

## **OFFICE OF PERSONNEL MANAGEMENT (OPM)**

### **Statement of Regulatory Priorities**

The Office of Personnel Management's mission is to ensure the Federal Government has an effective civilian workforce. OPM fulfills that mission by, among other things, providing human capital advice and leadership for the President and Federal agencies; delivering human resources policies, products, and services; and holding agencies accountable for their human capital practices. OPM's 2007 regulatory priorities are designed to support these activities.

#### *Retirement Systems Modernization*

Retirement Systems Modernization (RSM) is a strategic initiative of the Office of Personnel Management (OPM) to improve the quality and timeliness of services to individuals covered by the Civil Service Retirement System and the Federal Employees' Retirement System by modernizing business processes and the technology that supports them. RSM will transform the retirement process by devising more efficient and effective business systems to issue timely benefit payments and to respond to increased customer demand for higher levels of customer service and online self-service tools.

Some existing regulatory provisions and the procedures they prescribe are directed at the current paper-based system that will eventually cease to exist, but which will continue to operate concurrently with respect to at least certain aspects of retirement and insurance processing for some individuals. Implementation of RSM will begin in February 2008. Retirement and insurance records of current employees and annuitants will be migrated into the new system in a series of waves over the following months. The proposed RSM regulations primarily address the transformation from paper to electronic records and the automated application process -- cornerstones of the modernization effort -- while creating structure for future OPM directives that will be issued as necessary to facilitate the evolution of the RSM initiative.

#### *Federal Employee Dental and Vision Benefits*

OPM is proposing interim regulations to administer the Federal Employee Dental and Vision Benefits Enhancement Act of 2004. This law establishes dental and vision benefits programs for Federal employees, annuitants, and their families. By law the Federal Employees Dental and Vision Insurance Program (FEDVIP) became effective in 2006. Congress and the Administration intended for the Program to be available to enrollees as of the end of 2006, and the rules governing the program are effectively established in the existing contracts that OPM has entered into with the dental and vision carriers pursuant to the FEDVIP law. These interim regulations explain the program rules to affected enrollees and the general public, and will assist the administration of the Program.

#### *Adverse Action Regulations*

In FY 2008, OPM plans to issue final amendments to its regulations governing Federal adverse actions and career and career-conditional employment. The amendments will clarify the adverse action rules regarding employee coverage and bring the rules into conformance with binding judicial decisions interpreting the underlying statute. OPM also plans to amend these regulations to clarify the rules as needed under the Federal Workplace Flexibility Act of 2004 regarding reductions in pay and to clarify the scope of indefinite suspensions. Concurrently, OPM will remove unnecessary subparts of the regulations that cover statutory requirements, make a number of technical corrections, and use language consistent with similar regulatory requirements. The regulations will also be made more readable. These changes will help ensure that the Federal Government has an effective civilian workforce.

### *Suitability and National Security*

OPM is participating in a review of the Federal Government's requirements for access to classified information and for suitability for employment. This review covers relevant statutes, executive orders, and Governmentwide regulations and is intended to determine whether a reengineered system that is as cohesive, simplified, and equitable as possible can be developed. In particular, a reengineered system may require adjustments to the following Government-wide regulations within OPM's jurisdiction: (1) Suitability, 5 CFR Part 731; (2) National Security Positions, 5 CFR Part 732; and (3) Personnel Investigations, 5 CFR Part 736. OPM expects this review process and any potential modifications of these regulations to be made by the end of FY 2008.

### *Training; Supervisory, Management, and Executive Development*

On October 30, 2004, the President signed the Federal Workforce Flexibility Act of 2004 (Act), Public Law 108-411, into law. The Act makes several significant changes in the law governing the training and development of Federal employees, supervisors, managers, and executives. It requires each agency to evaluate, on a regular basis, its training programs and plans to ensure that its training activities are linked to the accomplishment of its specific performance plans and strategic goals, and to modify its training plans and programs as needed to accomplish the agency's performance plans and strategic goals. Another change requires agencies to work with OPM to establish comprehensive management succession programs designed to develop future managers for the agency. It also requires agencies, in consultation with OPM, to establish programs to provide training to managers regarding how to relate to employees with unacceptable performance, mentor employees, use various actions, options and strategies to improve employee performance and productivity, and conduct employee performance appraisals. OPM regulations will be designed to address these changes, and in general to increase the emphasis on employee and executive development in the Federal Government.

### *Human Capital Management*

The provisions of Public Law 107-296 include the Chief Human Capital Officers Act of 2002 (Act), which, among other things, amended OPM's authorizing legislation in chapter 11 of title 5, United States Code, requiring OPM to design a set of systems, including appropriate metrics, for assessing the management of human capital by Federal agencies. On May 23, 2006, OPM published a proposed rule in the Federal Register, Human Capital Management in Agencies, that would implement the provisions of the Act, as well as Executive Order 13197, Governmentwide Accountability for Merit System Principles; Workforce Information (January 18, 2001). The proposed rule establishes a basic framework for planning and assessing human capital management progress and results, including compliance with relevant laws, rules and regulations, as assessed through agency human capital accountability systems and reported in annual agency human capital management reports. OPM expects to issue the final rule in October 2007.

### *Leave for Employees Affected by a Pandemic Health Crisis or Other Emergencies*

In FY 2008, OPM will continue efforts to provide alternative methods for agencies to assist their employees in the event of a pandemic health crisis or other major disasters or emergencies as declared by the President. Under current law and regulations, in the event of a major disaster or emergency, as declared by the President, that results in severe adverse effects for a substantial number of employees, the President may direct OPM to establish an emergency leave transfer program under which an employee may donate unused annual leave for transfer to employees of his or her agency or to employees in other agencies who are adversely affected by such disaster or emergency. OPM anticipates issuing regulations that will enhance the emergency leave transfer program by—

- Allowing donated annual leave in an agency's voluntary leave bank program to be transferred to an emergency leave transfer program administered by another agency. OPM's regulations currently permit an agency's leave bank to donate annual leave to an emergency leave transfer program administered by the leave bank's employing agency. We believe a broader authority, which several agencies requested in the aftermath of Hurricane Katrina, would have provided an immediate benefit to employees adversely affected by Hurricane Katrina and could benefit employees adversely affected by future major disasters or emergencies.
- Providing for the participation of Judicial branch employees in any emergency leave transfer program after consultation with the Administrative Office of the United States Courts (in accordance with the amendments made by Public Law 109-229, effective May 31, 2006).

#### *Pay Flexibilities and Entitlements*

In FY 2008, OPM will continue to enhance pay flexibilities and entitlements to help Federal agencies better meet their strategic human capital needs. OPM anticipates finalizing interim regulations that implemented statutory changes dealing with recruitment, relocation, and retention incentives and pay setting for General Schedule employees. These statutory and regulatory changes provided agencies with enhanced pay authorities and flexibilities and made the pay setting rules more rational, consistent, and equitable. Also, OPM anticipates finalizing proposed regulations governing student loan repayment benefits, which agencies may offer to current Federal employees or candidates for Federal jobs when necessary to recruit or retain highly qualified personnel. These revisions will include certain policy changes and clarifications to assist agencies in taking full advantage of the Federal student loan repayment program.

#### *Privacy Act Regulations*

The Office of Personnel Management is issuing proposed regulations to revise the agency's Privacy Act regulations. The revisions include incorporating the Agency reorganization of 2003 and making plain language modifications.

#### *Freedom of Information Act (FOIA) Regulations*

The Office of Personnel Management is issuing proposed regulations to revise the agency's FOIA regulations. The revisions include incorporating the EFOIA Act of 1996 and the Agency reorganization of 2003, and making plain language modifications.