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The Director

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MEMORANDUM FOR: HEADS OF DEPARTMENTS AND AGENCIES

FROM: BETH F. COBERT
ACTING DIRECTOR

Subject: U.S. Office of Personnel Management Cabinet Exit Memo

Introduction

Every day, the 2.1 million women and men of the Federal Workforce are called on to tackle some of our country's most pressing issues. Whether caring for our veterans, supporting small businesses, responding to the outbreak of the Zika virus, supporting our troops, fighting forest fires, or planning a mission to Mars, Federal employees around the country and the globe are focused on making life better for the American people. While their work often goes unnoticed or underappreciated, their passion, skill, creativity, and commitment to excellence play a critical role in our daily lives in ways large and small.

Over the last several decades, demands on the Federal Workforce have only increased. In a 2014 address, President Obama said, "[W]e need the best and brightest of the coming generations to serve. [T]hose of us who believe government can and must be a force for good...[have] got to work hard to make sure that government works. To rise to meet the challenges of the 21st century, we need a Federal Workforce with the necessary skills, experience, and tools to meet its diverse mission now and in the future."

At the U.S. Office of Personnel Management (OPM), we work to make this vision a reality. Our mission is to help agencies recruit, retain, and honor a world-class Federal Workforce to serve the American people. By upholding the core merit system principles that have long been the foundation of our civil service—hiring and promoting based on capability, treating employees and applicants fairly, protecting the rights of employees, respecting veterans, and promoting the effective and efficient use of Federal resources, among others—we promote a workforce equipped to serve all Americans.

Over the past eight years, our overarching focus has been to modernize the way OPM supports agencies, current and former Federal employees, and their families so that the Federal Workforce better serves the American people. By embracing new ways to use data to drive decision-making, investing in new tools and technologies, and streamlining our processes, we have helped foster a workforce that is capable of tackling 21st century challenges. In particular, we have:

- Worked to make the Federal Government a model employer by adopting workplace policies that reflect the modern American economy;

- Strengthened the personnel system to improve Federal agencies' capacity to recruit, hire, develop, engage and retain a workforce ready to meet 21st century challenges;
- Built a roadmap for a better way to protect the integrity of the Federal Workforce through modernizing the way the Government performs background investigations;
- Improved our operations by embracing new tools and technology and doubling down on our focus on customer service and cybersecurity.

Elevating the Government's Role as a Model Employer

Creating an environment where employees want to work is critical as the Federal Government seeks to attract, engage, and retain the best and the brightest employees who are choosing between Federal service and opportunities in other sectors. As the nation's largest employer, the Federal Government is also well-positioned to lead by example and demonstrate the value of adopting the workplace practices that reflect the changing American economy. This includes expanding outreach to people from all segments of society so that the Federal Government better reflects the population it serves, and promoting a fair and inclusive work environment that gives every employee the opportunity to perform his or her best. Some accomplishments include:

- Expanding opportunities for people from all segments of society:
 - *Hiring People with Disabilities.* In 2010, President Obama pledged to hire 100,000 people with disabilities in the subsequent five years. This year, OPM [announced](#) that the Federal Government has surpassed this goal by hiring more than 109,000 permanent employees with disabilities since 2010. People with disabilities now comprise 14.4% of the Federal Workforce, the highest percentage on record.
 - *Veterans Employment.* In 2009, the President created the Veterans Employment Initiative, focused on enhancing employment opportunities for veterans and conducting outreach to underserved veteran populations. Since 2009, approximately 500,000 new hires have been veterans; the percentage of veterans in the Federal Workforce has increased from 25.8% to 31.0% during this same period.
 - *Opportunities for Formerly Incarcerated People.* The Administration is committed to giving people who have served their time and paid their debt to society a chance to compete on the merits of their qualifications. Recently, OPM finalized a new policy to ["ban the box" for Federal employment](#) by delaying inquiries into criminal history until a conditional offer has been made. While most Federal agencies have already adopted this common-sense practice, formalizing and expanding it will widen the search for talent and help Federal agencies find the candidate best suited for the job.
- Creating a modern workplace that treats every employee fairly and gives everyone an opportunity to perform their best:

- *Closing the gender pay gap.* OPM worked with agencies across government to analyze pay disparities and develop [strategies to address them](#). In part due to these efforts, the gender pay gap in the Federal Government is significantly smaller than the private sector. Recent studies show that the gap between average male and female salaries in the Federal Government is about half the gap in the private sector. For senior executives, the average salary for women equals that for men.
- *Implementing Marriage Equality.* When the Supreme Court rendered its landmark decision, *U.S. v Windsor*, the Federal Employee Health Benefit (FEHB) Program and OPM's Retirement Services were the first government-wide benefit programs to fully implement changes to their [eligibility rules](#) to ensure that LGBT employees and their families have access to the same benefits.
- *Increasing workplace flexibilities.* OPM has expanded flexibilities to help cultivate a family-friendly work environment that helps employees balance their jobs with commitments to their families. In particular, OPM has led the charge to modernize Federal telework policies. In 2008, 7.6% of Federal employees were eligible for telework. By 2016, over 70% in the DC area and over 40% were eligible government-wide. The Administration also established a [policy](#) to provide six weeks of advanced sick leave for employees to care for a newborn child or ill family member.
- *Promoting diversity and inclusion in the Federal Workforce.* In 2011, President Obama took steps to strengthen the Federal Government's ability to recruit, hire, promote, and retain a more diverse workforce. To support this commitment, [the Diversity & Inclusion Government-wide Council](#) was established in 2015. Among its early accomplishments, the Council has harnessed the power of data to improve transparency about diversity and inclusion within the government, established strategies to track and analyze experiences of LGBT employees to help support them in the workplace, and coordinated efforts of senior leadership to support employees during instances of domestic unrest.
- *Combatting implicit bias.* OPM helps train leaders from across the Federal Government on ways to mitigate unconscious bias and foster an environment where every employee feels valued. To date, nearly 10,000 employees have been trained. Managers now also have access to the "[New Inclusion Quotient](#)," a new data tool that tracks employee perspectives on inclusion. In 2016, OPM convened two large scale gatherings—the first to offer targeted training to front-line diversity and inclusion professionals within government, and the second to convene senior leaders and develop strategies for advancing inclusive environments in their agencies through partnerships with the private sector, non-profits, and academia.
- *Supporting survivors of domestic violence who are Federal employees.* OPM issued [guidelines on establishing policies for addressing domestic violence in the Federal Workforce](#) and convened an interagency work group to share best practices on ways to support survivors. OPM has also partnered with the Department of Justice to both develop a domestic violence, sexual assault and stalking (DVSAS) training for Federal employees and to assist agencies in implementing agency-specific policies and strategies to better support Federal

employees that are impacted. To date, 40 agencies now have such policies in place.

The Work Ahead

By welcoming in more perspectives and elevating voices that reflect and understand the diversity of communities that the Federal Government serves, the Federal Government is better positioned to deliver for the American people. As we move forward, the Federal Government's focus should include:

- *Embracing workplace flexibilities that serve the modern family.* Many Americans today, regardless of where they may live, both work and have responsibilities caring for children, aging parents, or family members. Despite progress over the last few years, the fundamental structure of the Federal work environment has not kept pace, and many employees struggle to balance family obligations with the demands of the job. Without policies on par with leading private sector companies, we risk losing out on high potential women and men who would otherwise join or stay in Federal service. In addition to administrative steps, OPM has supported legislation that would provide Federal employees six weeks of paid administrative leave for the birth, adoption, or foster placement of a child. It is long past time that Congress enacts legislation to create paid parental leave for men and women in the Federal Workforce—and the rest of the economy.
- *Making diversity and inclusion core to the organizational mission.* Building a diverse and inclusive workforce is not a task to be delegated. It is a core principle of human capital management that is critical to the success of every project, team, or organization. This should be a priority for senior leaders across government, and agencies should take an enterprise wide approach based on research-informed best practices for hiring, retention, and development.
- *Fostering a diverse talent pipeline.* While there is more work to be done to expand opportunities to broader segments of the population who want to enter Federal service, the Federal Government should also double down on efforts to support a diverse talent pipeline for leadership by finding and removing any barriers to advancement. If agencies foster a climate that gives every employee the opportunity to advance, we can improve engagement and performance across government.

Building a World Class 21st Century Federal Workforce

The merit system principles of our government represent the bedrock values that have long stood as the foundation of America's civil service. Underpinning these principles is a focus on making decisions based on an objective evaluation of an individual's capabilities and qualifications. These principles are critical to the Federal Government's continued success—they help attract the best talent and extend opportunity to qualified individuals from all segments of society. Through the People and Culture pillar of the President's Management Agenda, OPM has made progress over the course of the Administration in applying these principles in a 21st century context. By focusing on helping agencies modernize their tools and processes, OPM has driven progress to help agencies better recruit top talent, drive employee engagement, and cultivate a world-class cadre of senior leaders. Some accomplishments include:

- Bringing students and recent graduates into government. As more Federal workers near retirement eligibility, the need to promote employment opportunities for students and recent graduates as part of an overall recruitment strategy is paramount. Through the [Pathways Programs](#), OPM has created an onramp for people at the beginning of their careers to join Federal service and acquire skills that help them compete for permanent jobs. Program participants are interested in staying in Federal service following their term, a strong signal that the program is an effective way to bring new talent into government. The new programs included under the Pathways umbrella, and the redesign of the Presidential Management Fellows Program, have also attracted more diverse applicants than the programs used in the past. For example, in FY10, less than 5% of Presidential Management Fellow appointees were African American. By FY2014, that number increased to 17%.

- Finding creative new ways to recruit and hire top talent with high-demand skill sets:
 - *Addressing cybersecurity workforce needs as a model for broader reform.* In support of the President’s Cybersecurity National Action Plan, OPM crafted a strategy aimed at creating and sustaining a workforce with the skills and experience necessary to meet modern cyber threats. OPM is also working with the Department of Homeland Security to implement new flexibilities that Congress granted to establish a human resource management system for its cyber workforce. The new authority provides an opportunity to holistically rethink key elements of the system, such as hiring and pay, and build a new model. In addition to filling a critical skills gap, these efforts may offer a blueprint for how to address gaps in other critical occupations.
 - *Fellowship programs to attract proven leaders into government service.* The Presidential Innovation Fellowship and Presidential Executive Fellowship programs encourage successful and diverse entrepreneurs, executives, and innovators to join Government leadership to create meaningful solutions. To date, fellows have led a number of critical projects, including delivering more responsive support to veterans, facilitating billions of dollars of private sector investment for infrastructure and rural development, and strengthening the government’s cybersecurity defenses.

- Helping agencies use available tools to meet recruitment needs:
 - The Hiring Excellence Campaign. Agencies need HR professionals who understand the intricacies of the hiring process, as well as senior leadership and hiring managers who make recruiting top talent a priority. In the spring of 2016, OPM launched a nationwide “Hiring Excellence Campaign,” a series of training sessions with Federal HR professionals and hiring managers designed to address common barriers that agencies face during the hiring process. The campaign was designed to spread best practices and help agencies use existing authorities to meet their needs.
 - *Enhancing [USAJOBS.gov](#).* USAJOBS.gov is a one-stop-shop that allows the American people to find and apply for Federal jobs. After years of customer service challenges, OPM embarked on an aggressive plan to improve the experience for job-seekers and agencies. Through a series of upgrades that create a more user-friendly experience, adding tools that increase transparency about the

application process, and allow more personalized searches, the American people now have clearer path towards opportunities in Federal service. Job applicants' satisfaction with USAJOBS.gov is now at an all-time high.

- *Harnessing the use of data to drive employee engagement.* Since 2011, OPM has continued to advance the [Federal Employee Viewpoint Survey](#) as a dynamic tool that provides leaders and managers across government with actionable information to make data-driven decisions that promote employee engagement and satisfaction. Through [unlocktalent.gov](#), managers and supervisors at all levels can access data relevant to their teams. If investment in this tool continues, it has the potential to become the go-to place for Federal HR metrics and data that drives employee engagement at all levels of government. Through these and other efforts, government-wide engagement has improved 2% in the last two years. Between 2014 and 2015, 57% of bureaus in the government increased their engagement scores; 21% of these bureaus increased 6% or more.
- *Developing the Federal Government's cadre of senior leaders.* In December 2015, President Obama took a series of steps to [strengthen the Senior Executive Service](#) by helping to recruit and develop the government's senior leadership, with the goal of cultivating a diverse, versatile group of executives with the skills and perspective to tackle complex government-wide challenges. While [implementation is still under way](#), agencies are already seeing benefits such as reduced hiring time for Federal executives.

The Path Forward

While we must preserve the principles that make the American civil service an envy of the world, we must also acknowledge that as the functions of government continue to change, the workforce has changed with it. Our civil service system was designed at a time when Federal service looked and operated much differently than it does today. When the civil service was founded, it was comprised mostly of clerical professions. Today, nearly 25% of Federal employees now have an advanced degree and nearly 70% have a Bachelor's degree. The system is long overdue for modernization. Each of the President's past several budgets called for a Commission to recommend a path for comprehensive civil service reform so that the Government recruits, hires, compensates, trains, manages, and holds accountable its workforce in a way that is responsive to the evolving profile of the workforce and the changing needs of the American people in the 21st century. To unlock the full potential of the new workforce, we need to modernize our management systems and processes to adapt our core principles to a 21st century context. In pursuing such reform, there are a number of specific principles to keep in mind:

- *Leaders who prioritize human capital.* Decisions about people—hiring, cultivating, training, and engaging the workforce—are not tasks to be delegated. A modern personnel system will need leaders who take full ownership over the management of their staffs and see it as core to fulfilling their organization's mission. Using tools like the Federal Employee Viewpoint Survey (FEVS) and [FedScope](#), we should make sure our leaders have access to the data and a clear understanding of how to use it.

- *A fluid path in and out of government.* We no longer live in a world where people begin and end their careers with the same employer. To compete for top talent, the government needs to adapt by facilitating a more fluid, flexible path in and out of Federal service. Rather than focusing on ways to keep employees for their entire careers, we should embrace modern reality and seek to make Federal service a coveted stop in every professional's successful career trajectory. Gaining experience in both the public and private sector will expose employees to a broader range of perspectives and help build a more diverse skillset. The result will be a workforce better prepared to tackle complex problems and deliver results for the American public.
- *Rewarding Excellence.* Given the powerful impact our top performers can have on the government's ability to deliver on its mission, it's important to find ways to keep them engaged and committed to Federal service. By making decisions about employment and advancement that are more weighted toward merit and demonstrated potential, we can empower our top performers with opportunities to take on greater challenges, build skills, and grow as professionals and leaders.
- *Commitment to Skill Development.* Federal employees' skills need to keep pace with the government's evolving mission. By prioritizing training and development, we can help the Federal Workforce maintain the tools and agility it needs to serve the American people into the future, and develop a new cadre of employees prepared to assume leadership roles. Using the U.S. military as a model, we should formalize explicit and effective programs that make skills training, including with respect to technology, a core part of an employee's responsibilities.
- *Engaging the workforce through labor-management partnerships.* An engaged workforce is more effective, efficient, and innovative. By including employees at all levels—not just leadership—in decisions that impact their work environment, we can unlock the creativity of the entire workforce, drive performance, and better serve the American people. Leaders should prioritize building strong and collaborative labor-management relationships that make employees and their labor representatives a trusted partner in decision-making.

How We Get There

As we build a 21st century workforce, we need to continue our work to enhance the execution of the current personnel system and set the stage for more comprehensive reforms that address structural challenges to improved government-wide performance. In particular, we should focus on:

- Improving the functioning of the current personnel system:
 - *Expanding the Hiring Excellence Campaign.* Building on initial outreach to agencies, OPM is using data collected in training sessions and the FEVS to engage agencies and identify approaches to meet their specific hiring challenges, creating a community of practice to share promising ways to leverage existing authorities, and investing in ways to use technology to help attract the best talent into Federal service.
 - *Implementing the Competitive Service Act.* In March 2016, the President signed the Competitive Service Act, which allows applicants who have already been

evaluated as highly qualified by one agency to be eligible for hiring for a similar job in another agency. Instead of starting recruitment from scratch, agencies with similar needs can share lists of top applicants. Once implemented, this tool will help streamline the hiring process for high demand occupations.

- *Targeted legislative fixes to bring in students, recent graduates, and high-priority talent on a temporary basis.* Over the past year, the Administration has submitted a series of legislative reform proposals focused on new ways to bring talent into government. The highest priority proposal would allow agencies more flexibility to hire students or recent graduates directly at forums like campus recruitment fairs, just as a private business would. A separate proposal would provide agencies additional flexibility to utilize term and temporary appointments to meet specific high-priority talent needs.
- *Setting the stage for comprehensive reform.* In the President's last several budgets, the Administration proposed the creation of a Congressionally-chartered commission to explore more comprehensive civil service reform. Congress should act to bring together Members of Congress, representatives from the President's National Council on Federal Labor-Management Relations, the private sector, and academic experts to develop recommendations on reforms that would modernize personnel policies. By bringing together stakeholders that represent different elements of the complex and interdependent personnel system, this Commission can develop a coordinated and strategic vision that optimizes overall performance.

Building a Trusted Workforce

A trusted and well-qualified workforce is essential for agencies to fulfill their missions and serve the American people. Events of recent years have underscored the imperative of guarding against threats posed by insiders who seek to harm the government's personnel, property, and information systems. OPM plays a central role in this effort by conducting 95% of Federal background investigations that gather information used by agencies to make employment and security clearance decisions. During this Administration, OPM has worked hard to strengthen and modernize the background investigations process, and has developed a roadmap for how to continue down this path. In particular, OPM has focused on:

- *Continuing modernization efforts.* This Administration has taken a series of steps to update and modernize the background investigation process. The Performance Accountability Council (PAC) has worked to strengthen all aspects of this important program, which includes the incorporation of social media information in the investigative process and taking key steps towards continuous evaluation, which is designed to flag adjudicatively relevant information as it occurs. OPM has also developed new training standards for investigators and new investigative standards developed by the PAC.
- *Establishing the [National Background Investigations Bureau \(NBIB\)](#).* In the summer of 2015, the President ordered a review to determine the best way to build on the Administration's progress. Following this review, the Administration announced the establishment of NBIB, a new background investigations unit within OPM. NBIB is designed with an enhanced focus on national security, IT security, customer service, and

continuous process improvement to meet this critical need now and in the future. Key aspects of NBIB include:

- *Enhanced IT security through partnership with the Department of Defense (DOD).* To leverage the latest technology, protect sensitive information, and best defend against evolving threats, NBIB's IT systems will be designed, secured, and operated by DOD. This will leverage DOD's cybersecurity expertise to protect NBIB's systems. While this transition occurs, DOD and OPM have collaborated to enhance the security of OPM's legacy networks.
- *New tools and capacity to improve operations and reduce the backlog.* To help investigators capture relevant information and complete their work efficiently, NBIB will streamline its internal business processes, embrace tools that enhance automation, improve the ability to share information across government, and explore new and evolving information sources like social media.
- *Dedication to customer service.* NBIB will maintain formal and informal lines of communication to facilitate open dialogue with all stakeholders, including local law enforcement that provides much of the information relevant to the investigations, and the agencies that rely on the collected information to make decisions.

The Next Phase of Modernization

The creation of NBIB to modernize and strengthen the way the Federal Government conducts background investigations is a key step towards achieving the strategic vision of a trusted Federal Workforce that protects the Government's information and property and promotes a safe and secure work environment. Key principles of the strategy include:

- *Continuous Evaluation.* The government needs a way to identify potential national security threats in real time. As our technological capabilities increase, the government should move towards a system of "continuous evaluation" that notifies officials of incidents or potential red flags immediately, rather than waiting for the next reinvestigation to identify risks. This model would allow for re-evaluations based on risk rather than fixed timelines. Further, a system that continuously updates an individual's security profile would enable faster transitions for an increasingly mobile workforce as applicants and employees change jobs across government and industry.
- *Risk-based approach to vetting.* Decision-makers need to access the right information at the right time. The digital environment has revealed new types of records, such as social media, that can generate information electronically. We need a way to access this information and a strategy that lets us determine which new sources are relevant to adjudications while respecting individual liberties and privacy. There are also still many highly relevant records, such as law enforcement records, that often can only be accessed manually. The government should pursue a strategy that better enables us to access both.
- *Continuous Process Improvement.* The ability to evolve, innovate, and make empirically-based decisions is critical for the process to continue to adapt to new and emerging threats. We must analyze the impact of new policies and procedures, evaluate new methodologies, and identify and resolve potential challenges through coordination with stakeholders from across the government.

The formation of NBIB creates a blueprint for modernization efforts. Now, the hard work of implementation begins. In the months and years ahead, OPM would benefit from:

- *Continued momentum for the stand up of NBIB throughout the Presidential transition.* NBIB has a new organizational model that will provide tailored support that will help achieve its mission. It is critical that the stand-up of NBIB continue without delay, as it continues to conduct investigations for agencies throughout the transition. Leadership within OPM, DOD, the Office of the Director of National Intelligence, and the Office of Management and Budget will need to continue close collaboration through the PAC and prioritize this important work within their agencies.
- *Continued work to improve timeliness of investigations.* Reducing the backlog of investigations must remain a top priority for NBIB. NBIB must continue to diligently execute initiatives to streamline business processes, increase automation, add investigative resources, and improve the way information is verified and shared.
- *Continued focus on secure and modern mission-capable IT.* To modernize investigations, new systems must be built using an IT strategy informed by the needs of stakeholders across government and informed by best practices. In addition to securing the sensitive data collected in the investigations, improvements to the IT systems can make the background investigation processes more efficient, nimble, and responsive.

Striving Towards Operational Excellence

As the Federal Government works to modernize how it does business, OPM has focused on embracing new tools and technologies to deliver better customer service and further secure the information we house. In a rapidly changing and increasingly interconnected digital world, it is important for agencies to develop the best possible defenses and safeguards for the information they house. OPM has made significant progress in further modernizing and securing its IT systems, efforts that should continue through the next Administration. OPM has also focused on how technology and human-centered design can improve the customer experience. As the primary provider of Federal employee benefits, OPM has worked to build and maintain competitive benefits as an incentive to join and serve, particularly through the nation's largest employer-based health insurance program, the Federal Employee Health Benefits (FEHB) program. As the provider of retirement benefits to former civil servants, OPM has worked to make access to information and benefits more readily available through an expansion of online services. In particular, OPM has worked toward:

- *IT security and modernization.* Our society's increased reliance on IT presents boundless opportunities for our economy, business, and government, but it also presents challenges. As more sensitive data is stored online, Americans must adapt to the threats to our data or systems. In 2015, OPM announced that it had discovered two separate but related cybersecurity incidents impacting personnel and background investigations records of current, former, and prospective Federal employees and contractors. Following the breach, OPM and experts from across the government worked to provide those whose data were impacted with a comprehensive suite of identity theft protection and monitoring services. OPM took aggressive measures to further secure our IT systems, and accelerated an ambitious plan towards long-term IT security and modernization. OPM has upgraded the security of our systems and network perimeter and strengthened the

organization's ability to respond to attacks. These steps included bringing on new senior-level cybersecurity personnel, and adopting new tools and procedures to restrict access to the networks and deter and detect attacks on the systems. Working with inter-agency partners, OPM formalized our internal response processes and became an early adopter of innovative new government-wide security efforts.

- *Enhanced customer service delivery.* By viewing issues from the perspective of those who will be using a service, we can strive to provide excellent customer service to all Americans with a consistently high level of responsiveness and quality. In 2012, OPM created the Innovation Lab to develop solutions by adopting this way of thinking—known as user centered design—and improve citizen-facing services. For example, the Lab team worked with the Department of Agriculture to help families sign up for free and low-cost school lunches. By posing the problem to eligible families and school officials, the team worked with USDA officials to review the rules of the program and brainstorm solutions. Together, they found that simple changes to the application form would improve the application process and thereby expand students' access to nutritious food. In 2017, OPM's Federal Executive Institute will offer the first course on process improvement methods like Lean Six Sigma and human-centered design.
- *Providing first-rate health benefits choices at an affordable cost.* Providing high quality health benefits is a critical way to promote the government as an employer of choice. Over the course of the Administration, the FEHB has continued to improve benefits by extending coverage to dependents of FEHB enrollees up to age 26, introducing comprehensive tobacco cessation coverage, expanding coverage of Applied Behavior Analysis for individuals with autism, encouraging parity for mental health and substance use disorder services, and expanding access to treatment for individuals with gender dysphoria. At the same time, by leveraging economies of scale, embracing a value based purchasing approach, and improving analytical capability, since 2011, FEHB has experienced the longest sustained period of low annual premium growth in its 56 year history and kept rate increases below market average for large employers.
- *Using data analytics to improve FEHB performance.* OPM is dedicated to improving the health outcomes for the 8.2 million Federal employees, retirees, and dependents enrolled in FEHB. To do so, FEHB developed the Plan Performance Assessment process that uses metrics to examine plans in critical areas of importance to the consumer—clinical quality, customer service, and more – and provides financial rewards to those that perform well. By tracking metrics like readmission rates, timeliness of pre-natal care, and blood pressure control, OPM uses data to create the incentive for insurers to provide top-notch care. Further, through the creation of the Health Claims Data Warehouse, OPM is supporting data-driven decisions to improve care, lower costs, and improve customer service across the program without compromising the privacy rights of individual enrollees.

Next Steps

The majority of OPM's function is as a service provider to Federal agencies, employees, retirees, and their families. To meet the operational challenges of the 21st century, we must continue to find innovative ways to compete with leaders in the private sector. This will take a commitment from senior leaders across the Federal Government, including OPM, to expand and scale the new tools and processes across agencies. OPM should also continue its use of data to improve

analytical capabilities across its business processes to better identify the needs of its customers, determine which areas are ripe for improvement, and construct plans for how best to use limited resources for maximum impact. In particular, OPM should continue to focus on:

- *IT modernization.* Embracing modernization can help save taxpayer dollars, improve critical programs, and mitigate security risks in a world of continually evolving threats. OPM has developed a detailed plan for IT modernization that migrates OPM's systems to a new and more secure environment. That's why the Administration has called for increased funding to enable OPM to not only continue, but accelerate, its next steps in the IT modernization process. OPM and DOD must also continue to collaborate on the development of a state-of-the-art IT system for NBIB.
- *Continued improvements in customer service for Federal annuitants.* By expanding the use of online portals, using modern quality improvement techniques to streamline the process, and embracing new metrics to identify ways to improve the process, OPM has strengthened the service provided to retirees and their families. However, there is still a long way to go. By maintaining our commitment to technology and data, adding additional resources to increase staff, and investing in state-of-the-art tools, OPM can and will better serve Federal retirees and their families.
- *Invest in technology that supports human capital management.* By investing in IT systems that support agencies' talent management goals, we can drive a more effective, efficient, and data-driven hiring and talent management process that improves performance. Among other initiatives, OPM should continue its efforts to develop "USA Suite"—a coordinated program that will help agency HR practitioners and Federal Workforce stakeholders look across new integrated programs and data sets to help make more informed and impactful decisions.

Conclusion

I believe that Americans have the capacity to overcome nearly any obstacle as long as you find the right group of talented, committed, and diverse people and give them the tools they need to succeed. I have had the privilege to meet many of the members of the Federal Workforce at OPM and across the government who work tirelessly to make America safer, more prosperous, and more just. While the American people may never know their names, I have been inspired by their passion, skill, and ability to roll up their sleeves and get a job done.

I believe that under President Obama's leadership, OPM has made real progress during this Administration towards giving these dedicated public servants the tools they need to succeed. I see that progress every day. Whether it's a nurse hired under an emergency hiring authority deployed to fight Zika, a person with disabilities thriving in a new role, or a Federal employee's child with autism receiving the treatment that she needs, I am reminded of how supporting the Federal Workforce and giving them and their families the tools to succeed is essential for serving the American people in the 21st century.

There is much more to be done. But I am confident that by modernizing our tools, technology and processes, and embracing new ways to think and make decisions, we are capable of meeting the challenge and building an even greater workforce now and in the future.