

OFFICE OF PERSONNEL MANAGEMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management 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 the Office of Personnel Management 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; \$85,350,000; and in addition \$91,236,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, United States Code: *Provided further*, That, except as may be consistent with 5 U.S.C. 8902a(f)(1) and (i), no payment may be made from the Employees Health Benefits Fund to any physician, hospital, or other provider of health care services or supplies who is, at the time such services or supplies are provided to an individual covered under chapter 89 of title 5, United States Code, excluded, pursuant to section 1128 or 1128A of the Social Security Act (42 U.S.C. 1320a-7 through 1320a-7a), from participation in any program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.): *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management 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 the fiscal year ending September 30, [1998] 1999, accept donations of money, property, and personal services in connection with the development of a publicity brochure 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. (*Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Direct program:			
00.01 Merit systems oversight and effectiveness	16	17	17
00.02 Employment	33	31	31
00.03 Retirement and insurance	104	106	110
00.04 Workforce compensation and performance	6	7	7
00.05 Investigations	3	3	3
00.06 Workforce relations	4	4	4
00.07 Executive resources	3	3	3
00.08 Administrative services	15	13	13
00.09 Executive and other services	15	15	15
00.91 Total direct program	199	199	203
09.01 Reimbursable program	8	9	9
10.00 Total obligations	207	208	212
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested		6	
22.00 New budget authority (gross)	213	208	212

22.30 Unobligated balance expiring	-1	-6	
23.90 Total budgetary resources available for obligation	212	208	212
23.95 New obligations	-207	-208	-212
24.40 Unobligated balance available, end of year:			
Uninvested	6		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	87	85	85
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	126	123	127
70.00 Total new budget authority (gross)	213	208	212
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	33	37	37
73.10 New obligations	207	208	212
73.20 Total outlays (gross)	-202	-208	-212
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	37	37	37
Outlays (gross), detail:			
86.90 Outlays from new current authority	69	74	74
86.93 Outlays from current balances	7	11	11
86.97 Outlays from new permanent authority	126	123	127
87.00 Total outlays (gross)	202	208	212
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-126	-123	-127
Net budget authority and outlays:			
89.00 Budget authority	87	85	85
90.00 Outlays	76	85	85

The Office of Personnel Management (OPM) is responsible for personnel management functions which include the following activities:

Merit systems oversight and effectiveness.—This activity includes: (a) direct oversight of human resources management (HRM) in Federal agencies through various methods, including onsite evaluations; (b) administration of the classification appeals and Fair Labor Standards Act (FLSA) programs to ensure that agencies adhere to the statutory requirements of both laws; (c) assisting agencies in developing merit-based internal HRM accountability systems which support mission accomplishment; (d) assessing the effectiveness of government wide HRM policies and programs and acting as a clearing-house for best practices; (e) testing and evaluating innovative Federal HRM practices and systems, including demonstration projects under 5 U.S.C. Chapter 47; (f) providing readily accessible primary source data on Federal workforce information; and (g) administering parts of the Voting Rights Act of 1965.

Program performance.—The merit systems oversight and effectiveness program performance measures are designed to determine the value added, outcome-oriented impact that the oversight and effectiveness reviews and workforce information reports have on their clients: the Federal human resources management community and Federal employees. As a part of each review or report on human resources management at Federal agencies, client feedback is solicited on the importance and quality of written reports, and on the professionalism, usefulness and overall quality of the evaluation effort. Regular reviews are conducted of the quality of data used in our reviews and reports. Records of at least 97% of employ-

General and special funds—Continued**SALARIES AND EXPENSES—Continued****(INCLUDING TRANSFER OF TRUST FUNDS)—Continued**

ees per agency that are input into the Central Personnel Data File are correct on all core elements. The Merit System Principles Questionnaire that OPM uses to collect employee perceptions of agency observance of each of the nine merit principles established by law is content valid and reliable. Feedback on agency oversight indicates that clients highly value the work, as shown by a rating of 4 on a scale of 1–5 on the overall quality of agency evaluations, and a rating of 4–5 on the quality of the written evaluation reports. In addition, Merit System Principles Questionnaires are administered as part of agency oversight reviews to measure employee perceptions of agency observance of each of the nine merit principles established by law. Based on preliminary responses, Federal employees report that the merit system is alive and well in key areas like recruitment, fairness, conduct, efficiency/effectiveness, training, and protection of employees from improper political influence and for lawful disclosure of information. However, employees believe that more work needs to be done to better link performance to pay and retention actions as articulated in the merit system principles. The questionnaire information is shared with Federal agencies and used to work with them to continuously improve the quality of their human resources management.

Employment service.—The Employment Service provides leadership and manages the merit-based employment system for the Federal government. In partnership with agencies, the Service provides a high-quality, diverse workforce through a mix of policy direction, technical assistance, and reimbursable services in the following areas: employment information; assessment; merit-based staffing services; veterans' preference; workforce diversity; automated human resources management (HRM) systems; workforce restructuring and placement, and organizational analysis and improvement. These operations are carried out through a network of Service Centers throughout the country.

Program performance.—The Employment Service establishes annual performance goals and objectives designed to accomplish long-term goals identified in OPM's Strategic Plan. Progress is monitored through a mix of outcome and output measures, including results of oversight reviews, qualitative feedback on usefulness of policies and information processes, customer satisfaction with services, cost-comparison analyses, workload accomplishment data, and quality and timeliness information. (Some of these measures were introduced in 1998.)

The Employment Service provided information to over ten million people in 1997 through a nationwide system available 24 hours a day, 7 days a week, by telephone, fax, or personal computer, and touch screen kiosks. USAJOBS, the employment information website, averages more than 25,000 visits daily. Customers satisfaction with all systems increased from 78.7% to 82.4% in 1997.

The Employment Service conducts a recertification and training program for all agency Delegated Examining Units to ensure that agencies are carrying out their delegated responsibilities in accordance with law and regulation, and accomplished all scheduled recertifications. In 1997, they also made quality and timeliness improvements in two important specialized Federal employment programs, the Presidential Management Intern (PMI) Program and the Administrative Law Judges (ALJ), through increased automation and process reengineering.

In the area of policy leadership, the Employment Service proposed more flexible regulations regarding merit promotion and non-permanent employment; eliminating approximately 70 redundant excepted appointment authorities; published the

VetGuide (and posted it on the Internet) to help agencies better comply with Veterans' Preference requirements and to provide better information to the public; began publishing annual statistical profiles on all minorities, women, and veterans in the Federal government to help agencies target their recruitment and career development plans; effectively assisted in the governmentwide downsizing effort in a way that has minimized the impact on individual employees, assisting over 11,000 employees to find new Federal positions in 1996 (most recent data available).

Retirement and insurance.—This activity administers retirement and insurance programs for Federal employees and retired Federal employees. These programs include the Civil Service Retirement and Disability Fund, the Employees Life Insurance Fund, and the Employees and Retired Employees Health Benefits Funds.

Program performance.—In the retirement area, OPM reduced processing times for interim annuity payments from 5 days in 1996 to 4.6 days, averaging less than 3 days during the last half of the year, and authorizing 30 percent within one day of receiving the retirement applications at OPM. The time to take final action on an annuity account dropped from 42 days in 1996 to 39 days in 1997, while error rates remained constant at 6 percent. Customer satisfaction with claims processing remained at prior year levels, with 90 percent of survey respondents reporting that they were either "generally" or "very satisfied" with the service they received.

Annuitant Express, featuring Interactive Voice Response (IVR) technology and toll-free telephone service, was expanded to cover a wider range of allotments and withholdings. Use of the system increased by 60 percent. In a further effort to increase the amount of business it conducts by telephone, OPM extended 1-800 service to all of its call centers, added more customer service representatives and phone lines in its Washington, D.C., Retirement Information Office, and opened a new Teleservice Center in Pittsburgh, PA. These improvements resulted in a 35 percent reduction in caller hold times, and a 22 percent drop in lost calls. More importantly, customers' ability to get through to OPM by telephone improved by 38 percent, while the number of callers getting through on their first attempt increased by 34 percent. Overall, customer satisfaction with the courtesy, clarity and timeliness of telephone services increased by 8 percent.

In the health insurance area, OPM reduced processing times for disputed claims from 67 days in 1996 to 42 days in 1997. Ninety-two percent of all disputed claims were processed within the target of 60 days, and the balance of unprocessed work reached an historically low level.

Finally, OPM make significant progress in using new technologies to interact with its customers. It added state-of-the-art pages to its Website containing comprehensive information about plans participating in the Federal Employees' Health Benefits Program Contract Year 1998 Open Season. It also began offering Benefits Center, an interactive CD-ROM product that covers a wide variety of retirement, health and life insurance topics, including Social Security and Thrift Savings Plan benefits.

Workforce compensation and performance.—This activity includes: (a) developing and implementing pay and leave administration policy and evaluating the effectiveness of alternative compensation systems; (b) developing classification policies and systems and designing flexible alternatives to current systems; and (c) developing governmentwide policy concerning performance management.

Investigations.—This activity focuses on assuring applicant and appointee fitness and suitability and oversight of the investigative contract company.

Workforce relations.—This activity includes: (a) developing and administering policies, regulations and guidelines on employee relations, including adverse and performance-based ac-

tions and violence in the workplace; (b) facilitating and supporting Federal work and family programs; (c) providing leadership and policy guidance in support of agency human resource development programs and training; and (d) providing guidance and assistance to Federal agencies on labor-management relations and partnership, including managing the activities of the National Partnership Council on behalf of the Council Chair.

Program performance.—OPM's workforce relations performance measures are designed to determine the value-added of OPM's policy leadership and guidance on employee and labor-management relations issues, work and family programs, and human resources development and training. In 1998 several key measures were developed to evaluate the impact of OPM's policy leadership and technical assistance on the human resources management community. Prior to conferences, seminars and workshops, stakeholders were surveyed to identify principal areas of interest, and feedback was used to establish agendas. Following each session, feedback was obtained through structured questionnaires to determine strengths and weaknesses of each presentation. Programs were revised accordingly. At regular intervals, surveys were conducted of readers of published materials, both hard-copy and electronic, to ensure excellent customer service, timely policy guidance, and to measure the relative effect of OPM's guidance and assistance. Additionally, OPM developed an agency-wide customer survey that will provide useful information on workforce relations programs.

Executive resources.—This activity provides government-wide program leadership, policy direction and technical assistance on all aspects of the Senior Executive Service personnel system and comparable executive systems.

Administrative services.—This activity includes: OPM personnel and equal employment opportunity; security, facilities, telecommunications, publishing, acquisitions, and information resources management to support all OPM programs.

Executive and other services.—This activity includes: executive direction; policy development; legal advice and representation; public affairs; legislative activities; financial management; and the operating expenses of the President's Commission on White House Fellows.

Reimbursable programs.—OPM performs reimbursable work at the request of other agencies. OPM also provides administrative, information resources management, and executive services to other OPM accounts on a reimbursable basis.

Object Classification (in millions of dollars)

Identification code 24-0100-0-1-805	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	91	94	97
11.3 Other than full-time permanent	5	5	5
11.5 Other personnel compensation	3	3	3
11.9 Total personnel compensation	99	102	105
12.1 Civilian personnel benefits	21	22	23
21.0 Travel and transportation of persons	2	2	2
23.1 Rental payments to GSA	21	21	21
23.3 Communications, utilities, and miscellaneous charges	14	13	12
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	2	1	5
25.2 Other services	20	14	13
26.0 Supplies and materials	2	2	2
31.0 Equipment	14	18	16
32.0 Land and structures	1	1	1
99.0 Subtotal, direct obligations	199	199	203
99.0 Reimbursable obligations	8	9	9
99.9 Total obligations	207	208	212

Personnel Summary

Identification code 24-0100-0-1-805	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	2,210	2,099	2,099
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	92	115	115

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$960,000; and in addition, not to exceed **[\$8,645,000]** \$9,145,000 for administrative expenses to audit 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. (*Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 24-0400-0-1-805	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations	10	10	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	10	10	10
23.95 New obligations	-10	-10	-10
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	1	1	1
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	9	9	9
70.00 Total new budget authority (gross)	10	10	10
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	1		
73.10 New obligations	10	10	10
73.20 Total outlays (gross)	-10	-10	-10
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	1	1
86.97 Outlays from new permanent authority	9	9	9
87.00 Total outlays (gross)	10	10	10
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9	-9	-9
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	-1	1	1

This appropriation provides agency-wide audit, investigative, evaluation, inspection, and administrative sanction functions to identify management and administrative deficiencies that may create conditions for fraud, waste, and mismanagement. The audits function provides internal agency audit, insurance audit, and contract audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection

General and special funds—Continued**OFFICE OF INSPECTOR GENERAL—Continued****SALARIES AND EXPENSES—Continued**

tion services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees. These Inspector General activities resulted in positive financial impact in excess of \$87 million in 1997. This request includes an additional \$0.5 million above the approved 1998 resource level to reduce the insurance audits cycles. The impact of the additional funds will be an increased positive financial impact for the OPM administered trust funds.

Object Classification (in millions of dollars)

Identification code 24-0400-0-1-805	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	1
23.1 Rental payments to GSA	1	1	1
25.2 Other services	1	1	1
99.0 Subtotal, direct obligations	9	9	9
99.5 Below reporting threshold	1	1	1
99.9 Total obligations	10	10	10

Personnel Summary

Identification code 24-0400-0-1-805	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	94	100	105
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment		3	3

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary. (*Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 24-0206-0-1-551	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Government contribution for annuitants benefits (1959 law)	3,929	4,143	4,628
00.02 Government contribution for annuitants benefits (1960 act)	5	4	4
10.00 Total obligations (object class 13.0)	3,934	4,147	4,632
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested	941	94	
22.00 New budget authority (gross)	3,087	4,053	4,632
23.90 Total budgetary resources available for obligation	4,028	4,147	4,632
23.95 New obligations	-3,934	-4,147	-4,632
24.40 Unobligated balance available, end of year: Uninvested	94		
New budget authority (gross), detail:			
40.05 Appropriation (indefinite)	3,087	4,053	4,632

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	220	182	198
73.10 New obligations	3,934	4,147	4,632
73.20 Total outlays (gross)	-3,972	-4,131	-4,480
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	182	198	350
Outlays (gross), detail:			
86.90 Outlays from new current authority	2,811	3,854	4,282
86.93 Outlays from current balances	1,161	276	198
87.00 Total outlays (gross)	3,972	4,131	4,480
Net budget authority and outlays:			
89.00 Budget authority	3,087	4,053	4,632
90.00 Outlays	3,972	4,131	4,480

This appropriation covers: (1) the Government's share of the cost of health insurance for 1,846,000 annuitants as defined in sections 8901 and 8906 of title 5, United States Code; (2) the Government's share of the cost of health insurance for about 8,000 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 (3) the Government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the Act.

The budget authority for this account recognizes the amounts being remitted by the U.S. Postal Service (USPS) to finance a portion of its post-1971 annuitants' health benefit costs. As of the end of 1997, this group of USPS annuitants totalled 415,000 persons.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary. (*Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 24-0500-0-1-602	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)	28	32	35
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested		1	
22.00 New budget authority (gross)	28	32	35
23.90 Total budgetary resources available for obligation	28	33	35
23.95 New obligations	-28	-32	-35
24.40 Unobligated balance available, end of year: Uninvested	1		
New budget authority (gross), detail:			
40.00 Appropriation	28	32	35
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	3	3	3
73.10 New obligations	28	32	35
73.20 Total outlays (gross)	-28	-32	-35
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new current authority	25	29	32
86.93 Outlays from current balances	3	3	3
87.00 Total outlays (gross)	28	32	35
Net budget authority and outlays:			
89.00 Budget authority	28	32	35
90.00 Outlays	28	32	35

This appropriation finances the Government's share of premiums, which is one-third the cost, for Basic life insurance for annuitants retiring after December 31, 1989, and who are less than 65 years old.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing 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, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771–775), may hereafter be paid out of the Civil Service Retirement and Disability Fund. (*Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 24–0200–0–1–805	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.02 Payment of Government share of retirement costs	8,085	8,367	8,682
00.03 Transfers for interest on unfunded liability and payment of military service annuities	13,113	12,765	12,746
00.05 Spouse equity payment	56	56	56
10.00 Total obligations	21,254	21,188	21,484
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	21,254	21,188	21,484
23.95 New obligations	–21,254	–21,188	–21,484
New budget authority (gross), detail:			
Current:			
40.05 Appropriation (indefinite)	8,085	8,367	8,682
Permanent:			
60.05 Appropriation (indefinite)	13,169	12,821	12,802
70.00 Total new budget authority (gross)	21,254	21,188	21,484
Change in unpaid obligations:			
73.10 New obligations	21,254	21,188	21,484
73.20 Total outlays (gross)	–21,254	–21,188	–21,484
Outlays (gross), detail:			
86.90 Outlays from new current authority	8,085	8,367	8,682
86.97 Outlays from new permanent authority	13,169	12,821	12,802
87.00 Total outlays (gross)	21,254	21,188	21,484
Net budget authority and outlays:			
89.00 Budget authority	21,254	21,188	21,484
90.00 Outlays	21,254	21,188	21,484

Payment of Government share of retirement costs.—This payment amortizes increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases.

Transfers for interest on static unfunded liability and payment of military service annuities.—This transfer covers interest on the static unfunded liability and annuity disbursements attributable to military service.

Payments for spouse equity.—This payment provides survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage.

Object Classification (in millions of dollars)

Identification code 24–0200–0–1–805	1997 actual	1998 est.	1999 est.
12.1 Civilian personnel benefits	8,085	8,367	8,682
13.0 Benefits for former personnel	13,169	12,821	12,802
99.9 Total obligations	21,254	21,188	21,484

Intragovernmental funds:

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24–4571–0–4–805	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.01 DOD testing	8	8	8
09.02 Employment service	17	30	31
09.03 Investigations	97	81	82
09.04 Workforce relations	35	35	36
09.05 Executive resources	19	21	22
10.00 Total obligations	176	175	179
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	61	52	52
22.00 New budget authority (gross)	167	175	179
23.90 Total budgetary resources available for obligation	228	227	232
23.95 New obligations	–176	–175	–179
24.40 Unobligated balance available, end of year:			
Uninvested	52	52	52
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	123	175	179
68.10 Change in orders on hand from Federal sources	44		
68.90 Spending authority from offsetting collections (total)	167	175	179
70.00 Total new budget authority (gross)	167	175	179
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested	–28	–18	–18
72.95 Orders on hand from Federal sources	184	228	228
72.99 Total unpaid obligations, start of year	156	210	210
73.10 New obligations	176	175	179
73.20 Total outlays (gross)	–122	–175	–179
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested	–18	–18	–18
74.95 Orders on hand from Federal sources	228	228	228
74.99 Total unpaid obligations, end of year	210	210	210
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	122	175	179
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–122	–174	–178
88.40 Non-Federal sources	–1	–1	–1
88.90 Total, offsetting collections (cash)	–123	–175	–179
88.95 Change in orders on hand from Federal sources	–44		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	–1		

Workforce training.—In July 1995, the Office of Personnel Management (OPM) privatized its workforce training program.

DOD testing.—OPM conducts military entrance exams for the Department of Defense (DOD). The Employment Service continued to provide testing for the Department of Defense, conducting approximately 13,400 student test sessions and 30,700 enlistment sessions.

Employment service.—OPM delivers employment information, examining services, automated staffing, and related human resource management services to Federal agencies nationwide. Federal agencies contracted with the Employment Service to conduct examinations of job applicants. In 1997, Employment Service delivered 16,054 certificates of eligible candidates to these agencies.

Intragovernmental funds—Continued**REVOLVING FUND—Continued**

Investigations.—Through a contract with an employee-owned private company, OPM conducts National Agency Check and Inquiry cases and background security investigations for Federal agencies on a reimbursable basis. To the extent that OPM is required to pay a fee to the Federal Bureau of Investigation for name and fingerprint checks, agencies are required to reimburse OPM for such fees through the revolving fund.

Workforce relations.—OPM provides training management assistance (TMA) to Federal agencies in support of their human resource development programs by designing and producing training products through partnership with Federal agencies and private sector firms specializing in instructional systems.

Program performance.—The TMA program performance measures are designed to determine value added to Federal agencies through human resources management assistance utilizing an instructional systems design approach. In 1998, several measures were implemented to determine the cost-effectiveness of OPM's services to enhance Federal human resources. These included workload measures such as the dollar amount of new and added funding for TMA projects; business well-being indicators such as the percent of income above contractor invoices; and customer satisfaction measures to better define the benefits of TMA services.

Executive resources.—OPM manages the President's quality awards program and conducts residential and non-residential programs for Federal executives and managers to improve the effectiveness and efficiency of Federal programs.

WORKLOAD COUNT

	1997 actual	1998 est.	1999 est.
Participant training days	73,851	71,597	78,309
Background security investigations processed	53,080	42,500	42,500
National and special agency check and inquiry cases	245,813	253,000	253,000

Statement of Operations (in millions of dollars)

Identification code 24-4571-0-4-805	1996 actual	1997 actual	1998 est.	1999 est.
Department of Defense testing program:				
0111 Revenue	7	8	8	8
0112 Expense	-7	-8	-8	-8
0119 Net income or loss, Workforce training				
Employment service:				
0121 Revenue	12	21	28	30
0122 Expense	-10	-15	-28	-30
0129 Net income or loss (-), Executive resources	2	6		
Investigations:				
0131 Revenue	93	106	84	84
0132 Expense	-68	-105	-84	-84
0139 Net income or loss (-), DOD testing program	25	1		
Workforce relations:				
0141 Revenue	36	38	35	37
0142 Expense	-34	-36	-34	-35
0149 Net income or loss (-), Employment service	2	2	1	2
Executive resources:				
0151 Revenue	18	20	20	21
0152 Expense	-16	-18	-20	-21
0159 Net income or loss, Investigations program	2	2		
Workforce training:				
0161 Revenue		-1		
0162 Expense	-5			
0169 Net income or loss (-), Human resources systems	-5	-1		

0189 Net income or loss (-), Other programs				
0191 Total revenues	166	192	175	180
0192 Total expenses	-140	-182	-174	-178
0199 Net income or loss	26	10	1	2

Balance Sheet (in millions of dollars)

Identification code 24-4571-0-4-805	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	32	34	34	34
Investments in US securities:				
1106 Receivables, net	81	124	111	113
1803 Other Federal assets: Property, plant and equipment, net	28	8	9	8
1999 Total assets	141	166	154	155
LIABILITIES:				
2101 Federal liabilities: Accounts payable	13	16	13	13
Non-Federal liabilities:				
2201 Accounts payable	4	4	4	4
2207 Other	124	129	129	129
2999 Total liabilities	141	149	146	146
NET POSITION:				
3100 Appropriated capital	7	7	7	7
3300 Cumulative results of operations	-7	10	1	2
3999 Total net position		17	8	9
4999 Total liabilities and net position	141	166	154	155

Object Classification (in millions of dollars)

Identification code 24-4571-0-4-805	1997 actual	1998 est.	1999 est.
Personnel compensation:			
11.1 Full-time permanent	14	19	20
11.3 Other than full-time permanent	6	6	7
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	21	26	28
12.1 Civilian personnel benefits	4	5	5
13.0 Benefits for former personnel	3		
21.0 Travel and transportation of persons	3	4	4
23.1 Rental payments to GSA	5	7	7
23.3 Communications, utilities, and miscellaneous charges	4	12	12
24.0 Printing and reproduction		1	1
25.2 Other services	131	113	116
26.0 Supplies and materials	2	2	2
31.0 Equipment	3	5	4
99.9 Total obligations	176	175	179

Personnel Summary

Identification code 24-4571-0-4-805	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment	425	688	683

Trust Funds**CIVIL SERVICE RETIREMENT AND DISABILITY FUND****Unavailable Collections (in millions of dollars)**

Identification code 24-8135-0-7-602	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year	389,399	417,957	447,271
Receipts:			
02.01 Employee contributions	4,168	4,074	4,076
02.02 Agency contributions	8,168	8,678	8,846
02.03 District of Columbia contributions	74	77	71
02.04 Postal Service agency contributions	2,483	2,468	2,521
02.05 Postal Service supplemental contributions	3,444	3,600	3,515
02.06 Federal Financing Bank interest	1,937	1,783	1,691
02.07 Employee deposits, redeposits and other contributions	127	124	121
02.08 Treasury interest	28,547	30,673	31,861
02.09 General fund payment to the Civil Service Retirement and Disability fund	21,254	21,188	21,484

02.10	Re-employed annuitants salary offset	27	26	25
02.11	Employee contributions, supplemental request		6	167
02.12	Agency contributions, supplemental request		-3	-71
02.13	Postal Service agency contributions, supplemental request			-22
02.14	Treasury interest, supplemental request			3
02.99	Total receipts	70,229	72,694	74,288
04.00	Total: Balances and collections	459,628	490,651	521,559
Appropriation:				
05.01	Civil service retirement and disability fund	-41,671	-43,380	-45,270
05.99	Subtotal appropriation	-41,671	-43,380	-45,270
07.99	Total balance, end of year	417,957	447,271	476,289

Program and Financing (in millions of dollars)

Identification code 24-8135-0-7-602	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Annuities	41,156	42,892	44,779
00.02 Refunds and death claims	412	384	380
00.04 Administration	103	104	111
10.00 Total obligations	41,671	43,380	45,270
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	10	10	10
22.00 New budget authority (gross)	41,671	43,380	45,270
23.90 Total budgetary resources available for obligation	41,681	43,390	45,280
23.95 New obligations	-41,671	-43,380	-45,270
24.40 Unobligated balance available, end of year:			
Uninvested	10	10	10
New budget authority (gross), detail:			
Current:			
40.26 Appropriation (trust fund, definite)	85	83	83
Permanent:			
60.27 Appropriation (trust fund, indefinite)	70,143	72,622	74,142
60.45 Portion precluded from obligation	-28,557	-29,325	-28,955
63.00 Appropriation (total)	41,586	43,297	45,187
70.00 Total new budget authority (gross)	41,671	43,380	45,270
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.40 Uninvested	-37	16	8
72.41 U.S. Securities: Par value	3,634	3,529	3,683
72.99 Total unpaid obligations, start of year	3,597	3,545	3,691
73.10 New obligations	41,671	43,380	45,270
73.20 Total outlays (gross)	-41,722	-43,234	-45,116
Unpaid obligations, end of year:			
Obligated balance:			
74.40 Uninvested	16	8	8
74.41 U.S. Securities: Par value	3,529	3,683	3,837
74.99 Total unpaid obligations, end of year	3,545	3,691	3,845
Outlays (gross), detail:			
86.90 Outlays from new current authority	85	83	83
86.93 Outlays from current balances	6	4	6
86.97 Outlays from new permanent authority	38,043	39,615	41,357
86.98 Outlays from permanent balances	3,588	3,532	3,669
87.00 Total outlays (gross)	41,722	43,234	45,116
Net budget authority and outlays:			
89.00 Budget authority	41,671	43,380	45,270
90.00 Outlays	41,723	43,234	45,116

This fund: (1) pays annuities to retired employees or their survivors; (2) makes refunds to separated employees for amounts withheld and to beneficiaries of employees who died before retirement or before annuities equaled the amount withheld; and (3) pays expenses of the Office of Personnel Management and the Merit Systems Protection Board for administering the program. The fund covers two Federal civilian retirement systems: the Civil Service Retirement System

(CSRS) and the Federal Employees' Retirement System (FERS).

CSRS is basically 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.

	1997 actual	1998 est.	1999 est.
Active employees	2,681,000	2,693,000	2,635,000
Annuitants:			
Employees	1,731,000	1,746,000	1,761,000
Survivors	621,000	629,000	637,000
Total, annuitants	2,352,000	2,375,000	2,398,000

Status of Funds (in millions of dollars)

Identification code 24-8135-0-7-602	1997 actual	1998 est.	1999 est.
Unexpended balance, start of year:			
0100 Treasury balance	-37	16	8
U.S. Securities:			
0101 Par value	393,049	421,502	450,970
0102 Unrealized discounts	-6	-6	-6
0199 Total balance, start of year	393,006	421,512	450,972
Cash income during the year:			
Governmental receipts:			
0200 Employee contributions, Civil Service Retirement and Disability Fund	4,168	4,074	4,076
0202 Employee contributions, Civil Service Retirement and Disability Fund		6	167
0202 District of Columbia contributions	74	77	71
0203 Employee deposits, redeposits, and voluntary contributions	127	124	121
Intragovernmental transactions:			
0240 Agency contributions, Civil Service Retirement and Disability Fund	8,168	8,678	8,846
0241 Agency Contributions, Civil Service Retirement and Disability Fund		-3	-71
0242 Postal Service agency contributions, Civil Service Retirement and Disability Fund	2,483	2,468	2,521
0242 Postal Service agency contributions, Civil Service Retirement and Disability Fund			-22
0243 Postal Service supplemental contributions, Civil Service Retirement and Disability Fund	3,444	3,600	3,515
0244 Federal Financing Bank interest, Civil Service Retirement and Disability Fund	1,937	1,783	1,691
0245 Treasury interest, Civil Service Retirement and Disability Fund	28,547	30,673	31,861
0246 Treasury Interest, Civil Service Retirement and Disability Fund			3
0247 General fund payment to the Civil Service Retirement and Disability Fund	21,254	21,188	21,484
0250 Re-employed annuitant salary offset, Civil Service Retirement and Disability Fund	27	26	25
0297 Income under present law	70,229	72,691	74,211
0298 Income under proposed legislation (Supplemental)		3	77
0299 Total cash income	70,229	72,694	74,288
Cash outgo during year:			
0501 Payment of claims to retired employees	-34,705	-35,916	-37,407
0502 Payment of alternative annuity refunds	-7	-9	-10
0504 Payment to widows of former employees of the Light-house Service			
0505 Payment of claims to survivor annuitants	-6,518	-6,818	-7,203
0506 Lump sum payments to estates or beneficiaries of deceased annuitants and employees	-100	-104	-108
0507 Refunds to living separated employees	-289	-280	-272
0508 Administration	-103	-107	-116
0599 Total cash outgo (-)	-41,722	-43,234	-45,116
Unexpended balance, end of year:			
0700 Uninvested balance	16	8	8
U.S. Securities:			
0701 Par value	421,502	450,970	480,140
0702 Unrealized discounts	-6	-6	-4
0799 Total balance, end of year	421,512	450,972	480,144

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

Object Classification (in millions of dollars)

Identification code 24-8135-0-7-602	1997 actual	1998 est.	1999 est.
25.2 Other services	103	104	111
42.0 Insurance claims and indemnities	41,156	42,892	44,779
44.0 Refunds and death claims	412	384	380
99.9 Total obligations	41,671	43,380	45,270

EMPLOYEES LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 24-8424-0-8-602	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Gross premium payments:			
00.01 Regular program	1,087	1,015	1,048
00.02 Optional program	654	605	626
00.03 Beneficial program	3	3	3
00.91 Total gross payments	1,744	1,623	1,677
02.01 Administration	1	1	1
10.00 Total obligations (object class 25.2)	1,745	1,624	1,678
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested	602	643	616
U.S. Securities:			
21.41 Par value	16,962	18,038	19,138
21.42 Unrealized discounts	-254	-280	-250
21.99 Total unobligated balance, start of year	17,310	18,401	19,504
22.00 New budget authority (gross)	2,836	2,727	2,838
23.90 Total budgetary resources available for obligation	20,146	21,128	22,342
23.95 New obligations	-1,745	-1,624	-1,678
Unobligated balance available, end of year:			
24.40 Uninvested	643	616	631
U.S. Securities:			
24.41 Par value	18,038	19,138	20,283
24.42 Unrealized discounts	-280	-250	-250
24.99 Total unobligated balance, end of year	18,401	19,504	20,664
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2,770	2,764	2,818
68.10 Change in orders on hand from Federal sources	66	-37	20
68.90 Spending authority from offsetting collections (total)	2,836	2,727	2,838
70.00 Total new budget authority (gross)	2,836	2,727	2,838
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested	-586	-643	-607
72.95 Orders on hand from Federal sources	722	788	751
72.99 Total unpaid obligations, start of year	136	145	144
73.10 New obligations	1,745	1,624	1,678
73.20 Total outlays (gross)	-1,735	-1,625	-1,673
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested	-643	-607	-622
74.95 Orders on hand from Federal sources	788	751	771
74.99 Total unpaid obligations, end of year	145	144	149
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	1,735	1,625	1,673
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions	-378	-404	-404
88.20 Interest on U.S. securities	-1,162	-1,065	-1,098
Non-Federal sources:			
88.40 Regular program	-547	-550	-554
88.40 Optional program	-682	-744	-762
88.40 Beneficial Program	-1	-1	-

88.90 Total, offsetting collections (cash)	-2,770	-2,764	-2,818
88.95 Change in orders on hand from Federal sources	-66	37	-20

Net budget authority and outlays:

89.00 Budget authority .....	.....	.....	.....
90.00 Outlays	-1,034	-1,139	-1,145

This fund finances payments to private insurance companies for Federal employees' group life insurance and expenses of the Office of Personnel Management in administering the program.

Budget program.—The status of the basic (regular and optional) life insurance program on September 30 is as follows:

Life insurance in force (in billions of dollars):			
On active employees	448	452	456
On retired employees	45	48	51
Total	493	500	507
Number of participants (in thousands):			
Active employees	2,357	2,367	2,316
Annuitants	1,609	1,615	1,618
Total	3,996	3,982	3,934

Financing.—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. The status of the reserves at the end of the year is as follows:

Status of Reserves			
Held in reserve (in millions of dollars):			
Contingency reserve	22	22	22
Beneficial association program reserve	1	1	1
U.S. Treasury reserve	18,038	19,138	20,283
Total reserves	18,061	19,161	20,306

Excess income from the program over benefit payments and other expenses is deposited in the Employees Life Insurance Fund. The operations of the insurer for the regular and optional programs are as follows:

Operations of the Insurer			
Contingency reserve (in millions of dollars):			
Contingency reserve, start of year	15	22	22
Income:			
Premiums received	1,586	1,620	1,676
Interest	20	20	20
Total income	1,606	1,640	1,696
Outgo:			
Claims paid	1,544	1,620	1,674
Expenses	40	42	44
Total outgo	1,584	1,662	1,718
Contingency reserve, end of year	22	22	22

Statement of Operations (in millions of dollars)

Identification code 24-8424-0-8-602	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	2,719	2,836	2,727	2,838
0102 Expense	-1,636	-1,745	-1,624	-1,678
0109 Net income or loss (-)	1,083	1,091	1,103	1,160

Balance Sheet (in millions of dollars)

Identification code 24-8424-0-8-602	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	17	.....	.....	.....
Investments in US securities:				
1102 Treasury securities, par	16,962	18,038	19,213	20,358
1106 Receivables, net	467	508	426	446

1801	Other Federal assets: Cash and other monetary assets	1	1	1	1
1999	Total assets	17,447	18,547	19,640	20,805
LIABILITIES:					
Non-Federal liabilities:					
2201	Accounts payable	136	145	135	140
2206	Pension and other actuarial liabilities	20,669	19,786	22,787	23,926
2999	Total liabilities	20,805	19,931	22,922	24,066
NET POSITION:					
3300	Cumulative results of operations	-3,358	-1,385	-3,282	-3,261
3999	Total net position	-3,358	-1,385	-3,282	-3,261
4999	Total liabilities and net position	17,447	18,546	19,640	20,805

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

Program and Financing (in millions of dollars)

Identification code 24-9981-0-8-551		1997 actual	1998 est.	1999 est.
Obligations by program activity:				
00.01	Benefit payments	16,297	16,741	17,801
00.02	Payments from OPM contingency reserve	235	265	295
00.03	Government payment for annuitants (1960 act)	5	4	4
00.04	Administration	20	18	18
10.00	Total obligations (object class 25.6)	16,557	17,028	18,118
Budgetary resources available for obligation:				
21.41	Unobligated balance available, start of year: U.S. Securities: Par value	6,059	5,574	5,565
22.00	New budget authority (gross)	16,072	17,019	18,122
23.90	Total budgetary resources available for obligation	22,131	22,593	23,687
23.95	New obligations	-16,557	-17,028	-18,118
24.41	Unobligated balance available, end of year: U.S. Securities: Par value	5,574	5,565	5,570
New budget authority (gross), detail:				
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	15,910	16,955	18,038
68.10	Change in orders on hand from Federal sources	162	64	84
68.90	Spending authority from offsetting collections (total)	16,072	17,019	18,122
70.00	Total new budget authority (gross)	16,072	17,019	18,122
Change in unpaid obligations:				
Unpaid obligations, start of year:				
Obligated balance:				
72.40	Uninvested	-698	3	3
U.S. Securities:				
72.41	Par value	2,124	1,213	1,120
72.42	Unrealized discounts	-114	-87	-87
72.95	Orders on hand from Federal sources	1,086	1,248	1,312
72.99	Total unpaid obligations, start of year	2,398	2,377	2,348
73.10	New obligations	16,557	17,028	18,118
73.20	Total outlays (gross)	-16,578	-17,056	-18,095
Unpaid obligations, end of year:				
Obligated balance:				
74.40	Uninvested	3	3	3
U.S. Securities:				
74.41	Par value	1,213	1,120	1,060
74.42	Unrealized discounts	-87	-87	-87
74.95	Orders on hand from Federal sources	1,248	1,312	1,396
74.99	Total unpaid obligations, end of year	2,377	2,348	2,372
Outlays (gross), detail:				
86.97	Outlays from new permanent authority	15,365	15,936	17,035
86.98	Outlays from permanent balances	1,213	1,120	1,060
87.00	Total outlays (gross)	16,578	17,056	18,095
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Agency contributions	-6,673	-7,061	-7,568
88.00	Government contributions for annuitants	-4,587	-4,793	-5,094

88.20	Interest on U.S. securities	-478	-433	-441
Non-Federal sources:				
88.40	Employee salary withholdings	-2,210	-2,483	-2,605
88.40	Annuity withholdings	-1,894	-2,118	-2,267
88.40	Contributions from D.C. Government	-68	-67	-63
88.90	Total, offsetting collections (cash)	-15,910	-16,955	-18,038
88.95	Change in orders on hand from Federal sources	-162	-64	-84

Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	668	101	57

Status of Funds (in millions of dollars)

Identification code 24-9981-0-8-551		1997 actual	1998 est.	1999 est.
Unexpended balance, start of year:				
0100	Treasury balance	-698	3	3
U.S. Securities:				
0101	Par value	8,183	6,787	6,685
0102	Unrealized discounts	-114	-87	-87
0199	Total balance, start of year	7,371	6,703	6,601
Cash income during the year:				
Offsetting collections:				
0280	Contributions from Employing Agencies	4,230	4,534	4,869
0281	Contributions from Postal Service for Active Employees	2,443	2,527	2,699
0282	Contributions from Postal Service for Annuitants	607	654	606
Offsetting collections:				
0283	Government Payment for Annuitant Health Benefits	3,972	4,131	4,480
0283	Government Payment for Annuitants, Other	8	8	8
0284	Interest Earned	478	433	441
0285	Contributions from DC Government	68	67	63
0286	Contributions from Active Employees	2,210	2,483	2,605
0287	Contributions from Annuitants	1,894	2,118	2,267
0299	Total cash income	15,910	16,955	18,038
Cash outgo during year:				
0501	Benefit Payments	-16,323	-16,773	-17,782
0502	Payments to Carriers from OPM Contingency Reserve	-235	-265	-295
0503	Administration	-20	-18	-18
0599	Total cash outgo (-)	-16,578	-17,056	-18,095
Unexpended balance, end of year:				
0700	Uninvested balance	3	3	3
U.S. Securities:				
0701	Par value	6,787	6,685	6,630
0702	Unrealized discounts	-87	-87	-87
0799	Total balance, end of year	6,703	6,601	6,546

This display combines the Federal Employees Health Benefits (FEHB) fund and the Retired Employees Health Benefit (REHB) fund.

The FEHB fund provides for the cost of health benefits for: (1) active employees; (2) employees who retired after June 1960, or their survivors; (3) those annuitants transferred from the REHB program as authorized by Public Law 93-246; and (4) the related expenses of the Office of Personnel Management (OPM) in administering the program.

The REHB fund, created by the Retired Employees Health Benefits Act of 1960, provides for: (1) the cost of health benefits for retired employees and survivors who enroll in a Government-sponsored uniform health benefits plan; (2) the contribution to retired employees and survivors who retain or purchase private health insurance; and (3) expenses of OPM in administering the program.

Budget program.—The balance of the EHB fund is available for payments without fiscal year limitation. Numbers of participants at the end of each fiscal year are as follows:

	1997 actual	1998 est.	1999 est.
Active employees	2,287,000	2,297,000	2,249,000
Annuity holders	1,846,000	1,859,000	1,872,000
Total	4,133,000	4,156,000	4,121,000

In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expense

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS—
Continued

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.

In accordance with P.L. 103-66 and P.L. 105-33, this schedule includes the following adjustments: (1) in contract years 1997 and 1998, the average premium for the indemnity plan in the "Phantom Big 6" formula is modified to account for the average premium increase in the remaining "Big 5" plans minus one percentage point; (2) in the 1999 contract year, the maximum government contribution is 72 percent of the weighted average premium of FEHB Program participants; (3) Medicare Part B fee limits are applied to all FEHB annuitants; and (4) the Postal Service's payments of \$116 million per year for fiscal years 1997 and 1998 to cover the cost of past retiree health benefits.

The REHB fund is available without fiscal year limitation. The amounts contributed by the Government are paid into the fund from annual appropriations. The number of participants at the end of each fiscal year are as follows:

	1997 actual	1998 est.	1999 est.
Uniform plan	1,760	1,500	1,200
Private plans	6,180	5,100	4,200
Total	7,940	6,600	5,400

Financing.—The funds are financed by: (1) withholdings from active employees and annuitants; (2) agency contributions for active employees, appropriated to agencies; (3) Government contributions for annuitants appropriated to OPM; and (4) contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508 and Public Law 103-66.

Operating results.—Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods.

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.

Statement of Operations (in millions of dollars)

Identification code 24-9981-0-8-551	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	15,875	16,077	.....	.....
0102 Expense	-15,804	-16,438	.....	.....
0109 Net income or loss (-)	71	-361	.....	.....

Balance Sheet (in millions of dollars)

Identification code 24-9981-0-8-551	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	-698	3	3	3
Investments in US securities:				
1102 Treasury securities, par	8,183	6,787	6,686	6,629
1106 Receivables, net	1,085	1,248	1,312	1,395
1801 Other Federal assets: Original Discount	-114	-87	-87	-87
1999 Total assets	8,456	7,951	7,914	7,940
LIABILITIES:				
2101 Federal liabilities: Accounts payable	83	84	87	92
Non-Federal liabilities:				
2201 Accounts payable	2,314	2,294	2,262	2,280
2207 Other .....	.....	.....	.....	.....
2999 Total liabilities	2,397	2,378	2,349	2,372
NET POSITION:				
3300 Cumulative results of operations	6,059	5,572	5,563	5,568
3999 Total net position	6,059	5,572	5,563	5,568
4999 Total liabilities and net position	8,456	7,950	7,912	7,940