisitions Group and USA Hire. USA Staffing® will automate the full range of Federal rules and procedures for external hires including competitive service (i.e. Title 5) and accepted service (e.g. Title 38) positions that cover more than 200 hiring authority codes. This software combines core and advanced features in a user-friendly, web-enabled software solution, compliant with Federal hiring regulations and Federal IT security requirements. 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.

The Staff Acquisition Group 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. Staff Acquisition Group also utilizes the USA Staffing® Talent Acquisition system and USA Hire assessments, provides On-boarding Solutions to assist customer agencies with pre-staffing activities and automated entrance-on-duty support, and delivers technical HR training, coaching and consulting services.

USA Hire is an OPM online assessment program fully integrated with, and managed by USA Staffing®. USA Hire enables customers to improve the efficiency of their assessment process by providing automatic scoring of applicants, offers expert support in customized assessment development, and provides access to overs 600 certified testing centers for in-person monitored assessments, applicant help desk support, and online simulations and avatar-based assessment items designed to improve applicant engagement.

HRS' Training and Management Assistance Program 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. The strategically sources services provide economies of scale and scope to the Government.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Index score of customer satisfaction with quality of delegated examining and evaluator training | 98 | 90 | 97.8~ | ≥90 | ≥90 | ≥92 |

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Index score of customer satisfaction with HR Solutions products and services (ACSI-Equivalent Index) | 80 | 78.8 | 76 | ≥80 | ≥80 | ≥10 Points Above Federal Average |
| Percent of HR workforce (GS-021s/203s) registered for HR University | 51% | 80% | 98.2^ | ≥95% | Discontinued | Discontinued |

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

~ Of 940 survey respondents, 919 rated the training at level four or five out of five.

^ 28,635 of 29,155 of employees were registered for HR University.

| FY 2016 Milestone |
|---|
| Cover 100 percent of staffing and classification learning requirements by HRU courses and resources |

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
|---|---|---|
| | Dollars | FTE |
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | | |
| **10.02** | | |
| **Provide guidance, tools, and training to help agencies attain human capital management goals and meet OPM requirements** | **$71,153,074** | **194.0** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $5,894,791 | 34.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $64,343,466 | 154.0 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $914,817 | 6.0 |
| **OPM Total** | **$71,153,074** | **194.0** |

# Strategy 10.03: Hold agencies accountable for closing skills gaps in their mission critical occupations by:

## Strategy Overview:

Hold agencies accountable for closing skills gaps in their mission-critical occupations by:

- developing a common method for defining skills gaps; and
- creating government-wide human capital strategies for shared high-risk occupations.

## FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will publish the identified government-wide and agency-specific mission critical occupations and competencies. OPM or Executive Steering Committee will hold quarterly meetings with Sub Goal Leaders. In the first quarter of FY 2016, OPM will identify occupational leaders to partner with CHCOs on skills gaps strategy design and execution. During the first quarter OPM will orient occupational leaders on the principles of strategic human capital management, and work with them and CHCOs to identify root causes for projected skills gaps shortages. Based on this analysis, the partners will design skills gap closure strategies for execution over the next three fiscal years. In the second quarter, the agency will conduct root cause analysis for skills gaps with Occupational Sub Goal Leaders, develop gap closing strategies that address the root causes for skills gaps for each respective occupation, and work with Sub Goal Leaders and their partner Chief Human Capital Officers to develop their strategies, action plans, measures, and targets. In the third quarter, Occupational Sub Goal Leaders will begin implementation of gap closure strategies and measure progress quarterly, OPM will manage and monitor this progress reporting. In the fourth quarter and beyond, OPM will begin holding agencies accountable for closing agency-level skills gaps through the agency review process.

In FY 2017, OPM will focus on collecting performance data to assess progress in closing Government wide and agency specific skills gaps. The agency will collect quarterly reports to assess the mission-critical occupation groups' progress in closing skill gaps in government-wide high-risk areas. OPM will also meet quarterly with the groups to hold them accountable for closing skill gaps in government-wide high-risk areas.

## Implementation Organizations:

Employee Services (ES)

## Implementation Considerations:

Successful implementation of this objective is critically dependent on ES's ability to staff the skills gaps analysis and strategy process with human capital data analysts, workforce planning and strategic human capital management specialists. In addition, OPM will depend on leadership commitment of occupational leaders and Chief Human Capital Officers (CHCOs) from across Government to analyze and address the root causes of skills gaps identified in the workforce analysis process. OPM also assumes that for each occupation identified as a government-wide priority, at least one CHCO will dedicate a minimum of 0.5

FTE to the skills gap closure effort by providing human capital program management support to the occupational leader and CHCO for that occupation.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of agencies who use the common method for defining skills gaps | N/A | N/A* | N/A* | - | - | Establish Baseline |
| Percent of high-risk mission-critical occupations/areas making progress toward meeting closing-skill-gap targets | N/A* | N/A* | N/A* | - | - | Establish Baseline |

*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 2017 Request | |
|---|---|---|
| | Dollars | FTE |
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | | |
| **10.03** | | |
| **Hold agencies accountable for closing skills in their mission critical occupations** | $904,786 | 5.8 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $904,786 | 5.8 |
| **OPM Total** | **$904,786** | **5.8** |

# Strategy 10.04: 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;

- supporting agencies as they seek to implement the recent Executive Order on Strengthening the Senior Executive Service by convening agencies to share best practices and developing and disseminating useful tools and resources;

- administering enterprise processes 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; and

- providing an optional automated performance management system, USA Performance, to automate the government-wide SES performance management system

## FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will fully develop, operate, and maintain USA Performance internally. The FY 2016 investment in development will expand the functionality to include agencies' ability to configure performance plans and seamlessly send final performance plans to eOPF. USA Performance will align data standards with other OPM systems to increase integration and enhance OPM and other agencies ability track, manage, and report on performance management as it relates to the overall HR lifecycle. These expansions in functionality will increase the desirability of the system and number of users in FY 2016. Moreover, overall accountability of the performance management process will increase as user agencies centralize reporting, tracking, and appraisal maintenance in the system. Determining the success of these planned activities will be measured through achieving planned release timelines for new functionality and agency user satisfaction and customer testing.

OPM will also update and improve the Executive and Schedule C System automated database managed by OPM to support every agency across the Federal Government with processing, tracking and management of their allocated Senior Executive Service / Senior Leader / Scientific or Professional (SES/SL/ST) positions. This investment will provide the following in FY 2016: 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 human capital 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 initiative are: the number of agencies who certify their information within the Executive and Schedule C System as complete and accurate, and the number of agencies meeting their statutory/regulatory requirements regarding career reserved positions and allocations (as identified through OPM management controls).

In addition, OPM will develop and provide to agencies guidance, along with training, to assist the agencies in meeting requirements associated with Quality Review Board 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, OPM will recruit, select, and match participants to rotational assignments for two cohorts, each year. Through FY 2018, in the field, OPM will 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 locations will be participating by the end of FY 2018.

OPM will serve as a model agency and provide agencies with assistance needed to implement executive resources (for example, SES, SL, ST) policies consistent with law, regulations, and OPM policy. OPM will ensure agencies understand and follow the requirements of available program flexibilities to address critical executive recruitment and retention needs in a cost-effective manner, and meet any statutory requirement to issue SES, SL, ST, leadership development, or performance management and awards regulations and reports. In addition, OPM will 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.

Furthermore, OPM will complete a 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 a manual on training for senior staff; provide legal advice and counsel to OPM's Employee Services, and with Employee Services 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 Employee Services 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.

OPM will continue to support the implementation of the President's Management Agenda People and Culture Cross-Agency Priority (CAP) goal, including building a world-class Federal management team, starting with the Senior Executive Service. OPM will continue to support SES onboarding through a final evaluation of the pilot, as well as assisting additional agencies in developing programs for their new

executives. For additional details on OPM's contributions to the goal, please refer to www.Performance.gov.

OPM will deploy the full USA Performance system in FY 2016, adding capability for other pay plan performance appraisals, and in FY 2017, continue to build additional functionality based on agency feedback. Specifically for the Senior Executive Service functionality, it will expand functionality to allow agencies to pull custom reports and search the online database of element and standard for developing performance plans. The program office will also begin work on the "reward" phase of the performance management cycle through developing functionality to track compensation recommendations for the Senior Executive Service.

Further, OPM will continue to support the implementation of the President's Management Agenda People and Culture Cross-Agency Priority (CAP) goal, including building a world-class Federal management team, starting with the Senior Executive Service. For additional details on OPM's contributions to the goal, please refer to www.Performance.gov.

## Implementation Organizations:

Employee Services (ES)

## Implementation Considerations:

ES will directly support this strategy to promote effective human capital management of SES and other senior employees. ES will provide policy direction and leadership in designing, developing and promulgating government-wide systems and programs. Various program limiters may affect the timely achievement of the strategies, accomplishments and milestones planned for Strategy 10.04.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of Senior Executive Service and Senior Level / Scientific or Professional performance appraisal systems that have met the certification criteria | 83% | 78% | 81.6%^ | - | ≥83% | ≥83% |
| Customer Satisfaction with USA Performance (ACSI Equivalent Score) | N/A* | N/A* | 86.5 | - | ≥65 | ≥10 Points Above Federal Average |

*N/A - Not Available - no historical data available for this period.
^ Of 103 certifiable agencies, 84 had SES and SL/ST performance appraisal systems that were certified at the end of FY 2015

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request | |
|---|---|---|
| | Dollars | FTE |
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | | |
| **10.04** | | |
| **Assure effective human capital management of Senior Executive Service (SES) and other senior employees** | **$3,479,335** | **22.8** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $3,479,335 | 22.8 |
| **OPM Total** | **$3,479,335** | **22.8** |

# Strategy 10.05: Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems

## Strategy Overview:

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 law and regulation;

- 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; and

- 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 providing information on effective human capital management programs and practices.

## FY 2016 and FY 2017 Anticipated Accomplishments:

In FY 2016, OPM will conduct evaluations of agencies' human capital management programs, including their delegated examining and accountability programs, for efficiency, effectiveness, and compliance with law and regulation; conduct pre-evaluation planning and analysis activities in preparation for a special study on excepted service hiring practices; and further leverage available OPM technology to provide the most cost-effective services to Federal customers.

OPM will re-open the Administrative Law Judges (ALJ) examination to the public to add additional candidates who meet the examination requirements to the ALJ register, and ensure the ALJ examination is up-to-date with current examination methodologies and occupational requirements.

Furthermore, OPM will use the Human Capital 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; develop a plan to communicate new incentives and/or enforcement authorities to stakeholders; complete evaluations of Human Capital offices and assess program improvements of Delegated Examining Units identified as "severe"; develop government-wide Strategic Workforce Planning; design the guidance for the Human Capital Strategic Reviews; publish the guidance for implementation for HRStat, which includes the Maturity Model; and launch the Human Capital Strategic Reviews, which includes monitoring agencies progress with implementing the HRStat Maturity Model.

In FY 2017, OPM will continue to conduct evaluations of agencies' human capital management programs, including their delegated examining and accountability programs, for effectiveness, efficiency, and compliance with law and regulation; monitor the impact of revised regulations and guidance; continue to review any further revisions to regulations and guidance for legal sufficiency as the work arises; conduct a special study on agencies' use of the excepted service hiring authority; and complete evaluations of HC offices and assess program improvements of Delegated Examining Units identified as "severe."

Further, the agency will continue to issue ALJ certificates to hiring agencies; continue to process ALJ personnel actions; continue to process ALJ loan requests/extensions; and continue to administer the ALJ examination.

In addition, OPM will conduct a comprehensive, government-wide special study on agencies' use of the excepted service hiring authority.

## Implementation Organizations:

Merit System Accountability & Compliance (MSAC), Human Resources Solutions (HRS), and Employee Services (ES)

## Implementation Considerations:

HRS' Administrative Law Judges Program will be administered 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 and offer merit system appointments. Under this authority the Administrative Law Judges Program office has exclusive responsibility for planning, operating and directing the nationwide Administrative Law Judges Program, including recruiting, administering the examination, maintaining the register from which agencies make Administrative Law Judge competitive appointments, and referring qualified candidates. In addition, the Administrative Law Judges program office reviews and approves agency request for Administrative Law Judge personnel actions and manages the ALJ Loan, Senior ALJ, and ALJ priority Referral Programs

Successful implementation is dependent on MSAC's Agency Compliance and Evaluation 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 provide oversight and guidance to agencies' human capital programs and offices.

OPM's MSAC, HRS, and ES will directly support this strategy by holding agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems. MSAC will provide oversight and accountability to monitor and assess result of agency activity results; HRS will offer standardized as well as customized products and services to agencies on a reimbursable basis; and ES will provide policy direction and leadership in designing, developing and promulgating government-wide systems and programs.

| Performance Measure | FY 2013 Result | FY 2014 Result | FY 2015 Result | FY 2015 Target | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|
| Percent of agency human capital or human resources offices evaluated by OPM that demonstrate progress in improving their human capital programs | 75% | 89% | 82.8%^ | ≥70% | ≥75% | ≥75% |
| Percent of required actions cited in reports that are addressed by agencies within prescribed timeframes | 91% | 88% | 85.0%~ | ≥80% | ≥85% | ≥85% |
| 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 | 85% | 93% | 100%+ | ≥80% | ≥85% | ≥85% |

*N/A - Not Available - no historical data available for this period.
^Of the 29 offices/installations that had required actions on their reports issued, 24 addressed at least 70 percent within OPM prescribed timeframes.
~Agencies addressed 181 of 213 actions within prescribed timeframes
+In FY 2015, five of five Delegated Examining Units found to have severe problems demonstrated a satisfactory level of competence or ceased to independently operate within one year.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---|---|
| **Increase the Efficiency and Effectiveness of Human Capital Management Across the Federal Government** | | |
| **10.05** | | |
| **Hold agencies accountable for maintaining efficient, effective and compliant human capital management programs and accountability systems** | **$14,177,545** | **73.3** |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $418,156 | 2.8 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $6,020,335 | 12.0 |
| **Merit System Accountability & Compliance** | | |
| Salaries & Expenses Appropriation | $7,739,054 | 58.5 |
| **OPM Total** | **$14,177,545** | **73.3** |

# Additional Government-wide Mandated or Compliance Functions Supported by OPM

In addition to its major program-related activities, OPM has included in its budget 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, our request includes resources needed to administer these and other activities that are external to the agency's mission.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 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** | **$44,724,451** | **215.3** |
| **Chief Information Officer** | | |
| CIO Common Services | $5,612,970 | 8.8 |
| **Employee Services** | | |
| Salaries & Expenses Appropriation | $14,702,475 | 92.6 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $9,238,743 | 26.0 |
| **Office of the Director** | | |
| Common Services | $327,314 | 1.7 |
| **Office of the General Counsel** | | |
| Common Services | $6,683,829 | 40.5 |
| **White House Fellows** | | |
| Salaries & Expenses Appropriation | $827,781 | 4.7 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $8,652 | 0.0 |
| Salaries & Expenses Appropriation | $2,602,745 | 19.0 |
| **Office of Communications** | | |
| Common Services | $565,827 | 3.0 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $4,154,115 | 19.0 |
| **OPM Total** | **$44,724,451** | **215.3** |

## Employee Services

Employee Services (ES) 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 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

As the leadership office of OPM, the Office of the Director (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 provides 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, OMB 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; and
- Assist member CHCOs and other officials with similar responsibilities in fulfilling their individual responsibilities.

## Security, Suitability, and Credentialing Line of Business Performance Accountability Council, Program Management Office

The Security, Suitability, and Credentialing Line of Business (SSCLoB) Performance Accountability Council, Program Management Office (PACPMO) was established pursuant to a recommendation arising from the Suitability and Security Processes Review of 2014 to achieve implementation efforts set forth in Review's Report to the President. The report addressed enterprise-wide solutions for determining:

- eligibility for access to classified information or to hold a sensitive national security position;
- suitability to hold a Federal position or fitness to hold an excepted service position or to perform work for a contractor on behalf of the Federal Government (suitability/fitness); and
- eligibility for logical and/or physical access to Federal systems and facilities (credentialing).

The SSCLoB supports development of enterprise-wide solutions for personal security, suitability/fitness, and credentialing by establishing mechanisms to oversee Executive Branch spending, ensure agency investments are aligned to an enterprise strategy, and drive efficiencies in the overall system. Funding for the SSCLoB/PACPMO is included in the OD budget.

## 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" 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.

## 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 Office Diversity & Inclusion (ODI) 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) 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 140 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 five full-time staff members and indirect costs associated with observer deployment program through the Salaries and Expenses (S&E) appropriation.

## 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 work to provide 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.

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. 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 staffing and pay regulations by agencies to their applicants and employees across the Government; and administration of various employee benefit programs OPM administers, including 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. OGC is also obligated by statute to provide litigation support to the Department of Justice (DOJ) as to federal actions concerning these matters, including litigation arising under the Privacy Act relating to the personal information that OPM collects and stores in connection with its duties. These litigation matters may affect large groups of applicants, employees and other individuals, 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 internal work but also contracts awarded to perform government-wide functions such as background investigations, the FEHB Program, and the reimbursable work Human Resources Solutions performs. 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 fulfill other statutory and regulatory mandates and thus 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.

It is difficult to predict what specific work will require OGC's attention in FY 2016 and FY 2017 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, for example, the current urgent need to focus upon advisory, programmatic, and litigation matters arising from the recent data breaches. 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. We do know there will continue to be a significant amount of work in connection with the breaches related to supporting the agency's mitigation efforts, responding to oversight inquiries, and providing litigation support to the Department of Justice with respect to pending (or any new) cases. This work will likely continue past FY 2017.

Even advisory priorities are often reset following events over which OPM had no warning. For example, 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 is still supporting efforts to implement recommendations arising from that review. It is important to understand that OGC's work can be counter-cyclical. When other offices are reshaping and downsizing, OGC's workload increases. Moreover, much of OGC's litigation workload is related to government-wide functions (for example, litigation about hiring authorities such as the Pathways programs, 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 bear a one-to-one relationship to increases or decreases in the agency's overall budget.

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 and in advising the agency how best to implement them. For example, OGC will be involved in Employee Service's efforts to incorporate new elements into its oversight of the Senior Executive Service, in response to a recent Executive Order creating new initiatives, and to amend regulations concerning the timing of the collection of background information, in response to work undertaken by the Attorney General's Reentry Council. OGC is involved more than ever in assisting the agency to respond to requests for information from the study arm of the MSPB and in connection with GAO audits and engagements, and has committed to provide staff for GAO engagements earlier in the process so as to be of more assistance to MSAC and responding offices throughout the process and not just at the end. 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. In the coming years, OGC and ES will assist FIS in providing implementing guidance for these regulations as well as guidance to accompany revised adjudicative standards for

eligibility for logical and physical access to Federal systems and facilities (i.e., credentialing). Moreover, in light of the recent enactment of section 846 of the Bipartisan Budget Act of 2015, Public Law 114-74 (November 2, 2015), OGC expects an acceleration of work related to supporting HRS's Administrative Judge Program in FY 2016 and 2017.

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.

## Planning and Policy Analysis

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. PPA conducts statistical analyses using large databases such as the Enterprise Human Resources Integration – Statistical Data Mart (EHRI-SDM) (Federal workforce data). PPA administers the government-wide Federal Employee Viewpoint Survey (FEVS) and UnlockTalent.gov, an interactive dashboard with publicly available workforce information from the FEVS, EHRI and other HR resources. PPA also develops and standardizes data analysis policies related to evidence-based decisions and practices. PPA also provides support for agency leadership support for Lean Six Sigma to improve processes by including more employees and affected parties in decision making through communities of practice.

## 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.

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

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| **Enabling Structural Capacity Functions of OPM** | | |
| **Indirect or internal-facing programs** | **$127,602,982** | **495.5** |
| **Chief Human Capital Officer Council** | | |
| Advances & Reimbursements To S&E | $787,105 | 4.2 |
| **Employee Services** | | |
| Common Services | $3,262,867 | 14.2 |
| RF - Revolving Fund Direct | $0 | 6.0 |
| Salaries & Expenses Appropriation | $2,660,842 | 16.0 |
| **Equal Employment Opportunity** | | |
| Common Services | $775,995 | 5.4 |
| **Federal Prevailing Rate Advisory Committee** | | |
| Salaries & Expenses Appropriation | $195,961 | 1.0 |
| **HR Solutions** | | |
| RF - Training Services (HRS) | $12,959,942 | 0.0 |
| **Office of Diversity and Inclusion** | | |
| Salaries & Expenses Appropriation | $484,189 | 1.0 |
| **Office of the Chief Financial Officer** | | |
| TF Limit - Annual | $8,914,818 | 46.6 |
| Common Services | $11,258,530 | 40.1 |
| **Office of the Director** | | |
| Advances & Reimbursements To S&E | $7,000,000 | 0.0 |
| Common Services | $1,836,710 | 10.0 |
| Salaries & Expenses Appropriation | $500,000 | 0.0 |
| **Office of the Inspector General** | | |
| OIG Salaries & Expenses | $5,072,000 | 21.0 |
| OIG TF Limit - Annual | $26,662,000 | 138.0 |
| RF - Revolving Fund Direct | $0 | 25.0 |
| **Rent/Centrally Funded Items** | | |
| TF Limit - Annual | $13,709,473 | 0.0 |
| TF Dental and Vision Benefits | $34,500 | 0.0 |
| Trust Fund Title 5 - FERCCA | $11,600 | 0.0 |
| Trust Fund Title 5 - Long Term Care | $7,100 | 0.0 |
| Trust Fund-Title 5 | $1,000,000 | 0.0 |

| STRATEGIC GOAL/STRATEGY | FY 2017 Request Dollars | FTE |
|---|---:|---:|
| Salaries & Expenses Appropriation | $8,414,924 | 0.0 |
| **Merit System Accountability & Compliance** | | |
| Common Services | $1,230,840 | 9.0 |
| Salaries & Expenses Appropriation | $555,672 | 0.0 |
| **Congressional, Legislative and Intergovernmental Affairs** | | |
| Common Services | $2,201,554 | 17.5 |
| **Office of Communications** | | |
| Common Services | $2,001,875 | 14.4 |
| **Planning and Policy Analysis** | | |
| Salaries & Expenses Appropriation | $1,002,470 | 6.5 |
| **Office of the Executive Secretariat** | | |
| Common Services | $1,402,782 | 11.7 |
| **Office of Procurement Operations** | | |
| Common Services | $3,686,736 | 25.0 |
| Salaries & Expenses Appropriation | $376,488 | 3.0 |
| **Office of Small and Disadvantaged Business Utilization** | | |
| Common Services | $383,870 | 2.0 |
| **Facilities, Security & Emergency Management** | | |
| Common Services | $9,212,139 | 44.0 |
| RF - Revolving Fund Direct | $0 | 34.0 |
| **OPM Total** | **$127,602,982** | **495.5** |

## 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 Emergency Management

Facilities Security & Emergency Management (FSEM) manages the agency's personal and real property, building operations, space design and layout, mail management, realty, safety, physical security and occupational health programs. FSEM provides personnel security, suitability, and national security clearance determinations for OPM personnel. The organization directs the operations and oversees

OPM's preparedness and emergency response programs. The organization also oversees publishing and printing management for internal and external design and reproduction, including graphics design work.

## Office of Procurement Operations

Office of Procurement Operations (OPO) awards and administers several thousand contract actions and interagency agreements annually, with an estimated value between $1B-$1.2B. OPO provides acquisition support to OPM programs and also provides assisted acquisition services in support of other federal agencies who require support under OPM contracts. OPO manages the agency suspension and debarment program, as well as supports the Small Business efforts for OPM in conjunction with public law, Federal regulations, and OPM contracting policies. The Acquisition Policy and Innovation function within OPO provides acquisition policy development and guidance agency-wide, as well as provides compliance and oversight over OPM's procurement program. OPO provides acquisition career management support and oversight for all Contracting Officers and Contracting Officer Representatives, and also manages and provides oversight of the Procurement Card Program. OPO serves as OPM's liaison to the Office of Federal Procurement Policy, Chief Acquisition Officers Council, and other key external agency partnerships.

## Office of Small and Disadvantaged Business Utilization

Office of Small and Disadvantaged Business Utilization (OSDBU) manages the development and implementation of appropriate outreach programs aimed at heightening the awareness of the small business community to the contracting opportunities available within OPM. The office's responsibilities, programs, and activities are managed under three lines of business: advocacy, outreach, and unification of the business process.

## 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 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 to make well informed 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.

## Merit Systems Accountability & Compliance

Merit Systems Accountability & Compliance's (MSAC) Internal Oversight and Compliance (IOC) division 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 (CMS)

Internally, CMS provides IT, space, HR services, and analytical marketing support to all HRS 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.

## Planning and Policy Analysis

PPA also provides support for agency leadership support for Lean Six Sigma to improve processes by including more employees and affected parties in decision making through communities of practice.

## 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.

# Earned Benefits 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 2017, the net assets combined are estimated to total approximately $1.0 trillion, receipts are estimated to total $163 billion, and outlays are estimated to total $145 billion. The section that follows describe each fund and 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 chart below highlights the estimated receipts and outlays for the Federal health benefit fund.

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

|  | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Start of Year Balance | $23,558 | $23,032 | $23,999 | $967 |
| Receipts from the Public | $13,948 | $15,072 | $16,060 | $988 |
| Receipts from Federal Sources | $33,672 | $35,567 | $37,743 | $2,176 |
| Interest Earnings | $239 | $527 | $592 | $65 |
| Change in Uncollected Customer Payments | $0 | $0 | $0 | $0 |
| Total Program Outlays | $48,385 | $50,199 | $53,849 | $3,650 |
| End of Year Balance | $23,032 | $23,999 | $24,545 | $546 |

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; and
- Tribal organizations including the Indian Health Care Improvement Reauthorization Act (IHCIA).

In 2016, OPM began offering 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 enrolled population is dwindling. The projected population for FY 2016 is about 252 and for FY 2017 is about 207.

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 2017 budget includes five legislative proposals to modernize and strengthen the FEHB Program: 1) Streamline pharmacy benefit contracting to allow OPM to contract separately for pharmaceutical benefit;

2) Permit OPM to adjust plan premiums based on wellness program participation and tobacco use ; 3) Expansion of plan types for participants in the FEHBP; 4) Extend temporary health benefit coverage to infants born to daughters of FEHB participants for 30 days; and 5) Add FEHB to the list of Federal Health Programs in the Anti-Kickback statute (see page 259 for details ). If enacted and implemented, these changes could be reflected in carrier contracts issued for 2018.

## Employees Life Insurance Fund (millions)

|  | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Start of Year Balance | $43,802 | $44,563 | $44,902 | $339 |
| Receipts from the Public | $2,776 | $2,478 | $2,525 | $47 |
| Receipts from Federal Sources | $545 | $531 | $536 | $5 |
| Interest Earnings | $392 | $283 | $720 | $437 |
| Change in Uncollected Customer Payments | $0 | $0 | $0 | $0 |
| Total Program Outlay | $2,952 | $2,953 | $3,028 | $75 |
| **End of Year Balance** | **$44,563** | **$44,902** | **$45,655** | **$753** |

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 more than 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 coverages are paid entirely by enrollees.

Premiums for optional coverages changed on January 1, 2016, with premiums decreasing for many age bands. In conjunction with the new rates, OPM will hold a FEGLI Open Season from September 1, 2016 through September 30, 2016. This open season will be the first since 2004. The open season will provide Federal employees the opportunity to enroll or change coverage, an opportunity that is usually limited to new employees or to those experiencing certain life events. By bringing in new enrollees, we will be able to maintain the solvency of the program and to keep premiums stable.

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)

| | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Start of Year Balance | $857,196 | $871,886 | $888,679 | $16,793 |
| Receipts from the Public | $3,599 | $3,760 | $4,213 | $453 |
| Receipts from Federal Sources | $63,745 | $66,617 | $67,777 | $1,160 |
| Interest Earnings | $29,244 | $29,232 | $27,768 | ($1,464) |
| Total Program Outlays | $81,898 | $82,816 | $84,938 | $2,122 |
| End of Year Balance | $871,886 | $888,679 | $903,499 | $14,820 |

The Civil Service Retirement and Disability Fund (CSRDF) is the oldest and largest of the four Trust Funds administered by OPM. The fund is financed and structured very differently from the other three Trust Funds. It is characterized by permanent indefinite budget authority. Budget authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must be determined at some future point in time (e.g., 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 finances two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. CSRS is 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 five percent interest rate. Under CSRS, regular employees contribute seven percent of pay. Law enforcement officers, firefighters, and congressional employees contribute an extra half percent of pay, and members of Congress an extra one percent of pay. 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 normal funding method as prescribed in Chapter 84 of Title 5, United States Code. Employees and agencies together contribute the full amount of the dynamic normal cost rate. The normal cost rate is for the defined benefit plan only, and does not include the cost of Social Security or the Thrift Plan. FERS regular employees contribute a percentage of salary that is equal to the contribution rate for CSRS employees – 7.0 percent, less the 6.2 percent tax rate under the Old Age, Survivors and Disability Insurance (OASDI) portion of Social Security. Under FERS, the dynamic normal cost rates are as follows: For regular employees hired before 2013, the rate is 14.5 percent of pay (employee's share, 0.8 percent and employer's share, 13.7 percent); For regular employees hired during 2013 (known as FERS RAE/Revised Annuity Employee), the rate is 15.0 percent of pay (employee's share, 3.1 percent and employer's share, 11.9 percent); The Bipartisan Budget Act of 2013 included a provision to increase the normal cost rate of employee's contribution to FERS for individuals hired after 2013 and to maintain the employer's contribution rate at its current normal cost rate. Any contributions in excess of the amount necessary to satisfy FERS normal cost percentage will be credited to the assets of the CSRDF, thereby reducing the unfunded liability. For regular employees hired after 2013 (known as FERS FRAE/ Further Revised Annuity Employee), the rate is 15.1 percent of pay (employee's share, 4.4 percent and employer's share, 11.9 percent).

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 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.

OPM also proposes to continue the General Provision requiring agencies to remit the average unit cost of processing a retirement claim to the CSRDF for every retirement action that occurs as a result of a voluntary early retirement authority or in conjunction with the issuance of a voluntary separation incentive payment. This provision has been included in all appropriation acts since FY 2012, and provides OPM with resources to process surges in retirement applications that often result from broad application of these authorities.

## Postal Service Retiree Health Benefits Fund (millions)

|  | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Start of Year Balance | $48,468 | $49,994 | $51,393 | $1,399 |
| Receipts from the Public (Postal Service) | $0 | $0 | $3,568 | $3,568 |
| Receipts from Federal Sources | $0 | $0 | $0 | $0 |
| Interest Earnings | $1,526 | $1,399 | $1,403 | $4 |
| Total Program Outlays | $0 | $0 | $3,517 | $3,517 |
| **End of Year Balance** | **$49,994** | **$51,393** | **$56,847** | **$1,454** |

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L.108–18) that were held in escrow during 2006; 2) payments defined within P.L.109–435, and modified by P.L. 111–68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; 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, the 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 after 2016. 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)

|  | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Start of Year Balance | $82 | $69 | $53 | ($16) |
| Receipts from the Public | $8 | $22 | $24 | $2 |
| Receipts from Federal Sources | $1 | $1 | $1 | $0 |
| Program Obligations (Mandatory) | $0 | $0 | $0 | $0 |
| Agency Administrator Cost and Program Admin Fee) | $22 | $39 | $30 | $9 |
| **End of Year Balance** | **$69** | **$53** | **$48** | **($5)** |

Flexible Spending Accounts for Federal Employees (FSAFEDS) constitute voluntary tax-advantaged benefit plan. These accounts also allow 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 $2,550 maximum. There are currently about 342,000 individuals with HCFSAs, 4,000 individuals with LEX HCFSAs and 62,000 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 indemnify the FSA program administrator when claims against FSA accounts exceed resources contributed to the accounts from participating employees (early in the program year). Once account contributions exceed benefits, the FSA program administrator reimburses the reserve account. Account resources are also used for the agency's administration of the program. The above chart highlights the estimated receipts and obligations 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. Since FY 2013, OPM has used risk reserves to offset agency fees paid to the program administrator in order to reduce the surplus balance and meet its target account level. Since FY 2013 OPM has used Risk Reserve resources to reduce the fee amount that agencies pay. This offset has reduces the surplus balance in the Risk Reserve account. OPM estimates that the Risk Reserve balance will equal the level recommended by the actuaries in FY 2018.

## 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)

|  | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Budget Authority | $11,695 | $12,004 | $12,984 | $980 |
| Obligations | $11,695 | $12,004 | $12,984 | $980 |
| Outlays | $11,632 | $13,277 | $12,984 | ($293) |

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 5, 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 2017, budget authority and obligations will increase by $980 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)

|  | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Budget Authority | $45 | $47 | $48 | $1 |
| Obligations | $45 | $47 | $48 | $1 |
| Outlays | $45 | $47 | $48 | $1 |

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

For FY 2017, budget authority and obligations will increase by $1.0 million due to the number of annuitants under age 65 with FEGLI coverage.

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

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

|  | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Budget Authority | $36,115 | $36,864 | $37,464 | $600 |
| Obligations | $36,115 | $36,864 | $37,464 | $600 |
| Outlays | $36,115 | $36,864 | $37,464 | $600 |

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

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)

| | FY 2015 Actual | FY 2016 Estimate | FY 2017 Estimate | FY 2016-2017 Variance |
|---|---|---|---|---|
| Current Appropriation | $8,451 | $8,601 | $8,401 | ($200) |
| Permanent Indefinite Authorization | $27,601 | $28,200 | $29,000 | $800 |
| Payment for Spouse Equity | $63 | $63 | $63 | $0 |
| **Total** | **$36,115** | **$36,864** | **$37,464** | **$600** |

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

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

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

P.L. 91-93 also provides permanent indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to five 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 2017, the Permanent Indefinite Authorization will increase $800 million due to an increase in the amount of interest to be transferred from Treasury.

### Payment for Spouse Equity

P.L. 98-615 provides the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage which individuals may locate and apply for jobs at Federal agencies.

# Revolving Fund Activities

Pursuant to Title 5, U.S.C. §1304 (e) (1) OPM is authorized to use Revolving Funds without fiscal year limitations to conduct financial investigations, training, and other functions that OPM is authorized or required to perform on a reimbursable basis. Under this guidance, OPM operates several programs, which are funded by fees collected from other agencies and other payments. These include Federal Investigative Services (FIS), which operates OPM's background investigations program, and the Human Resources Solutions (HRS), under which OPM provides services, either directly or through vendors, on various human resources issues. OPM also operates Revolving Fund activities for USAJOBS, the U.S. Government's official system/program for Federal jobs and employment information, through

The following programs are authorized to use Revolving Funds:

- Federal Investigative Services

- Human Resources Solutions

- Enterprise Human Resources Data Warehouse

- Human Resources Line of Business

- Human Resources Tools & Technology

- USAJOBS

Last year, in light of increasing cybersecurity threats, the Administration initiated a 90-Day Suitability and Security review to re-examine reforms to the Federal background investigations process, assess additional enhancements to further secure information networks and systems, and determine improvements that could be made to the way the Government conducts background investigations for suitability, security and credentialing.

Following the review, the Administration announced a series of actions to modernize and strengthen the way the Federal Government conducts background investigations for Federal employees, members of the Armed services, and contractors, and protects sensitive data. These changes include the establishment of the National Background Investigations Bureau (NBIB), which will absorb much of OPM's existing Federal Investigative Services (FIS), and be headquartered in Washington, D.C. This new government-wide service provider for background investigations will be housed within the OPM. Its mission will be to provide effective, efficient, and secure background investigations for the Federal Government. Unlike the previous structure, DOD will assume the responsibility for the design, development, security, and operation of the background investigations IT systems for the NBIB. To support this work, the President's budget will include $95 million in additional resources that will be dedicated to DOD's development of NBIB's IT capabilities. The funds for DOD's IT development shall supplement, not supplant, any other amounts made available to other Federal agencies for such purposes.

The following table discusses 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 2017 Request |
|---|---|
| **Revolving Fund** | **$1,738,228,457** |
| **Revolving Fund** | **$1,738,228,457** |
| RF Investigative Services | $1,451,183,080 |
| RF - Training Services (HRS) | $194,797,495 |
| RF Enterprise Human Resources Integration | $34,522,441 |
| RF HRLoB Activities | $3,000,000 |
| RF Employment Services (HRTT) | $40,821,931 |
| RF - USAJOBS | $13,903,510 |
| **OPM Total** | **$1,738,228,457** |

## Federal Investigative Services

The Federal Investigative Services (FIS) provides investigative products and services for more than 100 Federal agencies to use as the basis for suitability or fitness for Federal civilian or contract employment, eligibility for employment in a sensitive position or for an identity credential, or eligibility for access to classified national security information as a civilian or contract employee or as a member of the Armed Forces as required by statute, Executive Orders and other rules and regulations. OPM provides more than 90 percent of the Government's background investigations, conducting more than two million investigations a year. FIS ensures the Federal Government has a suitable workforce that protects national security and is worthy of public trust. It is dedicated to delivering quality investigative products to agencies that benefit and protect the American taxpayer. This budget request will further support this mission and provide a framework to modernize the investigative infrastructure for the future.

FIS performs background investigations for Federal agencies on a fee-for-service basis. Its Federal customers are offered an option of different types of investigations to request, ranging from basic background checks such as National Agency Checks that are not fieldwork intensive up to more in-depth investigations such as Single Scope Background Investigations. (These investigation types will soon be referenced pursuant to a system of "Tiers.") The price of each type of investigation varies based on the estimated fieldwork and time it will take to complete. Prices are determined using FIS' Cost Allocation Model. FIS' significant cost drivers that impact pricing considerations include Federal and contracted investigative fieldwork, third-party search fees, workload projections, policy changes (for example new Federal investigative standards), and major infrastructure upgrades.

FIS is comprised of six subcomponents: Operations, Management Services, Technical Services, External Affairs, Quality program, and the Office of the Associate Director.

Operations is responsible for conducting reviewing, and closing Federal investigations, Management Services provides a wide range of services in direct support of all elements of FIS and externally to the rest of the Federal Government; Technical Services is the information technology liaison between the OPM Chief Information Officer (CIO) and FIS; and External Affairs provides policy and research, quality management, agency support, record access, and training and professional employee development. The Quality program is responsible for all matters related to the conduct and delivery of background investigations to OPM's broad customer base, and the Associate Director is responsible for FIS operations, policy development and contractor oversight for OPM's investigations program.

**Planned FY 2017 Activities**

In FY 2017, FIS will continue efforts to ensure the quality of background investigation products. FIS has taken great strides in attempting to regain timeliness standards after OPM declined to exercise an option on a fieldwork contract with one of its main contractors for fieldwork and declined to exercise an option for a support contract in later FY 2014. While there is more to be accomplished, FIS anticipates that in FY 2017 the pending inventory of open cases will have reduced, and FIS can continue to strive to meet the Intelligence Reform and Terrorism Prevention Act standard of completing all initial national security background investigations within the target of 90 percent completed in an average of 40 days or less. Additionally, in FY 2017, FIS will seek to meet or exceed the target to complete the fastest 90 percent of initial Top Secret investigations within an average of 80 days and Secret initial clearance investigations within less than 40 days.

In order to meet these timeliness standards while maintaining the quality and security of investigations, and adhering to a new investigative environment, FIS is transforming the way it accomplishes its mission. In recent years, security breaches, the departure of previously retained contractors, the Suitability and Security Processes Review Report, new Executive Orders, and updated Federal Investigative Standards have provided additional impetus for expedited improvements to FIS operations and systems. In order to address costs associated with IT security enhancements and new investigation mandates, FIS requested supplemental appropriated funding for FY 2016 in the amount of $40 million, but only received approval for $2.5 million.

FIS will continue to invest resources in its IT systems in order to automate, enhance, and streamline the investigative process, but also enhance IT security. IT security is one of FIS' top priorities, as it has invested more than $34 million in IT security enhancements in FY 2014 and FY 2015. In FY 2015, OPM took eQIP, the system used by applicants to enter information, offline to implement enhanced security measures. Additional systems are scheduled to follow similar enhancements in 2016 and 2017.

**Planned FY 2017 Accomplishments**

- In an effort to further stream-line products and make the gathering, processing, and disseminating of investigative information more efficient and cost-effective, OPM plans to

deliver Final Operating Capability for all the revised Federal Investigative Standards at the beginning of FY 2017.

- OPM will award a competed, comprehensive support services contract that enhances services and is cost effective while implementing the National Quality Standards and the Tier Investigations.

- Pursuant to guidance prescribed by the new Federal Investigative Standards, FIS will implement a continuous evaluation approach for certain employees in positions that require eligibility for access to classified information. This requires a review of the background of an individual at any time during the period of eligibility to determine whether that individual continues to meet the requirements for eligibility.

- FIS will invest in the development of automated tools to support efficiency and consistency. Automating front-end processes to reduce hardcopy investigation requests will support background investigations timeliness standards, and reduce paper consumption.

- OPM will add additional State-wide checks and other checks required by the Federal Investigative Standards that can be done remotely from a central location, as well as maintain Automated Leads' current suite of records checks.

- The agency will standardize and enforce new methodologies for fieldwork standards within a Community Handbook.

- OPM will continue to add investigative contract capacity to achieve the agency's mission and decrease case inventory.

- The agency will implement a new Automated Records Check Interface for national Law Enforcement Telecommunications System and DOD's Defense Manpower Data Center to automate the processing of law checks conducted at state criminal history repositories, and to check for the type of military service discharge,

- OPM will create improved and updated training based on the newly applied Federal Investigative Standards, which still meet the National Training Standards for Suitability Adjudicator and Investigators.

## Human Resources Solutions

Human Resources Solutions (HRS) offers 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 are as follows: the Center for Leadership Development, the Federal Staffing Center, HR Strategy and Evaluation Services, the Training and Management Assistance 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 and the Resource Management Office.

The Center for Leadership Development provides specialized leadership theory-based Government-to-Government educational programs that address the Executive Core Qualifications, a diverse collection of e-Learning products and services, and innovative virtual conferencing services designed to develop visionary leaders. The Federal Staffing Center provides a complete range of solutions designed to attract, assess, and build a high-quality Federal workforce, including skilled examining, high-level strategic staffing, onboarding, and recruitment and branding services, as well as the Federal Government's Talent Acquisition System, USA Staffing®. HR Strategy and Evaluation Services provides organizational and individual-focused strategic solutions to help agencies plan and position for maximum performance, including advanced strategic assessments and workforce planning, classification, performance management, and program evaluation services. Training and Management Assistance utilizes an Indefinite Delivery, Indefinite Quantity contract vehicle to offer 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. The ALJ Program fully administers the competitive examining process for ALH applicants, maintains a register of candidates who successfully completed the examination process, certifies candidates from the register to agencies seeking to hire new ALJ, and acts upon agency requests for non-competitive actions in accordance with 5 C.F.R. 930 Subpart B.

### *Center for Leadership Development*

- *Federal Executive Institute* – 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 program.

- *Eastern Management Development Center/Western Management Development Center* - provides interagency and single agency open enrollment courses, including custom solutions, designed to develop Government employees at various stages of their Federal career.  The Eastern Management Development Center LEAD 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.

- *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.

- *The Presidential Management Fellows (PMF) Program* – is a flagship entry-level leadership development program for advanced degree candidates, designed to develop a cadre of high-performing potential Federal Government leaders. It was created by Executive Order and is part of the Pathways excepted service hiring authorities.

- *HR University (HRU)* – is the Federal Government's "one stop" training resource center for the Federal HR professional. Utilizing a web-based platform, HRU provides HR professionals with a wide variety of specialized training and development resources, including multiple delivery learning options (blended learning), career maps, curriculum framework, course catalogues and registration, and cross-agency mentoring opportunities.

- *Innovation Lab* – a human-centered design program where solutions are developed from the perspective of the end user, which assists Federal agencies in developing innovative solutions to better deliver services and programs.

- *Learning Center* – a multi-platform learning environment providing employees with classes and personal counseling sessions designed to aid them in furthering their careers.

Broadly, the Center for Leadership Development'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, the Center 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 Staffing Center

- *USA Staffing®* - automates the full range of Federal rules and procedures for external hires, including competitive service (i.e., Title 5) and excepted service (for example, 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 Group* – 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. The Group also provides *On-boarding Solutions* to assist customer agencies with pre-staffing activities and automated entrance-on-duty support, and delivers technical HR training, coaching and consulting services.

- *USA Hire* – is an OPM online assessment program fully integrated with, and lifecycle-managed by, USA Staffing® that enables customers to improve the efficiency of their assessment process

by providing automatic scoring of applicants, offers expert support in customized assessment development, and provides access to more than 600 certified testing centers for in-person monitored assessments, applicant help desk support, and online simulations and avatar-based assessment items designed to improve applicant engagement.

The Federal Staffing Center 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. Federal Staffing Center 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, which includes consulting. A sliding scale schedule increases Federal Staffing Center's offered discount, as the number of customers increase.

## *HR Strategy and Evaluation Services*

## <u>*Assessment and Evaluation Branch*</u>

- *Leadership and Workforce Development Assessment* - 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* - 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 online assessment platform.

- *Organizational Assessment* – 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.

## <u>*HR Strategy Branch:*</u>

- *Organization Design and Position Classification* – 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* – 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* – 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 HR Strategy and Evaluation Services products and services are based on one of three models: (1) fixed price for off the shelf products, system licenses, and services; (2) customized solutions that typically build upon existing products and services; and (3) services and consultation available on retainer. HR Strategy and Evaluation Services pricing is typically scalable, based on quantities of specific products or services (i.e., the number of participants being assessed or the number of USA Performance licenses) and the selection of optional services. Pricing for products and services is based primarily on labor costs for each product or service, while system licensing prices are based on the annual cost of system development and maintenance, divided by the number of projected client users.

### *Administrative Law Judges Program*

In accordance with 5 U.S.C. § 1104(a)(2), OPM has sole authority for examining for the Administrative Law Judge (ALJ) position, and administering the program under which Federal agencies select ALJs pursuant to the rules governing the competitive service. 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 basis, using a pro-rata formula established by law and 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.

In light of the recent enactment of section 846 of the Bipartisan Budget Act of 2015, Public Law 114-74 (November 2, 2015), OPM anticipates a significant acceleration in work related to ALJ examining and will be required to acquire additional staff, at least in the short run, in order to increase capacity to perform the necessary work.

### *Training and Management Assistance Program*

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. The strategically sourced services provide economies of scale and scope to the Government.

Training and Management Assistance's costs associated with delivering human capital and training solutions to federal agencies through contracted private firms is recovered through an established fee schedule. The management fee covers the general assisted acquisition and project management services costs. The management fee is a graduated percentage fee applied to all work performed based on

customer funding received in a given fiscal year. The graduated fee has been adjusted over time to enable the program to generate the right mix of demand and supply to recover total costs.

*Center for Management Services:*
Provides strategic, financial, operational, and infrastructure support to HRS practice areas via three offices: Strategy, Operations and Support, Marketing and Business Development, and Human Resources. Support activities include enhancing fiscal transparency of core HRS business processes, IT and space management and support, developing and managing market research strategies to include both internal and external customer marketing, producing business intelligence reports, and HR operations, training, and employee and labor relations support.

*Resource Management Office:*
The HRS Resource Management Office is dedicated to providing HRS leadership, senior managers, and program managers with comprehensive and direct financial and budget support to effect corporate-level financial management efficiency, sustainability and excellence.

Office services are categorized into three major areas: budget planning, financial operations, and reporting and analysis. Service offerings include budget formulation and execution, business operations support, Accounting Code Structure mapping, travel support, procurement and invoicing management, strategic planning support and goal-focused budget and spending alignment, enhanced internal financial reporting, monthly financial target reviews, budgetary quality control, error-reduction focused requisition monitoring and oversight.

Additionally, the Office fosters collaborative partnerships within HRS and OPM to support and advance the enterprise-wide budget process and program management tools and improvements by maintaining active participation with the Cost Accounting Working Group, the Common Services Committee, and the RMO Council.

## Planned FY 2017 Activities

FY 2017 is anticipated to be the first full operating year under the GSA/OPM Human Capital and Training Solutions contract. Through delegated procurement authority and OPM assisted acquisition services, the Human Capital and Training Solutions contract vehicle will provide Federal agencies with direct and assisted acquisition access to customized training and development services, human capital strategy services, and organizational performance improvement services.

HRS will continue to build a specialized corps of intermittent faculty to provide flexible staffing and decrease reliance on contracted program support.

By 2017, HRS plans to have an SES portfolio that will include the SES Onboarding Briefing, the quarterly SES Seminars, the SES Keystone Fellows Program, and USA Leading Edge. In combination with other offerings, such as the Leadership Education and Development (LEAD) and Leadership for a Democratic Society programs, Federal leaders will have access to career-long learning support.

In FY 2017, HRS will begin decommissioning the Legacy USA Staffing® system. Customers are currently receiving transition and change management support, and will continue to receive support until all customers are fully transitioned to the new system.

Throughout FY 2017, HRS will continue the development and implementation of USA Survey℠ replacement activities scheduled to begin in FY 2016, and build new content for the USA Hire℠ online assessment platform by expanding series coverage and providing more online assessment options for customers.

In an effort to deploy and expand the HRS-wide marketing strategy to support business development and drive new sales, HRS is looking at several activity options for FY 2017, including developing new business intelligence tools and analytics, upgrading the HRS Customer Relationship Management tool and the related internal processes, and refining the internal high technology learning tool to increase cross-pollination of HRS-related information.

**Planned FY 2017 Accomplishments**

HRS plans to develop a multi-platform, mobile-based app to augment the Center for Leadership Development Central Learning Management System. The app will provide program participants with real time updates, and connection to the FEI program curriculum, social learning and other functions.

HRS is continuing to advance the applicant flow data project, which provides customer agencies with demographic hiring trend data to aid in identifying any barriers at each stage of the hiring process. Currently more than 70 customers, including agency components, are retrieving applicant flow data to support their hiring efforts.

In support of enhancing the use of technology advancements, HRS is partnering with a private sector vendor to host a virtual event platform in a secure, scalable, web-based, customizable environment that will support a broad range of events, including virtual career fairs. Audience members will be able to participate in group chats, view live and on-demand content streaming, and engage in social sharing as a way to maximize participant engagement.

Strategic collaboration is a significant part of HRS' progression plan. By exploring the establishment of constructive partnerships with leading providers of online education, such as Coursera and EdEx, and benchmarking the blended and virtual operations of universities like Stanford B-School, HRS will be able to develop innovative changes to the way existing courses are conducted and further improve employee training options.

As part of the Federal Strategic Sourcing Initiative, HRS is establishing a community of excellence through the Delegated Procurement Authority line of business, along with strategic goals that include collaborating with industry leaders to develop optimal solutions and share best practices. Client requirements and statements of work will be collected and analyzed to continuously improve and refine future client Human Capital, Training and Organizational Performance Improvement activities and projects. Additionally, final products may be collected, where practical and allowable to improve efficiency and effectiveness of client projects within the Federal human resources community.

The Human Capital and Training Solutions contract vehicle will allow for all contract types at the task order level (i.e., Fixed-Price (all types), Cost-Reimbursement (all types), Time-and-Materials, and Labor-Hour). Task orders may also combine more than one contract type (e.g., FFP/Cost, FFP/Labor-Hour, etc.). Additionally, task orders may include Share-in-Savings (SIS) arrangements, incentives, performance-based measures, multi-year or option periods, and commercial or non-commercial items.

Training and Management Assistance, in conjunction with Facilities, Security and Contracting, has created a Project Review Board to insert a quality assurance checkpoint to minimize the risk of an improper acquisition action, corrective actions, and programmatic rework throughout and until the project has been closed. The Board will do this by validating/ensuring the customers' requirements are within the scope of the contract, the requirement is funded appropriately and that cost estimates are reasonable and proper.

Investments for FY 2017 include the enhancement and integration of USAHire, USA Survey, and USA Performance into the USA Suite of Services, and expanded connectivity with USA Staffing® and other OPM HR systems.

## Enterprise Human Resources Data Warehouse

In FY 2015, the EHRI program has been subsumed into the Data Warehouse Program, which includes the electronic Official Personnel Folder (eOPF) Program and the EHR Data Warehouse (EHRD) Program.

The Data Warehouse Program comprises two programs, eOPF and EHRD, supporting the e-Government initiative designed to leverage the benefits of information technology as required by the E-Government Act of 2002. The goal of these two programs is to streamline and automate the collection, aggregation, and sharing of Federal employee human resources (HR), payroll, and training information government-wide. The investment broadly supports the OPM mission by enabling the agency to provide the Federal HR community with access to employee data to improve workforce planning for hiring, skills development, retention strategies and government-wide policy. The 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."

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 2.5 million. The Data Warehouse Program provides the eOPF application through a fee-for-service arrangement with implementing agencies.

## Planned FY 2017 Activities

In FY 2017, Enterprise Human Resources Data Warehouse will re-structure eOPF to a single instance, provide access to other relevant historical data through My eOPF, identify the requirements to develop a

Single Feed for eOPF and reengineer the Metadata Repository to support a data centric environment and enabling agency access to it.

In addition, the Data Warehouse Program Investment for Hardware in FY 2017 will continue to modernize and enhance the environments that support all Program applications which provide Federal employees, the HR community, and OPM analysts and auditors, with convenient and timely access to Data Warehouse Program data.

Another area the Data Warehouse Program will be working on is improving the security of our systems and the data contained within them. A cyber-attack in FY 2015 resulted in the disclosure and exfiltration of data from the eOPF program. The program is currently working to improve security in the short term as well as developing mid-range and long term plans to leverage best-of-breed tools and technologies to encrypt, mask, redact, segment, monitor, authenticate and in general improve the program's security within our infrastructure, databases, and applications.

The success of the Data Warehouse Program's fee-for-service component depends on the continuation of incoming funds through existing and new partner agencies subscribing to eOPF services. These services include support for agencies online personnel folders as well as maintenance and support for workforce analysis and other analytical tools.

**Planned FY 2017 Accomplishments**

In FY 2017, eOPF will continue requiring operations and maintenance as well as Back-file 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) Oracle Unlimited Licenses; (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; (6) OPM Common Services; (7) Hosting Services and (8) Retirement Data Support.

## Human Resources Line of Business

The Human Resources Line of Business (HRLoB) is essential to OPM's role to implement effective HR policies, products and services as the initiative drives improved HR solutions and services through the establishment of Shared Service Centers (SSCs), service delivery models and strategies for agencies. The HRLoB supports agencies in implementing strategic and consultative HR practices through migration of selected HR functions to SSCs consistent with the business model determined by the agency. The HR LOB initiative generates benefits through HR IT consolidation, standardization, and modernization.

**Planned FY 2017 Activities**

- **HR IT transformation** – Provide and manage a government-wide Human Resources Information Technology (HR IT) strategy that promotes consolidation and modernization against the criteria for cost savings, human capital impact and sustainability of HRIT. Define and implement the

recommendations in the HRLoB Strategic Framework to enable the future of HRIT shared services in alignment with the OPM Strategic Plan, OPM Strategic IT Plan, and CHCO Council's Future State Vision for HRIT to improve human capital impact, enhance HRIT sustainability, and increase cost savings.

- **SSC Support and Management** – Review and approve agency SSC selection decisions. Support and monitor agencies and shared service centers in the process of migrating HR services to the SSC environment. Work with OMB to obtain flexible funding mechanism for SSCs that would allow SSCs to accrue capital to be used to improve software or needed improvement in IT infrastructure. Work with HRLoB stakeholder community to optimize the number and structure of approved HR LOB SSCs and complete necessary certifications and/or decertifications.

- **Performance Management Framework** – Continue the Provider Assessment program designed to assess HR LOB SSCs' ability to deliver quality services to their customer agencies by measuring perceptions of quality and customer satisfaction. This assessment program help providers improve their operations and services, offer customers greater visibility into providers' service delivery and increase customer-provider relationship. Work with agencies and SSCs to identify and pursue opportunities to become more efficient, customer service-oriented, cost effective, and more strategically focused. Collect and analyze performance measures from SSCs. Conduct HR and payroll benchmarking studies and results to promote best practices. Develop an HR performance dashboard to provide an integrated view of performance and benefits of consolidated Federal HRIT portfolio.

- **Planning and Strategy Formulation --** Develop and execute the HRLoB strategy to achieve the initiative goals and objectives. Manage and promote effective and efficient collaboration across partner agencies and other stakeholders through the HR LOB governance structure. Track cost savings and avoidance resulting from HRIT consolidation.

## Planned FY 2017 Accomplishments

In FY 2017, the Framework will provide recommendations for updating the Federal HR Enterprise Architecture and HRLoB Service Delivery Model to increase the adoption and funding of shared services. It also identifies improving HR data management and HRIT acquisition through Category Management as critical success factors. The Framework's recommendations are expected to result in improved human capital impact, enhanced HRIT sustainability, and increased cost savings.

## Human Resources Tools &Technology Program

The HRS Information Technology Program Management Office (HRS IT PMO or PMO) provides technology support in the form of IT systems development and hosting, supplying both internal and external customers a wide variety of IT services in the HR arena.

**Planned FY 2017 Activities**

FY 2017 activities prioritize the maintenance and sustainment of the various programs, including OPM's Human Resources Solutions and USAJOBS, the HRS IT PMO 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.

The establishment of business initiatives that provide federal agencies with IT solutions that span the HR life cycle. The HRS IT PMO contributes to this goal by delivering leading-edge, innovative, high quality HRIT products and services that contribute to organizational effectiveness. The PMO is comprised of four lines of business (LOBs): OPM's HRS, 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 the HRS IT PMO's largest. Accounting for 62 percent of its annual revenue, our PMO provides OPM's HRS organization with technical support, web-based applications, hosting, and programming support. The primary system the PMO supports is USAStaffing, OPM's Talent Acquisition System, which enables Federal agencies to effectively recruit, assess, certify, and onboard qualified candidates for Federal positions. The PMO ensures system compliance with Federal hiring regulations, flexibilities, authorities, and NIST IT Security Guidelines. In addition, the HRS IT PMO 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 our PMO supports are the USAJOBS Program Office and Retirement Services. HRS IT PMO 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, the PMO 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**

The HRS IT PMO 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.

The HRS IT PMO 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. HRS IT PMO 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, the PMO has had a strong base of repeat customers who choose our products and services for quality, innovation, value, and proven performance. This will continue in FY 2017. With an FY 2014 American Customer Satisfaction Index-equivalent score of 88, the PMO far surpasses the national average of 68.4 for Federal agencies. Further, 100 percent of customers in the survey say our products and services contribute to organizational effectiveness.

**Planned FY 2017 Accomplishments**

In FY 2017, the HRS IT PMO will continue to achieve the following:

(1) process nearly eight million applications through OPM's Talent Acquisition System - USAStaffing;

(2) provide better than 99.5 percent 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 allow them to initiate the processing of their discretionary personnel-payroll transactions.

## 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 backend-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.

The program supports OPM's strategic goal 4 to "manage information technology systems efficiently and effectively". 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 conducted user research and user experience activities based upon a Human Centered Design methodology to collect job seeker and agency requirements. The goals of the new website include implementing a website that (1) clearly guides applicants to the information they need to make confident job search and application decisions, (2) provides a thoughtfully crafted, personalized experience that a user can trust, (3) conveys information in a language that every applicant can understand, (4) sets clear application expectations, (5) serves as the most trusted resource for federal hiring information and (6) reflects how today's diverse populations (millennial, genX , baby boomer) find out and apply for jobs. It is expected to take approximately 24 months to implement the 17 ideas generated through the Human Centered Design research. In addition, there are two tracks within the next generation framework. The first track is to redesign the job seeker/applicant experience, and the second track is to deliver agency recruitment tools.

### Planned FY 2017 Activities

USAJOBS will continue with the implementation of eight production releases. The roadmap for the next generation will evolve and be communicated through the USAJOBS Executive Steering Committee, along with any scope updates that may arise during the implementation phase. There is a planned

acquisition to acquire job matching and resume parsing tools that will be implemented in the latter part of FY 2016. In relation to the agency tools, USAJOBS will implement an account creation and management solution in order to transition the tools from a pilot phase to a full rollout to all agency customers. Lastly, the program office will conduct extensive usability testing throughout the design and implementation phases to ensure the product meets user needs.

**Planned FY 2017 Accomplishments**

In FY 2017, the program will deliver the remaining next generation initiatives stemming from the Human Centered Design research. USAJOBS will continue to identify requirements, design and prototype solutions, deliver enhancements and measure changes to ensure the products and services meet customer expectations. The program will deliver eight production releases based upon demand.

# Office of the Inspector General

The OPM Office of the Inspector General (OIG) is requesting **$31,734,000** for its FY 2017 budget. Our request is composed of $5,072,000 from the Salaries and Expenses (S&E) General Fund and $26,662,000 from the OPM Trust Funds.

| Budgetary Resources | FY 2015 Enacted | | FY 2016 Enacted | | FY 2017 Request | | Variance | |
|---|---|---|---|---|---|---|---|---|
| | Dollars | FTE | Dollars | FTE | Dollars | FTE | Dollars | FTE |
| Salaries & Expenses | $4,384,000 | 19.0 | $4,365,000 | 19.0 | $5,072,000 | 21.0 | $707,000 | 2.0 |
| Trust Fund Annual | $21,340,000 | 126.0 | $22,479,000 | 126.0 | $26,662,000 | 138.0 | $4,183,000 | 12.0 |
| **Total Discretionary** | **$25,724,000** | **145.0** | **$26,844,000** | **145.0** | **$31,734,000** | **159.0** | **$4,890,000** | **14.0** |

The OIG has outlined the program areas to be funded under the FY 2017 budget request, which is $4,890,000 above our FY 2016 enacted budget.

The OIG requests additional investments in the following areas:

| Investment Area | OIG Office | Dollars | FTE |
|---|---|---|---|
| IT Infrastructure Oversight | Audits | $167,000 | 1.0 |
| IT Infrastructure | Management* | $2,791,000 | 0.0 |
| Oversight and Enforcement | Legal | $382,000 | 2.0 |
| Increase OIG Oversight-FEHB | Audits | $935,000 | 7.0 |
| Increase OIG Oversight | Evaluations & Inspections | $267,000 | 2.0 |
| Improper Payments-FEHB | Investigations | $348,000 | 2.0 |
| **Total** | | **$4,890,000** | **14.0** |

*Note – Includes OPM requested contribution for Cybersecurity IT Infrastructure Project ($0.96 million) and estimated OIG System migration costs ($1.8 million)

**Investment in OIG Cybersecurity Oversight and Funding for OIG Systems Security Enhancements and the Cost of Moving Systems into the OPM IT Infrastructure ($3,340,000 and 3 FTE)**

The OIG requests an additional $3,340,000 investment to fund our oversight of OPM's massive Cybersecurity IT Infrastructure Project and to provide funds that will enable the OIG to implement increased security measures and fund migration costs for its own systems to transition into the OPM secure infrastructure.

OPM has begun a major, agency-wide Cybersecurity IT Infrastructure Project and migration, which is currently estimated by OPM to cost $93 million over multiple years, excluding fully determined costs for systems migration. The OIG was not included in any of the project planning, nor able to engage OMB in related discussions, and indeed, did not learn about the scope of the project until almost a full year later, in March 2015. Because of this, the OIG's original Fiscal Year (FY) 2016 budget submission contained in OPM's Congressional Budget Justification did not include funding/resources for the costs the OIG will incur as OPM's oversight entity, a user of OPM's IT services, and owner of multiple IT systems residing on OPM's IT platform.

### Additional Oversight Requirements

OPM has adopted what appears to us to be a rather aggressive timeline for the implementation of the new infrastructure and migration of major OPM systems into the new infrastructure; the agency recently stated that it expects to complete this major Project by the summer of 2020, approximately six years after it began. This compressed timeline has multiple implications: (1) it is not unlikely that the oversight work will continue to be time-intensive moving forward because OPM will be working on multiple phases of this project simultaneously, and (2) the importance of OIG oversight is amplified to ensure that important steps, such as thorough review and testing of IT security controls, are not rushed or even skipped in order to meet milestone dates.

OPM has a well-documented history of failing to follow standard guidelines for IT project management. As a result, the agency did not meet the objectives of several recent large IT projects within the estimated timelines or budgets. Therefore, we believe that to help ensure the success of such a significant and ambitious project, there must be a strong OIG oversight presence. To that end, the OIG is requesting funding for additional audit staff members for FY 2017 so that we can conduct an adequate level of oversight without negatively impacting our work in other critical program areas.

### Additional OIG IT User and Owner Requirements

The Cybersecurity IT Infrastructure Project will also impact the OIG in areas other than oversight responsibilities. The OIG relies upon OPM for certain IT services, and owns IT systems that reside on OPM's IT platform but are independently operated by the OIG. Therefore, the OIG will be expected to contribute funding towards OPM's Cybersecurity IT Infrastructure Project as well as funding the costs of security improvements and migrating OIG systems to the new environment. OPM has already requested that the OIG pay approximately $0.96 million towards their plan given that we will benefit from the Infrastructure Project.

The OIG is currently working with OPM on a plan for integrating the OIG-owned and operated systems into the new IT environment, which will require implementation of multi-layered enhanced security software and controls for the OIG systems. The research, testing, development, and maintenance that the OIG must conduct to integrate, migrate and sustain our systems within OPM's new IT environment will require additional resources and skills not currently on our staff.

Therefore, the OIG has identified an immediate need for IT staff to support the integration and related maintenance activities. The staff will be integral to the analysis, design, documentation, development, configuration, migration, testing, implementation, and ongoing support of the OIG systems and the enhanced OIG security platform. The OIG is entrusted with highly sensitive data and information from the multitude of OPM benefits programs. In addition, the OIG supports other internal file servers, databases, and forensics systems which support its day-to-day operations.

### Increase OIG Oversight - Federal Employees Health Benefits Program (FEHBP) ($1,202,000 and 9 FTE)

The OIG is responsible for conducting statutorily mandated audits of OPM programs, which includes oversight of FEHBP plans, health carrier information systems, and Pharmacy Benefit Managers (PBMs)

programs and operations. In order to provide a sufficient level of oversight for these programs, the OIG requires an additional $1,202,000 and 9 FTE.

Limitations on budgetary resources and staff have resulted in losing an average of 43 auditable contract years per year and losing an estimated $9 to $10 million per year in audit recoveries for Community-Rated FEHBP audits over the last 5 years. In addition, our analysis shows that with our current staff level for Experience-Rated FEHBP audits, we lose on average, approximately 35 auditable plan years annually. This equates to lost recoveries of approximately $8 to $10 million annually. In other words, if the OIG had enough staff to do more audits each year, we could recover an estimated additional $16 to 20 million per year for the FEHBP Trust Fund. Additional FTEs will be used to continue and enhance our ongoing FEHBP audit activities, help us meet our program oversight commitments related to the Multi-State Plan Program (MSPP), and allow the OIG to reduce lost audit years.

The recent data breaches at Anthem and Premera Blue Cross Blue Shield FEHBP carriers highlight the need for an increased focus on cybersecurity in the health insurance industry. OPM contracts with approximately 250 private health insurance plans as part of the FEHBP, and these organizations process sensitive personal health information for over 8 million Federal employees, retirees, and dependents. There are 90 separate IT audit sites, since many of the plans use shared systems and data centers to process this information.

In an effort to increase our oversight presence at these plans, the OIG has developed a strategy to perform limited-scope reviews in addition to our full-scope audits. These reviews would be significantly smaller in scale than our audits, and would focus on the highest-risk elements of an organization's cybersecurity program. Additional FTE in this area would be dedicated to performing limited-scope reviews, and the remaining would be dedicated to increasing the number of full-scope audits performed each year.

Additional FTEs would also enable the OIG to expand audit coverage of other program areas, such as Employee Services, which have not been audited; and OPM's Office of Procurement Operations, which due to increasing inquiries into OPM's contracting methods, requires additional oversight. Also, an increase in staff would result in the OIG being able to perform additional audits of PBMs.

**Improper Payments Enforcement - FEHBP ($348,000 and 2 FTE)**

Fraudulent billings to health care programs, both public and private, are estimated to be between 3 and 10 percent of total health care expenditures.  The resulting improper payments significantly impact the cost of providing health insurance. The FEHBP is the largest employer-sponsored group health insurance program in the United States, covering over 8 million Federal employees, retirees, and dependents, at an annual operating cost of over $45.8 billion. Applying the most conservative estimate regarding fraudulent billings (3%) suggests the FEHBP annually issues over $1.3 billion in improper payments as a result of fraud. In order to investigate instances of fraud within the FEHBP, the OIG requires an additional $348,000 and 2 FTE.

Since 2012, the OIG has experienced an exponential increase in FEHBP fraud notifications (e.g. 1,329 health care fraud allegations received in 2014, versus 599 in 2011). Due to this increase in notifications of

suspected fraud and our lack of resources to appropriately handle these allegations, the OIG has had to close between 42% and 58% of the FEHBP allegations we received without investigation since 2012. In FY 2014, 270 of the cases we closed without investigation had over $50,000 in FEHBP claims exposure per case. The OIG is in desperate need of additional resources to address improper payments in the FEHBP.

## Affordable Care Act and Indian Health Care Oversight

The OIG's FY 2017 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 continues to conduct audits in this area. The OIG will audit and examine 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.

## 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."

| Budgetary Resources | FY 2015 Enacted | | FY 2016 Enacted | | FY 2017 Request | |
|---|---|---|---|---|---|---|
| | Dollars | FTE | Dollars | FTE | Dolalrs | FTE |
| Revolving Fund (Estimated) | $3,000,000 | 21.0 | $3,376,000 | 21.0 | $3,770,000 | 25.0 |
| OIG Total (dollars) | $3,000,000 | 21.0 | $3,376,000 | 21.0 | $3,770,000 | 25.0 |

*Note – Variance between FY 2017 versus FY 2016 are the result of the following:
- Revolving Fund ($394,000) represents the estimated increase in payroll required for Revolving Fund oversight

For FY 2017, the OIG estimates that $3,770,000 and 25 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 $1.7 billion in FY 2017. Currently, OPM Revolving Fund programs consist of: Federal Investigative Services (FIS); Human Resources (HR) Solutions; Enterprise Human Resources Integration (EHRI); HR Line of Business (HRLoB); HR Tools & Technology (HRTT); USAJOBS; and, the Presidential Management Fellows Program (PMF).

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.

In FY 2017, the OPM CIO has identified a need for additional funding for the OPM Cybersecurity Infrastructure Project. A large portion of the IT Infrastructure supports the systems related to the OPM Revolving Fund programs. Our oversight of this project will be charged proportionately to the OPM Revolving Fund.

## Existing Responsibilities

In FY 2017, the OIG will continue to provide audit and investigative oversight of the FEHBP including FEHBP plans, health carrier information systems, and 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 PBM 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 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 of the program groups and activities are prioritized and conducted based on the risk level identified in the assessments (e.g., higher risk areas will be audited first).

The majority of the audits we conduct are performance audits, which 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. We also occasionally conduct audits of contracts awarded by OPM for compliance with applicable Federal regulations.

**OPM IT Infrastructure Oversight.** OPM has begun a major, agency-wide information technology (IT) Infrastructure Project. Our office will provide oversight through all phases of this project over the course of multiple years. The work performed in this area is essential to the IT security posture of the agency, its systems, and the highly sensitive data contained in these systems.

**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 142 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.

**Pharmacy Benefit Manager Audits.** Pharmaceutical-related expenditures comprise approximately 26.5 percent of all FEHBP costs, or over $14 billion in 2014, 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; EHRI; HRLoB; HRTT; USAJOBS; and the PMF).

**Affordable Care Act Audits.** The OIG audits under the ACA will ensure the issuers' compliance with their 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.

**FEHBP Data Warehouse.** The OIG will continue to operate its FEHBP claims data warehouse in FY 2017. 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.

**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 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 2017 campaign period.

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.

Our office regularly receives fraud allegations involving the payment of kickbacks affecting the FEHBP. However, the FEHBP lacks a statute which renders kickbacks illegal. Kickbacks place patients at risk of harm, because the objectivity of medical decision making is compromised when a health care

provider receives financial incentives for making referrals. The Federal Anti-Kickback Statute, Title 42, United States Code, Sections 1320a – 7b(b), made it illegal for health care providers to knowingly and willfully accept bribes or other forms of remuneration in return for generating "Federal health care program business." However, FEHBP was specifically excluded from that statute. In 2017, we seek legislative change to the Anti-Kickback Statute, in order to extend its protections to the FEHBP.

**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 $1.7 billion in FY 2017. 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 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 the Inspectors General on 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 2016 Enacted | FY 2017 Request | FY 2016–17 Variance |
|---|---|---|---|
| Personnel compensation | $2,901,000 | $2,990,000 | $89,000 |
| Personnel benefits | $874,000 | $905,000 | $31,000 |
| Travel and transportation of persons | $80,000 | $80,000 | $0 |
| Transportation of things | $0 | $0 | $0 |
| Communications, utilities, and rent | $300,000 | $887,000 | $587,000 |
| Printing and reproduction | $0 | $0 | $0 |
| Other services | $210,000 | $210,000 | $0 |
| Supplies and materials | $0 | $0 | $0 |
| Equipment | $0 | $0 | $0 |
| Land and structures | $0 | $0 | $0 |
| Total (dollars) | $4,365,000 | $5,072,000 | $707,000 |
| FTE | 19.0 | 21.0 | 2.0 |

## Office of the Inspector General Trust Fund – Obligations by Object Class (dollars)

| Object Class | FY 2016 Enacted | FY 2017 Request | FY 2016–17 Variance |
|---|---|---|---|
| Personnel compensation | $13,445,000 | $14,281,000 | $836,000 |
| Personnel benefits | $4,286,000 | $4,524,000 | $238,000 |
| Travel and transportation of persons | $750,000 | $750,000 | $0 |
| Transportation of things | $10,000 | $10,000 | $0 |
| Communications, utilities, and rent | $2,651,000 | $2,979,000 | $328,000 |
| Printing and reproduction | $20,000 | $20,000 | $0 |
| Other services | $750,000 | $3,517,000 | $2,767,000 |
| Supplies and materials | $70,000 | $70,000 | $0 |
| Equipment | $497,000 | $511,000 | $14,000 |
| Land and structures | $0 | $0 | $0 |
| Total (dollars) | $22,479,000 | $26,662,000 | $4,183,000 |
| FTE | 126.0 | 138.0 | 12.0 |

# Office of the Inspector General Objectives

## Office of the Inspector General, Oversight

| Performance Measures | | | | FY 2014 Result | FY 2015 Result | FY 2016 Target | FY 2017 Target |
|---|---|---|---|---|---|---|---|
| Return on investment | | | | $5.46* | $6 | $6 | $6 |
| Carrier audit cycle (years) | | | | 3.3 | 3.5 | 3.3 | 3.3 |
| Audit recovery rate | | | | 72%** | 86.0% | 75% | 75% |
| Positive financial impact | | | | $125.1M*** | $132.0M | $132.0M | $132.0M |

| Fund | Budgetary Resources FY 2016 Enacted | | FY 2017 Request | | FY 2016-17 Variance | |
|---|---|---|---|---|---|---|
| | Dollars | FTE | Dollars | FTE | Dollars | FTE |
| OIG Salaries & Expenses | $3,099,000 | 13 | $3,806,000 | 15 | $707,000 | 2 |
| OIG Trust Funds Annual | $15,510,000 | 86 | $19,693,000 | 96 | $4,183,000 | 10 |
| Revolving Fund (Estimate) | $1,653,000 | 11 | $1,946,000 | 15 | $293,000 | 4 |
| Total (dollars) | $20,262,000 | 110.0 | $25,445,000 | 126.0 | $5,183,000 | 16.0 |

\* 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 $116,700 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 or Revolving Funds. The total of joint recoveries returned to the general Treasury Fund for FY 2015 was $39.4 million.

\*\* The audit recovery rate is based on incomplete information as a result of the normal audit resolution process, which can take up to two years to be settled. The reported recovery rate is based, in part, on accounts receivable which may or may not be actually recovered. It is likely that the actual recovery rate will change in the future. The recovery rate based on the last completed 5-year audit period (FY09 - FY13) is 72.1%.

\*\*\* The positive financial impact is calculated based on the five year rolling average.

## Office of the Inspector General, Enforcement

| Performance Measures | FY 2014 Result | FY 2015 Result | FY 2016 Target | FY 2017 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% | 91% | 90% | 90% |
| Percentage of final investigative reports submitted for disposition within 15 working days after the final remedy had been rendered | 90% | 92% | 90% | 90% |
| Number of debarments and suspensions | 937 | 845 | 800 | 800 |
| Number of debarment and suspension inquiries | 5,320 | 5,743 | 5,000 | 5,000 |

| Fund | Budgetary Resources | | | | | |
|---|---|---|---|---|---|---|
| | FY 2016 Enacted | | FY 2017 Request | | FY 2016-17 Variance | |
| | Dollars | FTE | Dollars | FTE | Dollars | FTE |
| OIG Salaries & Expenses | $1,266,000 | 6 | $1,266,000 | 6 | $0 | 0 |
| OIG Trust Funds Annual | $6,969,000 | 40 | $6,969,000 | 42 | $0 | 2 |
| Revolving Fund (Estimate) | $1,723,000 | 10 | $1,824,000 | 10 | $101,000 | 0 |
| **Total (dollars)** | **$9,958,000** | **56.0** | **$10,059,000** | **58.0** | **$101,000** | **2.0** |

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 2016 Enacted | | FY 2017 Request | | Increase/Decrease | |
|---|---|---|---|---|---|---|
| | Dollars | FTE | Dollars | FTE | Dollars | FTE |
| OIG Salaries and Expenses | $3,469 | 0 | $3,902 | 0 | $433 | 0 |
| OIG Trust Funds | $65,910 | 0 | $74,131 | 0 | $8,221 | 0 |
| **OIG Total (dollars)** | **$69,379** | **-** | **$78,033** | **-** | **$8,654** | **-** |

## Office of the Inspector General Training Resources Resource Summary - includes all resources (dollars)

| Budget Source | FY 2016 Enacted | | FY 2017 Request | | Increase/Decrease | |
|---|---|---|---|---|---|---|
| | Dollars | FTE | Dollars | FTE | Dollars | 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** | **-** | **$445,000** | **-** | **$0** | **-** |

# Evidence and Evaluation

## Agency Strategy to Advance the Use of Evidence in Decision Making

At OPM, evidence-based decision making has been in the agency's discourse for a number of years. The practice of evidence-based decision making involves using the best available data, both quantitative and qualitative, along with scientific evidence to make empirically supported decisions. This approach has been mainstreamed into the agency's processes and is being pursued, as evident in the establishment of a specific strategic goal on evidence-based decision making in the agency's FY2014-- FY2018 Strategic Plan.

To drive focused attention and to support the agency's data-driven human resource management and policy decision making, the agency hired a Senior Advisor on Research and Evaluation. The Senior Advisor serves as the technical expert to improve the agency's effectiveness by developing and utilizing a more rigorous base of information and scientific evidence to guide decisions about programs, policies, funding, implementation and management. The Senior Advisor will help establish the strategic direction for the agency's research and evaluation initiatives, driven by the needs of the agency's program offices to answer critical questions.

In addition, the agency will leverage and engage individual components that will directly support this strategy. Specific units will provide policy direction and program support for 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 agency research agenda. To advance, adopt, and spread best practices that are being deployed within the agency, OPM will establish an internal network of analytic ambassadors. The role of the analytic ambassador is to help promote and advance the analytical work and research being done in OPM's components.

In FY 2016, OPM will establish a chief of data analytics position who will be empowered to consolidate the data information from the various programs it collects on the Federal workforce. The primary role will be seeding new data analytics efforts and encouraging their perpetuation across offices, developing a process flow change, and positioning the OPM of the future to be a data-aggregator akin to the Bureau of Labor Statistics for Federal personnel (with all appropriate safeguards).

## Recent Progress

The agency continues its commitment and efforts for integrating data—administrative, survey, job applicant, and customer experience—into resources and tools developed for internal agency use, government-wide use, and for the broader public use. Traditionally, agency data and information processes have been fragmented across program offices, making it time and resource intensive and difficult to leverage and integrate with other data systems. The agency has made great progress on developing a cohesive and collaborative structure to manage and integrate this data throughout the agency and across Government. As highlighted below, OPM's increased focus on data integration and data

visualization has enriched the information that the agency uses to support policy development and operations.

- **USAJOBS** has expanded its data analytics platform to assist agencies with developing data-driven recruitment strategies. By transforming raw data into user-friendly metrics to guide agency and hiring managers in their quest to answer questions, such as: *Where should I recruit?*, *Who will I recruit?*, and *What are the results of my recruiting campaigns?*, USAJOBS delivered a data warehouse, along with three data visualizations dashboards. The *Candidate Demographic Dashboard* provides a global view of where all active USAJOBS job seekers are located, including the demographics in each geographic region. Displaying job seekers by geographic regions adds meaningful context, enabling agencies to identify where to align their valuable, and often, scarce resources to attract the right talent to a specific job opportunity. The *Executive Summary Dashboard* offers a monthly view of high-level USAJOBS data, including job seeker satisfaction, job seeker search, job opportunities, and application activity. The third visualization product developed under the USAJOBS umbrella is the *Job Opportunity Announcement Analytics Tool*, which was created to give agency HR specialists and recruiters analytical measures around their job posting to inform their goal setting and strategic recruitment.

  Along with delivering new tools, it is critical to measure the effectiveness of these tools. USAJOBS will continue to facilitate recruitment and hiring data analytics to the hiring community to solicit feedback, share best practices, identify use cases, and promote success stories.

- **USA Staffing®** is OPM's talent acquisition system for Federal agencies, automating Federal policies, practices, and laws for a full range of Federal hiring. USA Staffing® is the primary source for hiring managers and HR professionals interacting with the hiring process by providing a conduit to USAJOBS for posting announcements and accepting, rating and ranking applications for Federal employment. Seventy Federal agencies meet their hiring missions using USA Staffing® and 78 percent of USAJOBS vacancy announcements have been processed through USA Staffing®.

  Through ongoing enhancements that reflect agency business needs and Federal best practices, USA Staffing® continues to evolve by improving usability and enhancing functionality for all key stakeholders. The agency has rebuilt and launched an enhanced USA Staffing® site, with the first job announcement posted in April 2015. Agencies are now finalizing their plans to transition hiring workloads to the new version. All transitions are expected to be complete by FY 2017. The enhanced version of USA Staffing® includes an interactive management dashboard, secure, self-service data feeds to other agency systems, ad hoc reporting, as well as traditional, standard reports. It also features a streamlined navigation and interface design, maximizing the HR user experience by reducing "clicks" and presenting richer, more engaging information. The USA Staffing® data warehouse will contain new and legacy data, allowing for user-friendly and consistent hiring metrics through the transition period and beyond.

USA Staffing® is meeting the goal of enabling managers to hire the right person for the right job within the framework of Merit System Principles, as well as leveraging data to understand and refine Federal hiring. For example, OPM continues to recognize applicant flow-data as an important tool that can be used to assess the effectiveness of recruitment and outreach, as well as aid with hiring efforts. It allows authorized agency data analysts to perform analysis using demographic information for their applicant pool related to gender, race, ethnicity and disability. This data assists agencies in identifying any barriers and implementing successful practices for eliminating any unnecessary obstacles at each stage of the hiring process, including application, qualification, referral and selection. Going forward, OPM will continue to provide agencies technical assistance and training on applicant flow-data to foster appropriate use of such data.

- **Enterprise Human Resources Integration (EHRI) Data Warehouse** is a centralized warehouse for the storage of human resources, payroll, and training information for the Executive Branch civilian workforce. This data is used as the foundation for OPM's public data tool FedScope. It also provides the basis for OPM's official reporting source - the EHRI Statistical Data Mart, and is the administrative data, population frame, used to select the sample for the Federal Employee Viewpoint Survey.

  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 and more effectively manage and plan for the Federal workforce, the agency has recently incorporated new data elements, including telework eligibility, cybersecurity designation, and national security personnel designation. The cybersecurity category is the data element of greatest interest to external organizations. Currently, it is for internal agency access only, allowing the agency personnel to monitor the manner in which agencies are reporting their information before rolling out the data for external use. This allows the agency to identify potential problems with new data elements, address data issues and, ultimately, provide the agency and others with valuable insight into the Federal cybersecurity workforce.

  Based on recent reporting, the cybersecurity category element is applicable to approximately 7 percent of the Federal workforce in the Executive Branch. With regard to telework eligibility, the data show that nearly 31 percent of the Federal workforce in the Executive Branch is eligible to participate in agency telework programs. Only 4.4 percent report no data or invalid data in the telework eligibility data element.

  The agency has made strides in making more raw data available. OPM is in partnership with several universities to solidify agreements in which research can be conducted using available data, and making the results of that research more public. Further, OPM has made advancements connecting data between two of its large systems – EHRI and USA Staffing® – in order to better understand the machinations of the hiring process as part of the entire human resources lifecycle. OPM has also made advancements in connecting EHRI data with the Federal Employee Viewpoint Survey data to produce a more in depth understanding of the relationship between the

Federal workforce and the survey indicators which are important in driving certain aspects of policy. In FY 2015, OPM produced three analytic reports on the Federal workforce (focusing on millennials, education levels, and women) that were enabled by the linkage of these two rich data sources.

- **FedScope** is an online tool which allows users to access and analyze the most popular HR data elements from OPM's Enterprise Human Resources Integration-Statistical Data Mart (EHRI-SDM). FedScope is also an essential tool for OPM in increasing transparency. Users can explore workforce information, analyze strategic facts, and quickly collaborate to align decisions with key stakeholders. Analysis capabilities provide access to information from multiple angles and perspectives so customers can view and analyze it to make informed decisions. Data available through EHRI-SDM covers more than 2 million Federal civilian employees and has information concerning occupations, agency of employment, salaries, and many other transactions concerning Federal civilian employees. FedScope has expanded the available data elements to include education level, supervisory status, work status, and STEM occupations (groupings).

- The **Federal Employee Viewpoint Survey (FEVS)** is a powerful management tool capable of driving real change. The agency continues to leverage EHRI-SDM administrative data in administering, analyzing, and reporting of FEVS results. Integrating administrative data into the survey process enables the Agency to add analytic breadth without additional respondent burden. Organizational structure, occupational series, education level, and date of birth are administrative variables that OPM has recently incorporated with the FEVS data.
  The agency has also fully implemented a revised sampling strategy, the Graduated Proportional Sampling method. The sampling method enables reporting of survey results at the most granular level, maximizing the number of reports generated while minimizing the size of the workforce being surveyed. This allows the FEVS to increase the reporting breadth achieved in the 2012 FEVS census while reducing burden in terms of the time and financial costs a census would incur.

In addition to the expansion of available data elements and reporting breadth, the agency expanded and created new state-of-the-art analytic tools. These tools include the ***FEVS Online Reporting & Analysis Tool,*** which is a web-based capability developed to enable agencies to run online analyses and display various types of reports in real-time from a standard web browser. Users can quickly review and analyze their FEVS data, customize reports, and track specific data trends throughout their agency. ***Unlocktalent.gov*** is a new, comprehensive data visualization dashboard to help leadership make data-driven decisions and design initiatives to increase employee engagement. The dashboard includes more than 21,000 organizations and trend data for five years. Agencies can review how they are doing in comparison to other agencies and the Federal Government as a whole.

- **HRStat** is a government-wide effort based on the GPRA Modernization Act in which Federal agencies facilitate data-driven quarterly reviews. The agency continues to develop the HRStat program to enable agencies to improve how they collect, analyze and report human capital data.

OPM established the HRStat Community of Practice (CoP) with members from all 24 CHCO Act agencies. The CoP meets quarterly to collaborate toward government-wide implementation of HRStat through guidance, assistance and training.

OPM has recently established four design teams: HRStat Maturity Model, HRStat Annual Review Process, HRStat Training and Tools, and HRStat government-wide Guidance. OPM identified the key areas addressed by the design teams as critical to ensuring the sustainability of the HRStat program. The Maturity Model helps identify criteria to distinguish an agency's level of maturation in HRStat. The Annual Review Process is an accountability mechanism to help ensure agencies are dedicating efforts to the HRStat program, continuing with their quarterly data-driven reviews, and making progress against their identified goals.

- **Skills-Gap Closure Strategies using Data Analysis:** The agency is implementing a data-driven, multi-factor model and environmental scan approach to identify government-wide skills-gap areas. This is a collaborative partnership with the Chief Human Capital Officers (CHCO) Council's formal Executive Steering Committee for Skills Gaps. This multi-factor model approach identifies those government-wide and agency-specific mission-critical occupations that have the greatest risk for experiencing skills gaps. Based on input from Federal workforce planning Subject Matter Experts, OPM adjusted the model to ensure it met agencies' needs.

  The Skills-Gap model is not intended to validate or determine agency-specific mission-critical occupations; but rather to provide a standardize methodology that analyzes existing mission-critical occupations to identify those that have a greater risk for incurring skills gaps. The developed model is comprised of four distinct factors which provide insight into root-cause analysis: identifies where to focus attention; validates why to focus attention on a specific area using pertinent benchmarks; provides intermediate outcome measures for monitoring progress; is data driven; consistent; and objective; and provides a repeatable and standard method to be used by all the agencies.

- **Re-Design of Federal Employees Health Benefits (FEHB) Plan Choice -** Each year, four million Federal employees and retirees choose a health plan from among the more than 250 health plan options available under the Federal Employees Health Benefits (FEHB) program. Typically FEHB members have a choice, based on their geographical area or affiliation, of about 10-15 health plans. While a hallmark of the FEHB Program is the ability to offer a wide choice of options to members, OPM has not kept pace with technological developments that can maximize the ability of members to make the most informed choice that best meets their healthcare needs and those of their families.

OPM is committed to updating consumer decision support tools to optimize enrollee choice. We are in the initial phases of organizing cross-agency work teams, including healthcare & insurance specialists, policy analysts, actuaries, behavior-economists, the agency's Deputy Performance Improvement Officer and the Chief Medical Officer, to re-design the *Plan Comparison Tool*. The agency is using an agile methodology for the development and design of the Plan Comparison Tool. This type of methodology will allow the

agency to respond to unpredictability through an incremental and iterative work process, as more data elements become available through Benefits Plus, FEHB's new administrative/management database that will become active in by the end of FY 2015. The cross-agency work team research will focus on aligning the OPM comparison tool with industry-wide standards, creating the capability to customize the plan selection process, and incorporating the latest behavioral economics and choice theory findings about user preferences and consumer selection of health coverage.
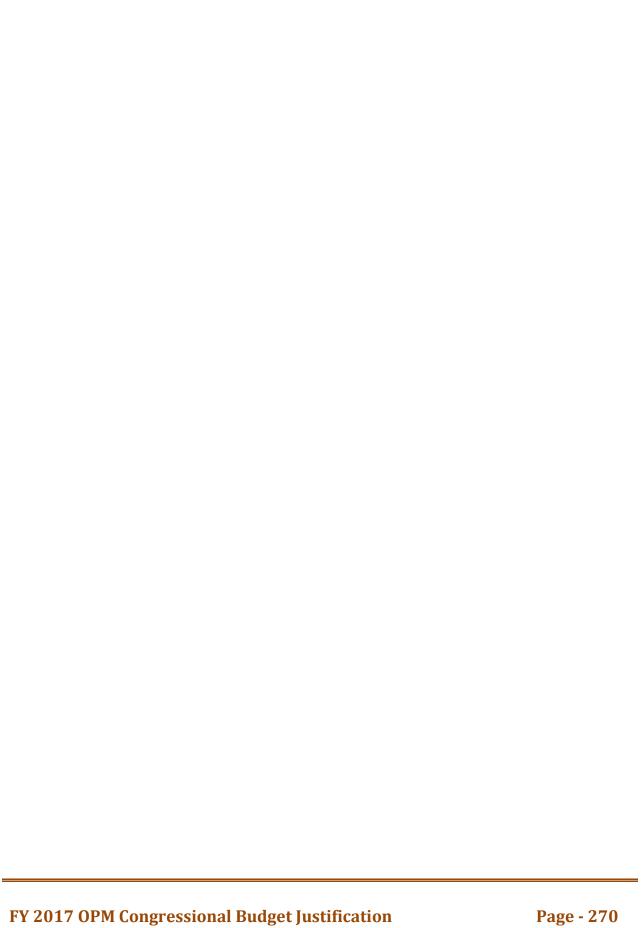
## Current Challenges

Infrastructure, technology, data sharing within and across agencies, data security and privacy, as well as resources and capacity constraints are challenges OPM is currently tackling as the agency implements its strategy to increase the use of evidence in decision making. Despite seemingly significant issues to resolve, OPM continues to make notable progress in expanding access and using administrative data, as well as in creating, rebuilding, and enhancing data analytics tools for both internal and external stakeholders.

- **Data Integration and Data Integrity:** There are challenges with linking data from one system to another to provide a comprehensive view of the Federal workforce from recruitment through retirement. The technical issue is a data set generated for one purpose often contains a different personal identifier than contained in another data set. For example, there is no unique identifier carried from USAJOBS to USA Staffing® or to the EHRI database. It is extremely difficult to piece together the data from one system to another in order to visualize transitions from job seekers to applicants to new hires. In addition, there are data integrity issues with application status data between USAJOBS and the backend talent acquisition systems. There is an ongoing effort to identify the data gaps and integrity issues, with a focus on breaking through the challenges to deliver end-to-end metrics.

- **Talent Gap:** Like many other Federal Agencies, private sector organizations, and non-profits, OPM is struggling to find the right mix of talent capable of working with new and emerging technologies, skilled at asking the right questions, and interpreting large quantities of data to find meaningful insights.

- **Infrastructure**: Another barrier is related to scaling up OPM's existing IT, database and web infrastructure sufficiently to support more complex, interactive, and real-time data analytics. The lack of insight into real-time data is a major hurdle and could be putting the agency at risk of making business and policy-critical decisions based on old or inaccurate data. Creating a more appropriate datacenter infrastructure will enable OPM to breakdown the work practices which are preventing the agency from benefiting from real-time data analytics and extracting real value from the large volume of data available. Antiquated work practices contributes to inconsistent data management, data being stored in multiple parts of the agency, and ultimately not being accessible to those who need it most, in a form they can readily digest, at the time needed.

## Anticipated FY 2017 Activities

- **Health Claims Data Warehouse (HCDW)** will enable OPM and the FEHB Program to strategically address health market challenges, as well as achieve OPM's strategic goal to "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 HCDW will provide OPM leadership with timely analytics. Once HCDW is fully implemented it should allow for a more detailed understanding of the drivers of cost increases both current and longitudinal. Analysis would be able identify changes in benefits and their impact on enrollee behavior and costs, as well as profile disease burden at agency, geographic, and plan level.

- **Convene a research summit,** a collaborative meeting for researchers—academic, industry, think tanks, and Federal agencies—to showcase any peer-reviewed published research that used OPM and other Federal data. Researchers and others will discover new solutions, learn from best practices and gain a better understanding on how to incorporate research and data into policy-decision making.

- **Establish research partnerships under OPM's research authority (5 CFR 470.201)** with approximately 5 to 10 universities to conduct personnel management research to develop new knowledge and seek solutions to personnel management problems. Examples of potential research projects include the development of a predictive retirement model. The model could utilize data from OPM's administrative databases, including possibly linking EHRI, Retirement Serviced operational data, and other public access data such as data from the U.S. Census Bureau. Another potential research project is the utility of Synthetic data. Synthetic data comprise individual records with every confidential value replaced with simulated draws from statistical models, which are estimated with the confidential data. The synthetic data can preserve many, but not all, important associations in the confidential data yet also carry low (and quantifiable) disclosure risks, as the released data are not actual records. OPM is exploring if synthetic data is a viable method as OPM continues to produce a public use data file.

- **Publish a research agenda** to focus attention on areas OPM has identified as its top research priorities. The priorities will incorporate both current and emerging personnel management policies, initiates, and needs. Making the priorities known and publishing the research agenda should help promote one of OPM's overall goals of developing partnerships with academic institutions, think tanks, and industry to share data, exchange ideas and collaborate on research and analysis. Overall, the research agenda will focus on evidence-based practices, program effectiveness, and innovated research technics and methods as OPM plans for the Federal workforce of the future.

# 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.

# Table of Acronyms

| Acronyms | Description |
| --- | --- |
| ACA | Affordable Care Act |
| ACE | Agency Compliance and Evaluation |
| ACSI | American Customer Satisfaction Index |
| ALJ | Administrative Law Judges |
| APG | Agency Priority Goals |
| ART | Accuracy, Responsiveness, and Timeliness |
| BSG | Benefit Services Group |
| CAHPS | Consumer Assessment of Healthcare Providers and Systems |
| CAM | Cost Accounting Methodology |
| CAP | Culture Cross-Agency Priority |
| CARE | Compassion Accuracy Responsiveness and Empowerment |
| CDM | Continuous Diagnostics and Mitigation |
| CFC | Combined Federal Campaign |
| CFO | Chief Financial Officer |
| CFR | Code of Federal Regulations |
| CHCO | Chief Human Capital Officer |
| CHRIS | Comprehensive Human Resources Integrated System |
| CIO | Chief Information Officer |
| CLIA | Congressional, Legislative and Inter-Governmental Affairs |
| COO | Chief Operating Officer |
| CoP | Community of Practice |
| CSDRF | Civil Service Retirement and Disability Fund |
| CSRS | Civil Service Retirement Service |
| CVS | Central Verification System |
| CXO | Chief Experience Officer |
| DCFSA | Dependent Care Flexible Spending Account |
| DHS | Department of Homeland Security |
| DNI | Director of National Intelligence |
| DOD | Department of Defense |
| DOJ | Department of Justice |
| ECQ | Executive Core Qualifications |
| EEO | Equal Employment Opportunity |
| EEOC | Equal Employment Opportunity Commission |
| EFI | Expandable Focused Model |
| e-Gov | Electronic Government |
| EHRD | Enterprise Human Resources Data Warehouse |

| | |
|---|---|
| EHRI | Enterprise Human Resources Integration |
| eOPF | Electronic Official Personnel Folders |
| e-QIP | Electronic Questionnaires for Investigations Processing |
| ERG | Enterprise Resource Groups |
| ES | Employee Services |
| FCIO | Federal Chief Information Officer |
| FEDVIP | Federal Employee Dental Vision Insurance Program |
| FEGLI | Federal Group Life Insurance |
| FEHBB | Federal Employees Health Benefits Program |
| FEI | Federal Executive Institute |
| FERCCA | Federal Erroneous Retirement Coverage Correction Act |
| FERS | Federal Employee Retirement Service |
| FEVS | Federal Employment Viewpoint Survey |
| FIS | Federal Investigative Service |
| FISMA | Federal Information Security Management Act |
| FITARA | Federal Information Technology Acquisition Reform Act |
| FLTCIP | Federal Long-Term Care Insurance Program |
| FOC | Final Operating Capacity |
| FOIA | Freedom of Information Act |
| FPRAC | Federal Prevailing Rate Advisory Committee |
| FSA | Flexible Spending Account |
| FSA FEDS | Flexible Spending Accounts for Federal Employees |
| FSC | Facilities, Security, and Contracting |
| FSEM | Facilities, Security, and Emergency Management |
| FTE | Full-time Equivalent |
| FTS | Fingerprint Transaction System |
| FWS | Fieldwork System |
| FY | Fiscal Year |
| GAO | Government Accountability Office |
| GPRA | Government Performance and Results Act |
| GSA | General Services Administration |
| HC | Human Capital |
| HCDW | Health Claims Data Warehouse |
| HCFSA | Health Care Flexible Spending Accounts |
| HEDIS | Healthcare Effectiveness Data and Information Set |
| HHS | Health and Human Services |
| HI | Healthcare and Insurance |
| HRIT | Human Resources Information Technology |
| HRLoB | Human Resources Line of Business |
| HRS | Human Resources Solutions |

| HRTT | Human Resources Tools and Technology |
| HRU | Human Resources University |
| IOC | Office of Internal Oversight & Compliance |
| IQ | Inclusion Quotient |
| IRC | Internal Revenue Code |
| IRT | Interagency Incident Response Team |
| ISCM | Information Security Continuous Monitoring |
| IT | Information Technology |
| LEX HCFSA | Limited Expense Health Care Spending Account |
| LGBT | Lesbian, Gay, Bisexual, and Transgender |
| MSAC | Merit System Accountability & Compliance |
| MSP | Multi-State Plans |
| MSPB | Merit Systems Protection Board |
| MSPP | Multi-State Plan Program |
| MSPs | Multi-State Plans |
| New IQ | New Inclusion Quotient |
| NIST | National Institute of Standards and Technology |
| NSA | National Security Agency |
| O&M | Operations & Maintenance |
| OASDI | Old-Age Survivors Disability Insurance |
| OC | Office of Communications |
| OCFO | Office of Chief Financial Officer |
| OD | Office of the Director |
| ODI | Office of Diversity & Inclusion |
| ODNI | Office of Director of National Intelligence |
| OES | Office of the Executive Secretariat |
| OGC | Office of the General Counsel |
| OIG | Office of the Inspector General |
| OMB | Office of Management and Budget |
| OPM | Office of Personnel Management |
| OPO | Office of Procurement Operations |
| OSDBU | Office of Small and Disadvantaged Business Utilization |
| P.L. | Public Law |
| PACPMO | Performance Accountability Council, Program Management Office |
| PBM | Pharmacy Benefit Manager |
| PII | Personally Identifiable Information |
| PIPS | Personnel Investigation Processing System |
| PIV | Personal Identity Verification |
| PMA | President's Management Agenda |
| PMF | Presidential Management Fellows |

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|---|---|
| PMO | Program Management Office |
| PPA | Planning and Policy Analysis |
| PSRHB | Postal Service Retiree Health Benefits |
| PTO | Patent and Trademark Office |
| QRB | Qualifications Review Board |
| RAE | Revised Annuity Employees |
| RS | Retirement Services |
| S&E | Salaries & Expenses |
| SAO | Senior Accountable Official |
| SES | Senior Executive Service |
| SL | Senior Level |
| SLA | Service Level Agreement |
| SOP | Standard Operating Procedure |
| SSA | Social Security Administration |
| SSC | Shared Service Centers |
| SSCLoB | Security, Suitability, and Credentialing Line of Business |
| SSDI | Social Security Disability Insurance |
| TF | Trust Fund |
| THEO | OPM Employee Intranet |
| TSP | Thrift Savings Plan |
| USC | United States Code |
| US-CERT | U.S. Computer Emergency Readiness Team |
| VERA | Voluntary Early Retirement Authority |
| VSIP | Voluntary Separation Incentive Program |
| WHF | White House Fellows |

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

**Chief Financial Officer**

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