
RAILROAD RETIREMENT BOARD



**FISCAL YEAR 2009
BUDGET SUBMISSION**

SEP 04 2007



UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092

BOARD MEMBERS:

MICHAEL S. SCHWARTZ, CHAIRMAN
V.M. SPEAKMAN, JR., LABOR MEMBER
JEROME F. KEVER, MANAGEMENT MEMBER

The Honorable Stephen S. McMillin
Acting Director and Deputy Director
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, N.W.
Washington, D.C. 20503

Dear Mr. McMillin:

Enclosed is our budget request for fiscal year 2009. We are also submitting our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. Resources needed for the Office of Inspector General are not addressed in this submission. That office will submit a separate request concerning its needs.

We are requesting \$109,492,000 to fund the operations of the Railroad Retirement Board (RRB) in fiscal year 2009. We believe this represents the minimum amount needed to provide an appropriate level of service to the public and to continue with important information technology (IT) initiatives. This budget submission also includes funding projections at the Office of Management and Budget (OMB) guidance level of \$103,518,000, which is the same as the President's proposed funding for fiscal year 2008. The guidance level is \$176,000 less than our enacted level of funding for fiscal year 2007.

Our agency request level would provide sufficient funding for 938 full-time equivalent staff years (FTEs) in fiscal year 2009 – slightly less than our current budgeted amount. At the OMB guidance level, RRB staffing would fall to 880 FTEs, which would require a hiring freeze in fiscal year 2009. The reduced staffing level would adversely affect the level of service that we would be able to provide to the public and delay our succession planning efforts. It would also slow planned improvements to our IT systems.

UNITED STATES RAILROAD RETIREMENT BOARD

At the agency request level of our budget, we are requesting an additional \$5,974,000 to enable the RRB to operate at the full performance level of the *RRB Performance Budget for Fiscal Year 2009*, which begins on page 35 of the budget submission. The increase includes \$3.6 million for salaries and benefits to provide for an agency staffing level of 938 FTEs, and resumption of the transit benefit subsidy program for RRB employees, which has been suspended in recent years due to insufficient funding. This budget level also includes an increase of \$1.9 million for IT investments. This includes funding to replace aging IT equipment in accordance with our standard replacement policy, and to go forward with additional E-Government initiatives, including implementation of the Enterprise Human Resources Integration system, which is one of the 25 Presidential E-Government initiatives. The remainder of the increase requested at the agency request level includes funding for necessary training, travel, and maintenance costs.

The RRB is continuing with a number of initiatives to improve and streamline customer service, particularly through our nationwide network of field offices. During fiscal year 2007, we have continued to reconfigure the field service to include 12 office networks, each with a hub office and 3 or 4 satellite offices. This configuration is useful in terms of providing more balanced staff support among offices based on unexpected increases in workloads, staff shortages in many offices and, in some cases, technological problems related to disruptions in network access or telecommunications. In accordance with this plan, we are implementing enhanced telecommunications services, and we expect to implement nationwide toll-free telephone service in the coming year.

In fiscal year 2007, the RRB participated for the first time in the Program Assessment and Rating Tool (PART) process for the Railroad Retirement Act and Railroad Unemployment Insurance Act programs. Results of the PART were favorable, with each program earning an overall performance rating of "Effective." This is the highest rating possible, and it indicates that the RRB pays benefits accurately and timely, and that we are tracking and achieving the majority of our performance measures. In connection with the PART review, we have established improvement plans to modernize our IT systems infrastructure, to modernize our customer service delivery, and to expand our document imaging system. Our improvement plans are already underway, and our budget request for fiscal year 2009 will support continuing improvements in these areas.

UNITED STATES RAILROAD RETIREMENT BOARD

In addition to requests for administrative expenses, this budget submission includes our best actuarial estimate of the expected fiscal year 2009 costs of vested dual benefits, \$72 million, with a 2 percent reserve of \$1.44 million. The RRB also requests \$336,060,334 for applicable military service credits through December 2004, with interest through August 1, 2007.

Finally, included in the budget submission are two agency legislative proposals. One would amend the Railroad Retirement Act to require issuance of social security numbers to employees of covered railroad employers. The other would amend the Railroad Retirement Act to allow the RRB to use various hiring authorities offered by the Office of Personnel Management.

As required by Section 1108(c) of Title 31, United States Code, we certify that all statements of obligations furnished to OMB in connection with our requests for proposed appropriations for fiscal year 2009 consist of valid obligations as defined in Section 1501(a) of that title.

Sincerely,

Original signed
Michael S. Schwartz, Chairman
V. M. Speakman, Jr., Labor Member
Jerome F. Kever, Management Member

September 4, 2007

Enclosure



UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
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BOARD MEMBERS:

MICHAEL S. SCHWARTZ, CHAIRMAN
V.M. SPEAKMAN, JR., LABOR MEMBER
JEROME F. KEVER, MANAGEMENT MEMBER

The Honorable Richard Cheney
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

We submitted the enclosed budget request for fiscal year 2009 to the Office of Management and Budget (OMB). We are also submitting our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. Resources needed for the Office of Inspector General are not addressed in this submission. That office will submit a separate request concerning its needs.

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Original signed
Michael S. Schwartz, Chairman
V. M. Speakman, Jr., Labor Member
Jerome F. Kever, Management Member

September 4, 2007

Enclosure

cc: Honorable Robert C. Byrd, Chairman
Senate Committee on Appropriations

Honorable Thad Cochran
Ranking Member
Senate Committee on Appropriations

Honorable Tom Harkin
Chairman, Senate Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

Honorable Arlen Specter
Ranking Member
Senate Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies



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MICHAEL S. SCHWARTZ, CHAIRMAN
V.M. SPEAKMAN, JR., LABOR MEMBER
JEROME F. KEVER, MANAGEMENT MEMBER

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Madam Speaker:

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Sincerely,

Original signed
Michael S. Schwartz, Chairman
V. M. Speakman, Jr., Labor Member
Jerome F. Kever, Management Member

September 4, 2007

Enclosure

cc: Honorable David R. Obey
Chairman, House Committee on Appropriations

Honorable Jerry Lewis
Ranking Member
House Committee on Appropriations

Honorable James T. Walsh
Ranking Member, House Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

**RAILROAD RETIREMENT BOARD
FISCAL YEAR 2009 BUDGET SUBMISSION**

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**RAILROAD RETIREMENT BOARD
FISCAL YEAR 2009 BUDGET SUBMISSION**

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RAILROAD RETIREMENT BOARD

Social Security Equivalent Benefit Account **Budget Account - 60-8010-0-7-601**

The Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to establish a Social Security Equivalent Benefit (SSEB) Account beginning October 1, 1984. The SSEB Account, which is separate from other railroad retirement accounts, is used to record revenues and expenditures related to social security equivalent portions (similar to "tier I" amounts) of railroad retirement annuities. Accordingly, funds in the SSEB Account are used to pay social security equivalent benefits and related administrative expenses. A social security equivalent benefit is the portion of a railroad retirement annuity that corresponds to an amount calculated under social security formulas, but is based on combined railroad retirement and social security credits.

The following amounts are included as revenue to the SSEB Account:

- (1) payroll taxes,
- (2) income taxes attributable to taxation of the social security portion of railroad retirement annuities,
- (3) financial interchange transfers from the social security trust funds provided by Section 7(c) of the Railroad Retirement Act,
- (4) interest on uncashed checks, and
- (5) return on investments.

In a relatively small number of cases, the railroad retirement system does not pay benefits when social security would pay benefits. In these cases, mainly dependent children of retired railroad employees, the SSEB Account collects an amount through the financial interchange but does not pay a corresponding benefit. This imbalance between outgo and income is relatively small in any particular year. Section 15A(d)(2) of the Railroad Retirement Act, as amended, provides that amounts in the SSEB Account not needed for payment of current benefits and administrative expenses will be transferred to the National Railroad Retirement Investment Trust or the Railroad Retirement Account.

Requested appropriation

The table on pages 2 and 3 identifies the estimated budget authority and outlays for this account for fiscal years 2007 through 2017, which are based on the Office of Management and Budget's (OMB) June 2007 mid-session economic assumptions. The estimates reflect current law.

RAILROAD RETIREMENT BOARD

Social Security Equivalent Benefit Account
(Budget Account - 60-8010-0-7-601)

Analysis of Resources
(in thousands of dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u>		
			<u>Current</u>		
			<u>services</u>		
Budget authority.....	5,883,000	5,992,000	6,196,000		
Outlays.....	5,864,000	5,977,000	6,177,000		
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Budget authority:					
Current services.....	6,402,000	6,586,000	6,773,000	6,980,000	7,193,000
Outlays:					
Current services.....	6,381,000	6,565,000	6,753,000	6,958,000	7,170,000

Note: In March 2007, the RRB paid social security equivalent benefits to 483,000 beneficiaries. The RRB estimates that in March 2008 and 2009, the agency will pay these benefits to 476,000 and 472,000 beneficiaries, respectively.

RAILROAD RETIREMENT BOARD

Social Security Equivalent Benefit Account
(Budget Account - 60-8010-0-7-601)

Analysis of Resources
(in thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Budget authority:			
Current services.....	7,435,000	7,670,000	7,915,000
Outlays:			
Current services.....	7,412,000	7,647,000	7,892,000

RAILROAD RETIREMENT BOARD

Railroad Retirement Account **Budget Account - 60-8011-0-7-601**

Under the Railroad Retirement Act, the RRB pays retirement and disability annuities to qualified railroad workers. Supplemental annuities are payable to career railroad employees with service before October 1981. Annuities are also payable to spouses and divorced spouses of retired workers and to widows, widowers, children, and certain other survivors of deceased railroad workers. There are also provisions for lump-sum benefits. Qualified railroad retirement beneficiaries are also covered by Medicare in the same way as social security beneficiaries.

The Railroad Retirement Account funds the above-described benefits in excess of social security benefits. Funding is primarily from payroll taxes on railroad employers and employees, interest on trust fund investments and income taxes attributable to these benefits.

The Railroad Retirement and Survivors' Improvement Act of 2001 (P.L. 107-90) made a number of major changes to the Railroad Retirement Act. In addition to other provisions, P.L. 107-90 provides for the transfer of railroad retirement funds from the Railroad Retirement Account to the National Railroad Retirement Investment Trust (NRRIT), whose Board of Trustees is empowered to invest NRRIT-held assets in non-governmental assets, such as equities and debt, as well as in governmental securities. NRRIT is not treated as an agency or instrumentality of the Federal Government.

P.L. 107-90 also repealed the railroad retirement supplemental annuity tax paid by rail employers beginning with calendar year 2002, and eliminated the separate Railroad Retirement Supplemental Account. While supplemental railroad retirement annuities provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account and NRRIT. Section 107(a) of P.L. 107-90 provides for the transfer of available funds to NRRIT for the purpose of maximizing investment returns.

Requested appropriation

The table on pages 5 and 6 identifies estimated budget authority and outlays for this account for fiscal years 2007 through 2017. The estimates are based on OMB's June 2007 mid-session economic assumptions and reflect current law.

RAILROAD RETIREMENT BOARD

Railroad Retirement Account
(Budget Account - 60-8011-0-7-601)

Analysis of Resources
(in thousands of dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Current</u> <u>services</u>
Budget authority.....	4,052,000	4,223,000	4,336,000
Outlays.....	4,029,000	4,210,000	4,325,000

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Budget authority:					
Current services.....	4,476,000	4,642,000	4,819,000	4,980,000	5,150,000
Outlays:					
Current services.....	4,465,000	4,631,000	4,807,000	4,969,000	5,139,000

Notes: The RRB paid tier II benefits to 546,000 beneficiaries in March 2007. The agency expects to pay these benefits to 538,000 beneficiaries in March 2008 and 533,000 beneficiaries in March 2009. The RRB also paid supplemental annuities to 121,000 beneficiaries in March 2007. The agency expects to pay supplemental annuities to 120,000 beneficiaries in March 2008 and 120,000 beneficiaries in March 2009.

Budget authority and outlay amounts include tier II benefits and supplemental annuities.

RAILROAD RETIREMENT BOARD

Railroad Retirement Account
(Budget Account - 60-8011-0-7-601)

Analysis of Resources
(in thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Budget authority:			
Current services.....	5,316,000	5,458,000	5,584,000
Outlays:			
Current services.....	5,306,000	5,448,000	5,575,000

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts **Budget Account - 60-0113-0-1-601**

This account was established in conjunction with the implementation of the Railroad Retirement Solvency Act of 1983. It facilitates the administration of the Railroad Retirement Act by maintaining accurate accounting of, and control over, various financial transactions involving the railroad retirement trust funds. This account acts as a conduit for various financial transactions, such as interfund transfers and fund transfers from the Department of the Treasury (Treasury).

Interest on uncashed checks

Section 417 of the Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to provide for the reimbursement of principal and interest for unnegotiated railroad retirement benefit checks to the extent that such reimbursements are provided for in advance in appropriation acts. Beginning in fiscal year 1991, the principal amount of uncashed railroad retirement and railroad unemployment insurance checks and checks for administrative expenses, under provisions of the Competitive Equality Banking Act of 1987, are made available by Treasury. Treasury transfers principal amounts directly to the appropriate trust fund or administrative limitation. As a result, the RRB is no longer required to seek prior appropriation authority for the principal amount of the uncashed check transfers. Interest on uncashed checks, however, must still be appropriated in advance. This account is the vehicle through which such appropriations are made. Under current law, the RRB requests \$150,000 for estimated interest related to uncashed checks in fiscal year 2009, which shall remain available through September 30, 2010.

Military service credits

In accordance with, and pursuant to, Section 15(b) of the Railroad Retirement Act, the RRB also requests appropriations to the Federal Payments to the Railroad Retirement Accounts for reimbursement of costs (including interest, administrative expenses, and an actuarial adjustment) for crediting military service not reimbursed under the financial interchange. Both the railroad retirement system and the social security system are entitled to reimbursement for the cost of military service credits. Depending on the period during which the military service was rendered, the reimbursement may be made on either a benefit or prepaid tax basis. Reimbursement on a tax basis is accomplished by paying payroll taxes for individuals in military service. No additional reimbursement is due at retirement for military service credits reimbursed on a tax basis. Reimbursement on a benefit basis is accomplished by computing the value of retirement and survivor benefits with and without military service and requesting reimbursement based on this difference.

The Railroad Retirement Account has received full reimbursement for the tax basis periods. No reimbursements from general revenue have been received for the benefit basis periods:

- June 15, 1948, through December 15, 1950, creditable under P.L. 100-647, and
- July 1, 1963, and later.

In prior years, we have sought concurrence with our methodology for computing the reimbursable amount from the Social Security Administration (SSA), Treasury and OMB. We received responses from SSA and Treasury. SSA has concurred with our methodology while Treasury stated that they had no role in this particular process. Section 15(b) requires that these reimbursements from the general funds be authorized in advance by an appropriation act. The fiscal year 2009 appropriation request includes \$336,060,334 for applicable military service credits through December 2004, with interest through August 1, 2007. Excluded are all costs for which the RRB has already received credits.

Other transfers

Appropriations are not necessary for other amounts that flow through this account to the appropriate trust fund accounts under authorizing legislation. Amounts expected to be transferred through this account in fiscal year 2009 that do not require appropriation action include \$160 million in income taxes on tier I benefits and \$352 million in income taxes on tier II benefits.

Requested appropriation

The table on pages 9 and 10 shows the estimated budget authority and outlays for this account for fiscal years 2007 through 2017. The estimates are based on OMB's June 2007 mid-session economic assumptions. The current services level includes interest amounts on uncashed checks for all years.

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts
(Budget Account - 60-0113-0-1-601)

Analysis of Resources
(in thousands of dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Current</u> <u>services</u>
Budget authority.....	465,300	484,150	848,210
Outlays.....	465,300	484,150	848,210

-6-

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Budget authority:					
Current services.....	533,150	563,150	595,150	630,150	656,150
Outlays:					
Current services.....	533,150	563,150	595,150	630,150	656,150

Note: Fiscal year 2009 budget authority and outlay amounts for current services include \$336,060,334 for military service credits through December 2004, with interest through August 1, 2007.

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts
(Budget Account - 60-0113-0-1-601)

Analysis of Resources
(in thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Budget authority:			
Current services.....	682,150	707,150	739,150
Outlays:			
Current services.....	682,150	707,150	739,150

RAILROAD RETIREMENT BOARD

Dual Benefits Payments Account **Budget Account - 60-0111-0-1-601**

Section 15(d) of the Railroad Retirement Act provides for a Dual Benefits Payments Account which is separate from other railroad retirement accounts. The vested dual benefit portion of railroad retirement annuities is paid from this account and is funded by appropriations from general revenues.

Legislative history

Under laws in effect prior to 1975, a worker engaging in covered employment under both the Railroad Retirement Act and Social Security Act could receive benefits separately under both Acts. Because the social security benefit formula is weighted in favor of the low wage earner, the total of a worker's benefits from both systems averaged more than annuities of railroad employees who worked in the rail industry exclusively, and who had paid proportionally higher retirement taxes for the purpose of receiving higher benefits. The cost of the dual benefits was borne by the railroad retirement system since they reduced the system's income from its financial interchange with the social security system.

This situation was the major cause of the poor financial condition of the railroad retirement system in the early 1970's. In order to improve the system's financial condition, the Railroad Retirement Act of 1974 provided that the tier I component of the railroad retirement annuity be reduced by any social security benefit. This essentially integrated the two systems and eliminated the advantage of qualifying for benefits under both systems.

However, it was generally considered unfair to eliminate this advantage entirely for those already retired or close to retirement when the 1974 Act became effective. The 1974 Act, therefore, provided for a restoration of benefits which were considered vested at the end of 1974. The restored amount was known as the "vested dual benefit."

After considering various alternatives, the Congress authorized general fund appropriations to finance the cost of phasing out dual benefits. The Congress considered it unfair to impose this cost on current and future railroad employees because such employees would not be permitted to receive dual benefits upon retirement (except where vested rights were involved). Similarly, the Congress believed that it would be unfair to impose this cost on railroads because railroads had not benefited and had consistently opposed the creation and expansion of dual benefits. Financing the vested dual benefit component of railroad retirement annuities from general revenues was supported by a precedent regarding military service and by the fact that the dual benefit problem had been brought about by prior Congressional action repealing past dual benefit restrictions over the objections of the railroads.

Under the 1974 Act, appropriations had been authorized from general revenues for the phase-out costs of vested dual benefits. The amounts were to be sufficient to fund vested dual benefits on a level payment basis over the years 1976 through 2000. Because there was no provision in the law to reduce vested dual benefits to a level that would be fully covered by the amount appropriated, railroad retirement taxes were being used to cover the shortfall in the appropriation from general revenues. This led to a drain on the Railroad Retirement Account and contributed to a cash flow crisis.

To stop the resulting drain on the Railroad Retirement Account, the 1981 amendments changed vested dual benefits to a pay-as-you-go basis rather than a level-payment system. Starting in fiscal year 1982, vested dual benefits were to be reduced so as not to exceed the amount of the annual appropriation.

The Railroad Retirement Solvency Act of 1983 provided that revenues generated from income taxes on vested dual benefits be credited to the Railroad Retirement Account for fiscal years 1984 through 1988, and thereafter to the Dual Benefits Payments Account. Thus, since fiscal year 1989, these taxes have been credited to the Dual Benefits Payments Account and applied as an offset to the amount of funding needed from general revenues.

Requested appropriation

The table on pages 13 and 14 identifies the estimated budget authority and outlays for the Dual Benefits Payments Account for fiscal years 2007 through 2017.

The fiscal year 2007 full-year continuing resolution (P.L. 110-5) provided \$88,000,000 for the payment of vested dual benefits. P.L. 110-5 provided for an additional reserve of 2 percent of the appropriation amount of \$88,000,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available to pay benefits.

The estimate for fiscal year 2008 includes \$79,000,000 for the payment of vested dual benefits, as shown in the table on the following page, plus a 2 percent reserve (\$1,580,000).

For fiscal year 2009, the RRB requests an appropriation of \$72,000,000 to pay vested dual benefits, plus a 2 percent reserve of \$1,440,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits. An estimated \$5,000,000 in income taxes on these benefits will be credited to the Dual Benefits Payments Account.

RAILROAD RETIREMENT BOARD

Dual Benefits Payments Account
(Budget Account - 60-0111-0-1-601)

Analysis of Resources
(in thousands of dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u> Current services		
Budget authority.....	88,004	79,001	72,001		
Outlays.....	88,004	79,001	72,001		
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Budget authority:					
Current services.....	64,001	57,001	51,001	44,001	39,000
Outlays:					
Current services.....	64,001	57,001	51,001	44,001	39,000

Note: The budget estimates for this account include its share of interest on unnegotiated checks.

The RRB paid vested dual benefits to 46,000 beneficiaries in March 2007. The agency expects to pay these benefits to 42,000 beneficiaries in March 2008 and 37,000 beneficiaries in March 2009.

RAILROAD RETIREMENT BOARD

Dual Benefits Payments Account
(Budget Account - 60-0111-0-1-601)

Analysis of Resources
(in thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Budget authority:			
Current services.....	34,001	29,001	25,001
Outlays:			
Current services.....	34,001	29,001	25,001

RAILROAD RETIREMENT BOARD

Limitation on Administration **Budget Account - 60-8237-0-7-601**

This appropriation request is for funds to administer the retirement/survivor and unemployment/sickness insurance benefit programs provided for railroad workers and members of their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Included in this request is an amount for certain activities related to the Medicare health insurance program. The Centers for Medicare & Medicaid Services (CMS) reimburse the RRB for certain other administrative expenses related to the Medicare program.

Retirement/Survivor Benefit Program

Under the Railroad Retirement Act, the RRB pays retirement and disability annuities to retired workers with qualifying years of railroad service. Annuities are also payable to spouses and divorced spouses of retired workers and to widows, widowers, children, and certain other survivors of deceased railroad workers. Qualified railroad retirement beneficiaries are covered by the Medicare health insurance program.

The RRB estimates that it will pay the following in retirement and survivor benefits through fiscal year 2009: \$9.8 billion to 607,000 persons in fiscal year 2007, \$10.1 billion to 598,000 persons in fiscal year 2008, and \$10.4 billion to 592,000 persons in fiscal year 2009.

Legislative history

The RRB was created in the 1930's by legislation establishing a retirement benefit program for the nation's railroad workers. Private industrial pension plans had been pioneered in the railroad industry and, by the 1930's, pension plans were far more developed in the rail industry than in most other businesses or industries. These plans, however, had serious defects which were magnified by the Great Depression. While the social security system was in the planning stage, railroad workers sought a separate railroad retirement system which would continue and broaden the existing railroad programs under a uniform national plan. The proposed social security system was not scheduled to begin monthly benefit payments for several years and would not give credit for service performed before 1937, while conditions in the railroad industry called for immediate benefit payments based on prior service.

Legislation was enacted in 1934, 1935, and 1937 to establish a railroad retirement system separate from the social security program legislated in 1935. Such legislation, taking into account the particular circumstances of the railroad industry, was not without precedent. Numerous laws pertaining to railroad operations and safety had already been enacted since the Interstate Commerce Act of 1887. Since passage of the Railroad Retirement Acts of the 1930's, numerous other railroad laws have subsequently been enacted.

Railroad Retirement and Survivors' Improvement Act of 2001

The Railroad Retirement and Survivors' Improvement Act of 2001, Public Law 107-90, liberalized early retirement benefits for 30-year employees, eliminated a cap on monthly retirement and disability benefits, lowered the minimum service requirement from 10 years to 5 years of service if performed after 1995, and provided for increased benefits for some widow(er)s. The financing sections of the legislation repealed the supplemental annuity work-hour tax, and provided for adjustments in the payroll tax rates paid by employers and employees.

Public Law 107-90 also provides for the transfer of railroad retirement funds from the Railroad Retirement Accounts to the National Railroad Retirement Investment Trust (NRRIT), whose Board of seven trustees is empowered to invest NRRIT assets in non-governmental assets, such as equities and debt, as well as in governmental securities. Public Law 107-90 discontinued the separate Railroad Retirement Supplemental Account. While supplemental benefits provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account.

Coordination with Social Security

While the railroad retirement system has remained separate from the social security system, the two systems are closely coordinated with regard to earnings credits, benefit payments, and taxes. Following the recommendations of the Federal Commission on Railroad Retirement, legislation enacted in 1974 restructured railroad retirement benefits into tiers, in order to coordinate them more fully with social security credits, using social security benefit formulas. Tier I benefits are generally the equivalent of social security benefits. Tier II benefits are based on railroad service only and are comparable to industrial pensions.

Jurisdiction over the payment of retirement and survivor benefits is shared by the RRB and SSA. The RRB has jurisdiction over the payment of retirement benefits if the employee had at least 10 years of railroad service, or 5 years of service if performed after 1995. For survivor benefits, there is an additional requirement that the employee's last regular employment before retirement or death was in the railroad industry. If a railroad employee or his/her survivors do not qualify for railroad retirement benefits, the RRB transfers the employee's railroad retirement credits to SSA, where they are treated as social security credits.

Sources of income for the retirement/survivor benefit program

The primary source of income for the railroad retirement/survivor benefit program is payroll taxes paid by railroad employees and employers. By law, railroad retirement taxes are coordinated with social security taxes. Employees and employers pay tier I taxes at the same rate as social security taxes. In addition, both employees and employers pay tier II taxes which are used to finance railroad retirement benefit payments over and above social security levels. Historically, railroad retirement taxes have been considerably higher than social security taxes.

Another source of income is the financial interchange with the social security trust funds. Under the financial interchange, in effect, the portion of railroad retirement annuities that is equivalent to social security benefits is reinsured through the social security system. The purpose of this financial coordination is to place the social security trust funds in the same position they would be in if railroad service were covered by the social security program instead of the railroad retirement program.

Other current sources of income are returns on investments, and appropriations from general revenues provided after 1974 as part of a phase-out of certain vested dual benefits. The Railroad Retirement Account and Social Security Equivalent Benefit Account also receive credit for Federal income taxes paid on benefits from these accounts.

Unemployment/Sickness Insurance Program

Under the Railroad Unemployment Insurance Act, the RRB pays (1) unemployment insurance benefits to railroad workers who are unemployed but ready, willing, and able to work and (2) sickness insurance benefits to railroad workers who are unable to work because of illness, injury, or pregnancy.

In the benefit year that ended June 30, 2007, the RRB paid \$32,529,000 in unemployment insurance benefits and recovered \$2,902,000, resulting in net payments of \$29,627,000 to a total of 9,458 unemployment insurance claimants that year. During the same period, the RRB paid \$73,140,000 in sickness insurance benefits and recovered \$29,607,000, resulting in net payments of \$43,533,000 to a total of 19,040 sickness insurance claimants in the benefit year.

Provisions for benefits

A new unemployment and sickness insurance benefit year begins every July 1, with eligibility generally based on railroad service and earnings in the preceding calendar year. Up to 26 weeks of normal unemployment insurance benefits and 26 weeks of normal sickness insurance benefits are payable to an individual in a benefit year. Extended benefits may also be payable for up to 13 weeks to persons with 10 or more years of service.

Legislative history

The railroad unemployment insurance system was established by legislation enacted in the 1930's. While State unemployment programs generally covered railroad workers, railroad operations which crossed State lines caused special problems. Unemployed railroad workers were denied compensation by one State because they became unemployed in another State or because their employers had paid unemployment taxes in another State. Although there were cases where employees appeared to be covered in more than one State, they often did not qualify in any.

The Federal study commission, which reported on the nationwide State plans for unemployment insurance, recommended that railroad workers be covered by a separate plan because of the complications their coverage had caused the State plans. The Congress subsequently enacted the Railroad Unemployment Insurance Act in 1938. Railroad unemployment insurance benefits became payable in July 1939. Sickness insurance benefits were added by amendments enacted in 1946. Subsequent amendments over the years revised eligibility requirements and adjusted benefit amounts and tax rates.

The railroad unemployment and sickness insurance system is financed by contributions from railroad employers. By law, a portion of the contributions is deposited in the Railroad Unemployment Insurance Administration Fund for the RRB's administrative expenses. The contributions are permanently appropriated for benefit payments and administrative expenses.

Large scale railroad layoffs during the economic recession in the early 1980's increased unemployment insurance payments to record levels, far exceeding unemployment contributions. By the end of July 1983, the account had a deficit of \$550 million. The Railroad Retirement Solvency Act, enacted August 12, 1983, increased railroad unemployment and sickness insurance taxes by increasing the limit on compensation subject to the tax from \$400 to \$600 a month. The act also imposed a temporary repayment tax on railroad employers to help repay loans from the Railroad Retirement Account.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), enacted April 7, 1986, increased the repayment tax. It also restored the authority of the Railroad Unemployment Insurance Account to borrow from the Railroad Retirement Account; this authority had been removed by the Railroad Retirement Solvency Act. The law also provided for a surtax on railroad employers in the event that further borrowing after September 30, 1985, from the Railroad Retirement Account became necessary.

In November 1988, the Congress enacted the Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (P.L. 100-647) to resolve the system's long-term financing problems. In brief, the legislation improved the program's financing by (1) indexing the tax base to increased wage levels, (2) determining employers' tax rates by using an experience rating formula, (3) establishing a variable surcharge geared to the balance in the Railroad Unemployment Insurance Account, and (4) ensuring repayment of the debt to the Railroad Retirement Account by extending the repayment tax until the debt was fully repaid, with interest. The loan was repaid in full with a transfer of funds from the Railroad Unemployment Insurance Account to the Railroad Retirement Account on June 29, 1993.

The Railroad Unemployment Insurance Amendments Act of 1996 (P.L. 104-251), enacted October 9, 1996, increased the railroad unemployment and sickness insurance daily benefit rate and revised the formula for indexing future benefit rates. It also reduced the waiting period for initial benefit payments and eliminated duplicate waiting periods in continuing periods of unemployment and sickness. In addition, the legislation applied an earnings test to claims for unemployment and reduced the duration of extended benefit periods for long-service employees. The provisions of the legislation were based on joint recommendations to the Congress negotiated by rail labor and management in order to update the railroad unemployment insurance system along the lines of State unemployment insurance systems.

RAILROAD RETIREMENT BOARD

Administrative Appropriation Request for Fiscal Year 2009

Limitation on Administration (60-8237-0-7-601)

<u>Budget Level</u>	<u>FTEs</u> ^{1/}	<u>Amount</u> ^{1/} (\$ thousands)
OMB guidance level ^{2/}	880	\$103,518
Requested increase	<u>58</u>	<u>5,974</u>
Agency request level	<u>938</u>	<u>\$109,492</u>

^{1/} Full-time equivalent staff years (FTEs) include FTEs reimbursed by the Centers for Medicare & Medicaid Services (CMS). Dollar amounts do not include CMS reimbursement.

^{2/} Funding is consistent with the projection for fiscal year 2009 included in the President's Budget for fiscal year 2008. FTEs represent the staff level which could be funded at this amount.

RAILROAD RETIREMENT BOARD
LIMITATION ON ADMINISTRATION
BUDGET BY APPROPRIATION AND OBJECT CLASS
(in thousands of dollars)

	FISCAL YEAR 2007	AMOUNT OF CHANGE	FISCAL YEAR 2008 ADMIN. PROPOSED	AMOUNT OF CHANGE	FISCAL YEAR 2009 GUIDANCE LEVEL	AMOUNT OF CHANGE	FISCAL YEAR 2009 AGENCY REQUEST
TOTAL FTEs (INCLUDING REIMBURSABLE)	942	(14)	928	(48)	880	58	938
TOTAL RRB DIRECT PROGRAM OBLIGATIONS							
11.1 FULL-TIME PERMANENT	63111	1434	64545	(1540)	63005	2407	65412
11.3 OTHER THAN FULL-TIME PERMANENT	926	35	961	(67)	894	0	894
11.5 OTHER PERSONNEL COMPENSATION	1631	(350)	1281	112	1393	55	1448
11.9 TOTAL PERSONNEL COMPENSATION	65668	1119	66787	(1495)	65292	2462	67754
12.0 PERSONNEL BENEFITS: CIVILIAN	14848	502	15350	86	15436	1184	16620
13.0 BENEFITS FOR FORMER PERSONNEL	170	30	200	0	200	0	200
21.0 TRAVEL AND TRANSPORTATION	795	(102)	693	18	711	80	791
22.0 TRANSPORTATION OF THINGS	131	(63)	68	(23)	45	0	45
23.1 RENTAL PAYMENTS TO GSA	3850	250	4100	200	4300	0	4300
23.3 COMMUNICATIONS, UTILITIES, & MISCELLANEOUS CHARGES	4175	65	4240	819	5059	0	5059
24.0 PRINTING AND REPRODUCTION	295	10	305	23	328	0	328
25.0 OTHER SERVICES	11866	(1744)	10122	872	10994	1368	12362
26.0 SUPPLIES AND MATERIALS	692	(13)	679	18	697	0	697
31.0 EQUIPMENT	1204	(230)	974	(518)	456	880	1336
TOTAL RRB DIRECT OBLIGATIONS	103694	(176)	103518	0	103518	5974	109492
REIMBURSABLE OBLIGATIONS	8290	(1000)	7290	910	8200	0	8200
TOTAL RRB OBLIGATIONS	111984	(1176)	110808	910	111718	5974	117692
LIMITATION ON ADMINISTRATION	103694	(176)	103518	0	103518	5974	109492

NOTES:

Salary and benefit estimates for fiscal years 2008 and 2009 reflect guidance provided by the Office of Management and Budget (OMB) for cost-of-living/locality pay increases of 3.0 percent in January 2008 and 3.0 percent in January 2009.

The proposed fiscal year 2009 budget includes \$1,625,000 for information technology (IT) investments at the OMB guidance level and \$3,530,000 for IT investments at the agency request level.

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2008,
and Budget Levels for Fiscal Year 2009**

Limitation on Administration, Direct Obligations

<i>Category</i>	<i>FY 2008 Proposed to FY 2009 Guidance Level (\$000)</i>	<i>FY 2009 Guidance Level to Agency Request Level (\$000)</i>
<p>1. <u>Personnel compensation</u> Changes primarily reflect variations in RRB staffing at each of the budget levels. The guidance level for 2009 reflects a staffing level of 880 FTEs, which is 48 FTEs less than projected for 2008. At the agency request level, funding would be increased to enable RRB to maintain staffing at the full performance level of 938 FTEs – 58 FTEs more than the guidance level.</p> <p>Projected compensation costs reflect estimated pay increases of 3.0 percent in January 2008 and 3.0 percent in January 2009. Approximately 1.3 percent of salary and benefits has also been included for performance awards. The guidance level includes \$265,000 for overtime; an additional \$15,000 has been included at the agency request level. No funding is included for special service act awards at either level.</p>	<p>(1,495)</p>	<p>2,462</p>
<p>2. <u>Civilian personnel benefits</u> Employee benefits are estimated to total 23.75 percent of salary costs in 2009 – an increase of about 0.6 percent from the benefit rate now projected for 2008. The higher benefit rate reflects an expected increase in health insurance costs and a higher proportion of employees covered under the Federal Employees Retirement System.</p> <p>At the guidance level of the budget, employee benefits would total \$15,226,000 for 880 FTEs, and \$210,000 would be provided for change-of-station costs. Additional funding at the agency request level includes \$722,000 for personnel benefits for an additional 58 FTEs, and \$462,000 to resume the transit benefit subsidy for RRB employees, which has been suspended in recent years due to insufficient funding.</p>	<p>86</p>	<p>1,184</p>

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2008,
and Budget Levels for Fiscal Year 2009**

Limitation on Administration, Direct Obligations

<i>Category</i>	<i>FY 2008 Proposed to FY 2009 Guidance Level (\$000)</i>	<i>FY 2009 Guidance Level to Agency Request Level (\$000)</i>
<p>3. <u>Benefits for former personnel</u> Both levels of the 2009 budget include \$200,000 for workers' compensation and unemployment insurance. This is the same as the amount budgeted for fiscal year 2008 at the President's proposed level of funding.</p>	0	0
<p>4. <u>Travel and transportation of persons</u> A total of \$711,000 is requested for travel at the guidance level. This is about 12 percent less than current spending, and represents the minimum amount needed to provide for program and administrative requirements in 2009. At the agency request level, an additional \$80,000 would provide for a national managers meeting and additional training for contact representatives.</p>	18	80
<p>5. <u>Transportation of things</u> The reduction in this category primarily reflects an adjustment to include express mail costs with postage. These costs are now included in category 7, below.</p>	(23)	0
<p>6. <u>Rental payments to the General Services Administration (GSA)</u> The requested amount for 2009 reflects charges on an actual cost basis that RRB will continue to pay for rent, consistent with RRB's memorandum of understanding with GSA. In addition, this projection assumes that a tenant will continue to rent space on the 12th floor of the headquarters building.</p> <p>The estimated cost for 2009 reflects an increase of about 5 percent over 2008. Both amounts are subject to adjustment based on actual costs for 2007, which are not yet final.</p>	200	0

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2008,
and Budget Levels for Fiscal Year 2009**

Limitation on Administration, Direct Obligations

<i>Category</i>	<i>FY 2008 Proposed to FY 2009 Guidance Level (\$000)</i>	<i>FY 2009 Guidance Level to Agency Request Level (\$000)</i>
<p>7. <u>Communications, utilities, and miscellaneous charges</u> This category includes increases of \$765,000 for communications and rent of equipment, primarily related to the planned toll-free telephone service and data network upgrades. The category also reflects expected increases of about \$28,000 for utilities and \$26,000 for postage, primarily due to the inclusion of express mail costs, which had previously been shown under transportation of things.</p>	819	0
<p>8. <u>Printing and reproduction</u> The increase in this category reflects rising costs for printing benefit rate letters, tax statements and earnings information for railroad retirement and unemployment/sickness insurance beneficiaries. The category also includes costs for official publication of agency information in the Federal Register and Code of Federal Regulations.</p>	23	0
<p>9. <u>Other services</u> The increase at the guidance level of the 2009 budget includes \$695,000 for contracts, primarily for information technology (IT) services. Other increases at this level include \$204,000 for medical fees, \$82,000 for facility maintenance, \$80,000 for training, \$33,000 for repairs and \$22,000 for small increases in other categories. The increases are partially offset by a net decrease of \$244,000 in estimated costs for Government contracts, primarily due to lower estimated payments to the Department of the Treasury for processing RRB payments.</p> <p>Additional funding at the agency request level includes \$1,001,000 for contractual services, most of which are related to IT development. In addition, \$280,000 is requested for implementation of the Enterprise Human Resource Integration system, and \$87,000 is requested for additional training needs.</p>	872	1,368

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2008,
and Budget Levels for Fiscal Year 2009**

Limitation on Administration, Direct Obligations

<i>Category</i>	<i>FY 2008 Proposed to FY 2009 Guidance Level (\$000)</i>	<i>FY 2009 Guidance Level to Agency Request Level (\$000)</i>
<p>10. <u>Supplies and materials</u> Estimated costs in this category reflect moderate increases for supplies and subscriptions.</p>	18	0
<p>11. <u>Equipment</u> Funding at the guidance level primarily reflects reduced spending for IT equipment in accordance with adjustments to the <i>IT Capital Plan</i>, which result in lower expected costs for equipment vs. contractual services for planned initiatives.</p> <p>Additional funding requested at the agency request level includes \$850,000 for infrastructure replacement in accordance with RRB's <i>IT Equipment Replacement Policy</i>, and \$30,000 for system development tools.</p>	(518)	880
Total Increase	0	5,974

RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment by Series a/

Series	Rank	FY 2007	FY 2008	FY 2009 OMB Guidance Level	FY 2009 RRB Request
Executive	Level III	1	1	1	1
	Level IV	2	2	2	2
	Subtotal	3	3	3	3
Senior Executive Service	ES-00	8	8	8	8
General Schedule/ Management	GS/GM-15	33	31	28	31
	GS/GM-14	42	43	39	43
	GS/GM-13	108	101	95	100
	GS-12	234	235	230	235
	GS-11	100	100	98	100
	GS-10	117	115	108	117
	GS-9	166	170	166	172
	GS-8	35	42	37	44
	GS-7	25	32	30	34
	GS-6	19	16	11	16
	GS-5	36	23	20	23
	GS-4	13	7	5	9
	GS-3	2	1	1	2
	GS-2	0	0	0	0
	Subtotal	930	916	868	926
Wage Board	All Levels	1	1	1	1
Combined	Total	942	928	880	938

a/ Positions in the Office of Inspector General are not included. Amounts for each year include staffing reimbursed by CMS.

RAILROAD RETIREMENT BOARD

Full-Time Equivalent Employees by Organization ^{a/}

Organization	FY 2007 ^{b/}	FY 2008 President's Proposed Budget ^{c/}	FY 2009 RRB Request ^{d/}
Chairman	4.21	--	--
Labor	7.00	--	--
Management	5.00	--	--
Subtotal, Board	16.21	--	--
General Counsel/Law	13.42	--	--
Hearings and Appeals	11.93	--	--
Legislative Affairs	3.92	--	--
Secretary to the Board	2.00	--	--
Subtotal, General Counsel	31.27	--	--
Office of Programs	598.02	--	--
CFO/Fiscal Operations	62.73	--	--
Actuary	17.01	--	--
Office of Administration	62.59	--	--
Information Services	137.35	--	--
Total	925.18	928.00	938.00

^{a/} Includes FTEs funded by the RRB's regular administrative account and CMS, but excludes those FTEs funded by the Limitation on the Office of Inspector General.

^{b/} Amounts reflect projected use as of July 21, 2007. The RRB's fiscal year 2007 budget includes funding for 942 FTEs.

^{c/} Reflects projected total staffing at the President's proposed level of \$103.5 million.

^{d/} Reflects projected total staffing at the agency request level of the budget. At the OMB guidance level of the budget, \$103.5 million would fund only 880 FTE's.

RAILROAD RETIREMENT BOARD

Narrative Description of Strategic Goals

The RRB's budget request for ongoing operations is distributed between two areas that match the goals stated in the agency's Strategic Plan for Fiscal Years 2006–2011:

Strategic Goal I. Provide excellent customer service.

Strategic Goal II. Serve as responsible stewards for our customers' trust funds and agency resources.

Amounts requested by the RRB represent the resources needed to achieve the performance goals stated in the RRB's Performance Budget for Fiscal Year 2009. Activities in each area are described in the following sections. Additional information concerning performance indicators for each goal is provided in the Performance Budget.

I. Provide Excellent Customer Service.

Regarding the RRB's strategic goal of providing excellent customer service, annual performance goals and supporting initiatives in the RRB's Performance Budget for Fiscal Year 2009 include the following:

I-A. Pay benefits accurately and timely.

- Monitor payment and case accuracy and identify problems.
- Provide feedback and take additional preventive actions, as appropriate.
- Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.
- Inform our customers about their responsibilities.
- Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.
- Promote direct deposit for benefit payments.
- Monitor key payment workloads.
- Allocate resources effectively to improve our long-term performance in disability case timeliness.

I-B. Provide relevant, timely, and accurate information which is easy to understand.

- Listen to our customers to determine their expectations and whether those expectations are being met.
- Adjust our Customer Service Plan or our processes, based on customer feedback.
- Monitor key informational workloads.
- Focus on interactive electronic solutions that provide immediate responses and intermediate status updates.
- Fully develop a customer contact log.

I-C. Provide a range of choices in service delivery methods.

- Increase opportunities for our customers to conduct business in a secure manner over the Internet.
- Provide additional services through the HelpLine.
- Seek customers' service delivery preferences.

I-D. Ensure efficient and effective business interactions with covered railroad employers.

- Continue to develop electronic services that enable the employer to conduct daily business transactions and file required reports in an efficient, effective, and secure manner.
- Continue to look for ways to encourage employers to file accurate and timely annual service and compensation reports.

II. Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.

Regarding the RRB's strategic goal of safeguarding our customers' trust funds through prudent stewardship, annual performance goals and supporting initiatives in the RRB's Performance Budget for Fiscal Year 2009 include the following:

II-A. Ensure that trust fund assets are projected, collected, recorded and reported appropriately.

- Continue to issue annual audited financial statements.
- Continue to perform the RRB's actuarial valuations and financial projections.
- Continue to estimate the RRB's funding requirements for the Dual Benefits Payments Account.
- Continue to carry out the RRB's debt collection policy.
- Continue to accurately and timely determine the experience-based contribution rates required under the unemployment and sickness insurance program.
- Verify that payroll taxes are fully collected and properly recorded.

II-B. Ensure the integrity of benefit programs.

- Maintain established matching programs.
- Continue our program integrity reviews.

II-C. Ensure effectiveness, efficiency, and security of operations.

- Continue to develop an effective human capital planning program.
- Ensure the privacy and security of our customers' transactions with the RRB.
- Improve our ability to control and monitor information technology investments.
- Continue to seek ways to increase competitive sourcing opportunities.
- Make greater use of performance-based contracts.
- Expand our participation in E-Government initiatives.
- Comply with new security requirements for employee identification.

II-D. Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.

RAILROAD RETIREMENT BOARD

Appropriation Request by Strategic Goal

The administration of the railroad retirement/survivor and unemployment/sickness insurance benefit programs is discussed in the RRB Performance Budget for Fiscal Year 2009. The tables on the following pages identify the estimated costs of administering these programs in terms of the following strategic goals:

- I. Customer service
- II. Stewardship

These goals are consistent with the RRB's Strategic Plan for Fiscal Years 2006–2011.

The OMB guidance level provides \$103,517,570 for fiscal year 2009, which is the same as the funding level in the President's Budget for fiscal year 2008. This level would fund 880 FTEs to administer the benefit programs. This level also includes \$1,625,000 for essential information technology costs.

The agency request level for fiscal year 2009 totals \$109,492,339, and would be sufficient to fund a total of 938 FTEs. This level includes \$3,530,000 for information technology costs.

RAILROAD RETIREMENT BOARD

**Summary of Strategic Goal Amounts
Budget Account - Limitation on Administration (60-8237-0-7-601)**

**Analysis of Resources
(in thousands of dollars)**

<u>Fiscal Year/Level</u>	<u>2007</u>	<u>2008</u>	2009		
			<u>Guidance Level</u>	<u>Agency Request</u>	<u>Difference</u>
Budget authority.....	103,694	103,518	103,518	109,492	5,974
Outlays.....	103,694	103,518	103,518	109,492	5,974
Full-time equivalent employment.....	942	928	880	938	58

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Budget authority:						
Guidance level.....	103,518	103,518	103,518	103,518	103,518	103,518
Agency request.....	109,492	*	*	*	*	*
Difference.....	5,974	*	*	*	*	*
Outlays:						
Guidance level.....	103,518	103,518	103,518	103,518	103,518	103,518
Agency request.....	109,492	*	*	*	*	*
Difference.....	5,974	*	*	*	*	*

* Amounts for these years are to be determined.

RAILROAD RETIREMENT BOARD

**Strategic Goal - Customer Service
Budget Account - Limitation on Administration (60-8237-0-7-601)**

**Analysis of Resources
(in thousands of dollars)**

<u>Fiscal Year/Level</u>	<u>2007</u>	<u>2008</u>	2009		
			<u>Guidance Level</u>	<u>Agency Request</u>	<u>Difference</u>
Budget authority.....	78,911	78,778	79,388	83,471	4,083
Outlays.....	78,911	78,778	79,388	83,471	4,083
Full-time equivalent employment.....	735	724	684	729	45

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Budget authority:						
Guidance level.....	79,388	79,388	79,388	79,388	79,388	79,388
Agency request.....	83,471	*	*	*	*	*
Difference.....	4,083	*	*	*	*	*
Outlays:						
Guidance level.....	79,388	79,388	79,388	79,388	79,388	79,388
Agency request.....	83,471	*	*	*	*	*
Difference.....	4,083	*	*	*	*	*

* Amounts for these years are to be determined.

RETIREMENT BOARD

**Strategic Goal - Stewardship
Budget Account - Limitation on Administration (60-8237-0-7-601)**

**Analysis of Resources
(in thousands of dollars)**

<u>Fiscal Year/Level</u>	<u>2007</u>	<u>2008</u>	2009		
			Guidance Level	Agency Request	Difference
Budget authority.....	24,783	24,740	24,130	26,021	1,891
Outlays.....	24,783	24,740	24,130	26,021	1,891
Full-time equivalent employment.....	207	204	196	209	13

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Budget authority:						
Guidance level.....	24,130	24,130	24,130	24,130	24,130	24,130
Agency request.....	26,021	*	*	*	*	*
Difference.....	1,891	*	*	*	*	*
Outlays:						
Guidance level.....	24,130	24,130	24,130	24,130	24,130	24,130
Agency request.....	26,021	*	*	*	*	*
Difference.....	1,891	*	*	*	*	*

* Amounts for these years are to be determined.

PERFORMANCE BUDGET



Fiscal Year 2009

U. S. Railroad Retirement Board

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Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for 2009 to support our mission (see Figure 1 on the following page) and to communicate our intentions for meeting challenges and seeking opportunities. We will use the plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a renewed focus on results, service quality, and customer satisfaction. We will also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality.

This plan is closely linked to our *Strategic Plan for Fiscal Years 2006 - 2011* and can be easily cross-referenced to that plan. The President's Budget identified a set of Government-wide reforms that agencies are expected to carry out over the next several years. These reforms are reflected in this Performance Budget in order to communicate our intentions for meeting these challenges. We will hold managers accountable for achieving these reforms, thereby making our agency more citizen-centered, results-oriented, and market-based.

The Performance Budget provides detailed performance goals, performance indicators, and target levels to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other Government agencies. It is one part of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have established specific performance goals (with performance indicators and projected performance levels) to be achieved in 2009. Additionally, it supports our other functional plans required to manage the agency. These functional plans include the *Customer Service Plan* and the *Information Technology (IT) Capital Plan*. These plans reflect input and feedback from our stakeholders, and they result in the annual submission of the agency budget to the Office of Management and Budget (OMB) and the Congress.

RRB's Strategic and Performance Goals are presented on the pages following our Mission Statement. The attached *Exhibit* provides detailed information on our anticipated performance in 2009 for each performance goal, at each of the two budget levels: the OMB guidance level, totaling \$103.5 million, and our agency request level of \$109.5 million.

In support of the President's Management Agenda Initiative to improve financial performance, by November 15, 2009, we will prepare and submit to the President and the Congress a report on program performance for 2009, as part of our Performance and Accountability Report. The report will be audited by RRB's Office of Inspector General (OIG) to help ensure the reliability and utility of our performance information. The reported information will be derived from agency systems and will compare the performance goals and indicators to actual program performance for that fiscal year. This Performance Budget meets the requirements of the Government Performance and Results Act (GPRA) and was prepared by RRB employees.

Figure 1

***RAILROAD RETIREMENT BOARD
MISSION STATEMENT***

The RRB's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment and sickness. The RRB also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the RRB will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The RRB will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

Strategic Goal I: *Provide Excellent Customer Service.*

We aim to satisfy our customers' expectations for quality service both in terms of service delivery options and levels and manner of performance. At the OMB guidance level of the budget, we plan to allocate \$79,388,000 and 684 full-time equivalent employees (FTEs) to this goal; at the agency request level, we are requesting \$83,471,000 to fund 729 FTEs to maintain our high level of customer service. We have established four performance goals that focus on the specifics of achieving this strategic goal.

Performance Goal I-A: Pay benefits accurately and timely. RRB is committed to ensuring that we pay the right benefits to the right people in a timely manner. We have a number of measures in place to track the accuracy and timeliness of the actions we take in a year, regarding both the Railroad Retirement Act (RRA) and the Railroad Unemployment Insurance Act (RUIA) programs.

The principal indicators of **accuracy** are the benefit payment and case accuracy rates in each program. Our long-term performance goal is to meet or exceed 99 percent payment accuracy in the payments we initiate or manually adjust in a given year. (Payment accuracy is defined as the percentage of dollars paid correctly as a result of the adjudication action performed.) We also have long-term case accuracy goals (the percentage of cases paid without material error) so that at least 94 percent of cases handled under the RRA are accurate, and that at least 98 percent of those paid under the RUIA are handled correctly. To accomplish these goals, we will:

- *Monitor payment and case accuracy and identify problems.*
- *Provide feedback and take additional preventive actions as appropriate.*
- *Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.*
- *Inform our customers about their responsibilities.*
- *Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.*
- *Promote direct deposit for benefit payments.*
- *Monitor key payment workloads.*
- *Allocate resources effectively to improve our long-term performance in disability case timeliness.*

In accordance with the Improper Payments Information Act of 2002, RRB has reviewed its benefit payment programs and has concluded they do not have significant improper payments as defined by OMB Circular A-123, Appendix C. Nevertheless, we will continue to monitor our benefit payment programs and take the necessary action to minimize improper payments.

Our performance in the area of benefit **timeliness** is also a key indicator of our customer service. We have a customer service plan with timeliness standards (i.e., targets for when to expect the service requested) in 10 separate claims processing service categories, as shown in the *Exhibit* to this performance budget. The composite for our actual overall performance for

2007 (through March 2007), in these 10 categories, is 98.7 percent. (The composite of our performance targets was 97.7 percent.) This means that our customers got the service level promised in our *Customer Service Plan* for over 98.7 percent of those services. We have also

**Overall Timeliness Performance
(As of March 2007)**

- Retirement applications: 93.1%
(target: 92.6%)
- Survivor applications: 95.4%
(target: 91.6%)
- Disability applications/payments: 82.9%
(target: 78.2%)
- RUIA applications/claims: 99.8%
(target: 99.0%)

developed composite indicators to illustrate our performance in our four major benefit areas. (See adjacent box.)

The Disability Program has been able to raise its goal due to the completion of a disability training class in February 2007, the retention of experienced claims examining staff beyond their retirement eligibility dates, availability of overtime dollars, and the timely performance by the contractors for

consultative medical examinations and opinions needed to make disability decisions.

Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand. In addition to making payments, we provide a variety of information services to our customers. We provide general information through our website, publications, and our toll-free automated Help Line. We also provide information to individuals through annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, annual income tax statements, and answers to questions regarding benefits. It is important that we provide this information timely and in ways that are accessible and responsive to the individual's needs. The information must also be meaningful to the customer and easy to understand. The timeliness of our information is measured by how well we succeed in achieving the levels of service designated in our *Customer Service Plan* and by maintaining acceptable workload balances. Customer feedback through American Customer Satisfaction Index (ACSI) surveys and directly from customers helps us determine whether the information we are providing satisfies our customers' needs and expectations. To accomplish this objective, we will:

- *Listen to our customers to determine their expectations and whether those expectations are being met.*
- *Adjust our Customer Service Plan or our processes, based on customer feedback.*
- *Monitor key informational workloads.*
- *Focus on interactive electronic solutions that provide immediate responses and intermediate status updates.*
- *Fully develop a customer contact log.*

Performance Goal I-C: Provide a range of choices in service delivery methods. To fulfill customers' needs, we must provide high quality, accurate services on a timely basis, and in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. Consistent with our vision statement, we strive to provide a broad range of choices for customer service. Our customers have strongly indicated that they want us to continue personal service. To accomplish this, we plan to take advantage of technological

developments that will not only satisfy our customers but also improve our internal processes. Consistent with this goal, we intend to implement nationwide toll-free telephone service during fiscal year 2008. This service will include automated call distribution as well as an option for each caller to speak to a claims representative.

Our level of performance will be measured by how well we succeed in providing the level of service our customers expect, and by the number of new electronic services we can provide in each program at a reasonable cost. Our goal is to expand customer choice by offering alternative access to our major services. To achieve this objective, we plan to:

- *Increase opportunities for our customers to conduct business in a secure manner over the Internet.*
- *Provide additional services through the HelpLine.*
- *Seek customers' service delivery preferences.*

Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers. To correctly pay benefits, RRB must receive timely and accurate reports of the compensation and service months of covered employees. It is the responsibility of the employer to provide these reports with respect to its employees. To ensure the receipt of accurate and timely annual reports, as well as the proper filing of other reports and forms, the RRB must strive for a system of reporting which is easily understood, places minimal burden on employers, and ensures compliance with the applicable laws. To accomplish this, the RRB intends to:

- *Continue to develop electronic services that enable the employer to conduct daily business transactions and file required reports in an efficient, effective, and secure manner.*
- *Continue to look for ways to encourage employers to file accurate and timely annual service and compensation reports.*

Strategic Goal II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.

RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the OMB guidance level of the budget, we plan to allocate \$24,130,000 and 196 FTEs to this goal; at the agency request level, we are requesting \$26,021,000 to fund 209 FTEs to maintain our high level of stewardship. We have established four objectives that focus on this goal.

Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded and reported appropriately. RRB is committed to prudent management of its trust funds. Our success in this objective is reflected through annual audited financial statements, actuarial valuations, our financial projections, debt collection, experience-based contribution rates, and payroll tax and railroad employee compensation reconciliations. To accomplish this commitment, we will:

- *Continue to issue annual audited financial statements.*

- *Continue to perform RRB's actuarial valuations and financial projections.*
- *Continue to estimate RRB's funding requirements for the Dual Benefits Payments Account.*
- *Continue to carry out RRB's debt collection policy.*
- *Continue to accurately and timely determine the experience-based contribution rates required under the Unemployment and Sickness Insurance Program.*
- *Verify that payroll taxes are fully collected and properly recorded.*

In support of the President's Management Agenda Initiative to improve financial performance, on November 15, 2006, we released our *Performance and Accountability Report for 2006*. The RRB's OIG issued an unqualified ("clean") opinion on the *2006 Financial Statements*, which were included in that report.

Performance Goal II-B: Ensure the integrity of benefit programs. As part of our fiduciary responsibilities to the rail community, we must ensure that the correct benefit amounts are being paid to the right people. We match our benefit payments against the Social Security Administration's earnings and benefits database, the Centers for Medicare & Medicaid Services' utilization and death records, the Office of Personnel Management's benefit records, and State wage reports. We also administer other benefit monitoring programs to identify and prevent erroneous payments, and we refer some cases to RRB's OIG for investigation. After investigation, the Inspector General may pursue more aggressive actions, which include civil and criminal prosecution.

We measure the effectiveness of the program integrity efforts each year by comparing the dollars collected or saved through these initiatives to their cost. For example, in 2006, RRB invested the equivalent of over 24 full-time employees, at a cost of approximately \$1.95 million, in program integrity efforts. This resulted in nearly \$9.7 million in recoveries, \$810,000 in benefits saved, and the referral of 175 cases to the OIG for investigation. This is approximately \$5.36 in savings for each \$1.00 invested in these activities. To accomplish this objective, we will:

- *Maintain established matching programs.*
- *Continue our program integrity reviews.*

Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations. How we do our business is a critical component of good stewardship. RRB is committed to effective, efficient and secure internal operations. Many factors and programs contribute to this goal. We have ongoing programs which help us assess our performance in these areas. We use our management control review process as a means of reviewing critical agency processes in order to provide reasonable assurance of the effectiveness and efficiency of our programs and operations. If material weaknesses are detected, we take swift, aggressive, corrective action. In addition, we perform a variety of quality assurance activities to ensure that our benefit programs comply with established policies, standards and procedures. We consider the findings from these reviews as we plan our information technology initiatives.

To achieve our goals for efficient, effective, and secure operations, we will:

- *Continue to develop an effective human capital planning program.*
- *Ensure the privacy and security of our customers' transactions with the RRB.*
- *Improve our ability to control and monitor information technology investments.*
- *Continue to seek ways to increase competitive sourcing opportunities.*
- *Make greater use of performance-based contracts.*
- *Expand our participation in E-Government initiatives.*
- *Comply with new security requirements for employee identification.*

In addition to our ongoing activities, during the planning period we will continue to emphasize strategic management of human capital, competitive sourcing, and expanded electronic government. These have been identified as key areas in the President's Management Agenda.

Strategic Management of Human Capital -- While there is a wealth of institutional knowledge and practical experience among the current RRB staff, more than a third of them will be eligible for retirement by 2009. Effective succession planning will help to ensure that the benefit of this knowledge and experience can be passed on by our more senior employees before they retire. At the same time, effective training and development programs will prepare the remaining employees to assume leadership roles necessary for effective program administration and management. By adopting and implementing an aggressive hiring plan in 2007, RRB helped position itself for the future by filling a number of entry-level positions for the first time in several years.

We will continue structured succession planning activities in the following areas:

- Improve training capabilities, particularly in the areas of managerial and supervisory skills, through a combination of internal and external programs, including expanded use of video-based presentations on the agency intranet.
- Identify core competencies for key positions, with an emphasis on those with unique needs and/or potential for high turnover.
- Assess the skill level of employees currently in the same or related career tracks and develop enhancement programs to close any identified competency gaps.

Competitive Sourcing -- RRB has inventoried its positions, identified those that are commercial in nature, and published the report on the Internet, as required. In 2007, RRB listed eight commercial activities on its FAIR Act report comprised of 117 FTEs, an increase of 3 FTEs from the previous year. These positions were placed into the following categories: library services; occupational health (nurse); storage and warehousing; printing and reproduction; administrative support services; information operations and information assurance/security; data processing services; and systems design, development, and

programming services. The report also reflects reduced staffing levels, as the total number of FTEs shown on the report declined to 939.8 from 956 the previous year.

In the coming years, we will continue to explore opportunities for competitive sourcing that might improve efficiency and result in cost savings. However, the agency's flexibility in this area is limited, as the inventory lists almost 85 percent of the total positions identified in three categories related to information technology services. Since RRB handles tax information as part of its benefit payment and processing activities, guidance from the Internal Revenue Service has indicated that it would be extremely difficult to provide necessary security for this information as part of a contracted-services initiative.

Performance-Based Contracts -- Performance-based services contracting (PBSC) emphasizes objectives and measures performance requirements and quality standards in developing statements of work, selecting contractors, and determining contract type and incentives. In September 2004, OMB issued guidance on expanded use of PBSC, setting a goal for agencies to award at least 40 percent of service contract dollars, on contracts exceeding \$25,000, using PBSC techniques. In recent years, RRB has awarded well above that percentage of contract dollars using PBSC methods, achieving increases in terms of the numbers of contracts and percentages of dollars awarded. Over the next five years, we will continue to make maximum use of this technique and meet or exceed Government-wide goals for eligible service contracts.

Expanded Electronic Government -- RRB has implemented the Federal Website Standards recommendations of the Interagency Committee on Government Information, as required by the E-Government Act of 2002.

In 2005, we added the capability for customers to submit unemployment insurance claims online and to request duplicate tax statements via our Interactive Voice Response (IVR) telephone line. In November 2005, we implemented the RUIA Account Statement application, which allows customers to review the

status of their unemployment and sickness insurance claims and payments via the Internet. In 2008, we will add an RUIA Sickness Claim application, which will allow customers to file biweekly claims for sickness benefits via the Internet. We also plan to expand IVR to allow customers to check on the status of their RRA annuities, expand Internet services and further expand the Employer Reporting System (ERS).

Plans for ERS in 2008 include: converting existing software to a language that can be supported by in-house staff; completing work on a process to handle pre- and post-payment

**2009 E-Government Initiatives
at the Agency Request Budget Level**

At the agency request level of funding, we will implement automated systems for:

- Online retirement application processing,
- Notice to rail employer of an annuitant's death, and
- Notice to rail employers of Medicare entitlement.

verification of UI and SI claims (ID-4k and ID-4e); and adding functionality to create and file annual reports of service and compensation over the Internet. This streamlined annual reporting process will encompass 13 existing forms involving 7 processes.

At the guidance level of the 2009 Budget, ERS will be expanded to include functionality to notify rail employers of annuities awarded to their employees (RL-5a) and to provide Notice of Tier I Tax Liability on Sickness Payments (ID-6 and ID-6y).

Our plan assumes there will be no change in agency priorities or resource allocations that would draw support from these initiatives. Also, the number and functionality of options provided will be constrained by available funding. The 2009 initiatives to apply online for a retirement annuity and to further enhance the ERS (to provide rail employers with notices of employee death and of Medicare entitlement) are provided for only at the agency request budget level.

IT Systems Improvements -- In 2005, RRB embarked on a major multi-year project to convert an outdated database platform used throughout most of the agency's benefit systems to a more modern and flexible platform. The project, which directly correlates with RRB's Enterprise Architecture Strategic Plan, will reduce the agency's dependence on limited and declining technology, and enable RRB to more fully utilize newer technologies in future development efforts. This project is scheduled for completion by September 30, 2007.

Following conversion of the database management system, RRB will continue with the next phase of development, to optimize the performance of the agency's databases and further reduce data redundancy. Through this process, RRB will: eliminate multiple representations of the same data; redefine data that is apparently the same but has subtle differences; enhance the efficiency of the database; and document data. Optimization will ensure acceptable response times and adequate system availability, as well as reduce the need for frequent database restructuring, which can be costly and impede performance.

The data optimization process will point out opportunities to modernize RRB's systems, many of which are old and complex and require a large investment in maintenance. For this reason,

Fiscal Year 2009 Information Technology Capital Plan Investments	
<u>OMB Guidance Level</u>	
Network operations	\$450,000
Infrastructure replacement	50,000
IT tools	100,000
E-Government	200,000
Risk management	375,000
System modernization	300,000
IT task orders	<u>150,000</u>
Subtotal at guidance levels.....	\$1,625,000
<u>Additional at Agency Request Level</u>	
Infrastructure replacement	850,000
IT tools	30,000
E-Government	250,000
System modernization	195,000
IT task orders	300,000
Enterprise Human Resources Integration...	<u>280,000</u>
Subtotal increases requested	\$1,905,000
Total IT investments at agency request level	
	\$3,530,000
See the IT Initiatives tab for more information.	

the RRB will begin in fiscal year 2008 to plan for the next phase of development, system modernization, by selecting a pilot application for modernization. In 2009, RRB staff will work with contractual assistance to identify possible solutions, analyze them, and begin implementation.

Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.

Although RRB no longer has primary responsibility for the investment of the trust fund monies, it continues to have responsibilities in ensuring that the National Railroad Retirement Investment Trust (NRRIT), and its seven-member Board of Trustees, comply with the provisions of the Railroad Retirement Act. This responsibility is fulfilled through semi-annual meetings between RRB's Board Members and NRRIT's Trustees; periodic meetings between the agency's General Counsel and officials of NRRIT and the Counsel to NRRIT; review of the monthly reports submitted by NRRIT; review of the annual management reports prepared by NRRIT; and review of the annual audit reports of NRRIT's financial statements.

RRB has authority to bring civil action should it detect any violation of the Railroad Retirement Act or noncompliance with any of the provisions of that Act.

Information Security Program

The Federal Information Security Management Act and other guidance require all Federal agencies to develop comprehensive information security programs based on assessing and managing risks. In 2006, we did this by further strengthening the agency's critical computer security infrastructure with the installation of a Network Access Control appliance-based system, which together with our sophisticated Intrusion Detection System and state-of-the-art firewall on RRB's network, provides comprehensive, defense-in-depth protection from a variety of cyber threats. We further enhanced our incident response capability by establishing a Security/Privacy Committee and an Agency Core Response Group, in addition to our existing Computer Emergency Response Team. All end users receive security awareness training, and employees with significant information security responsibilities are provided with additional security education.

The agency's disaster recovery capability is tested with periodic backup site recovery exercises. The Chief Security Officer, who heads the Risk Management Group, is responsible for the information security program; additional staffing in the group includes an Information Technology Security Specialist, an IT Assurance Analyst, and an Information Availability Specialist. Contractual support has provided additional resources to address effective risk management for specialized areas, as needed.

Risk management at the RRB has been classified as either **strategic** or **operational**.

- **Strategic Risk Management:** The Chief Security Officer, who acts in the larger capacity as the director of enterprise risk management, is responsible for strategic elements that include:
 - Planning and integrating enterprise-wide IT risk management policy, procedures, and guidance.
 - Assisting business units in implementing certification and accreditation of RRB's major applications and general support systems.
 - Coordinating agency-wide security policy as well as assessing and underwriting agency-wide security infrastructure and resource investments, and implementing effective enforcement solutions.
- **Operational Risk Management:** Various IT and business unit managers are responsible for day-to-day monitoring and management of the risk posture of the agency including: the administration of access rights (e.g., passwords); ultimate accountability for the integrity of information assets usually associated with application design and information ownership; and, security operations processes (research, monitoring, scanning, incident response management, reporting, and forensics).

RRB Administrative Circular IRM-8, The Information Security Program of the Railroad Retirement Board, and the draft RRB Information Systems Security Policy, Standards, and

Guidelines Handbook identify the responsibilities for security throughout the organization. During 2008, the Risk Management Group will:

- Continue certification and accreditation of agency systems.
- Monitor RRB's network utilizing the Intrusion Detection System.
- Enforce security policy on end-point personal computers utilizing the Network Access Control appliance-based system.
- Take corrective actions to resolve audit recommendations.
- Assist in developing procedures that improve proper use of access controls of LAN/WAN and mainframe systems.
- Incorporate procedures for certification and accreditation into the system development life cycle in accordance with newly developed guidance and standards from the National Institute of Standards and Technology (NIST).
- Provide for general awareness training for agency employees, and continue providing the security education program for all employees with responsibilities for information system security.
- Assist business units with continuity-of-operations plan concerns, with a focus on agency-wide preparedness.
- Conduct and/or ensure the conduct of ongoing system security reviews and tests, and develop associated reports.
- Continue to review and enhance RRB's privacy program in accordance with OMB and NIST guidance.
- Support the RRB Security/Privacy Committee, the Agency Core Response Team, and the Computer Emergency Response Team to address agency-wide security and privacy concerns.
- Finalize the RRB Information Systems Security Policy, Standards, and Guidelines Handbook.

Railroad Retirement Board FY 2009 Initial Performance Budget		2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
STRATEGIC GOAL I: Provide Excellent Customer Service								
Performance Goal I-A: Pay benefits accurately and timely.								
I-A-1. Achieve a railroad retirement benefit payment recurring accuracy rate ^{2/} of at least 99%. (Measure: % accuracy rate)	Initial payments:	99.36%	99.62%	99.91%	Not available	99.50%	99.75%	99.90%
	Sample post recurring payments:	99.92%	99.89%	99.94%	Not available	99.50%	99.80%	99.90%
I-A-2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate ^{2/} of at least 99%. (Measure: % accuracy rate)	Unemployment:	99.91%	98.73%	99.08%	99.65%	99.00%	99.25%	99.50%
	Sickness:	99.84%	99.94%	99.78%	100%	99.70%	99.80%	99.85%
I-A-3. Achieve a railroad retirement case accuracy rate ^{2/} of at least 94%. (Measure: % of case accuracy)	Initial cases:	94.7%	95.5%	94.5%	Not available	94.0%	94.0%	94.5%
	Post cases:	97.8%	95.8%	96.3%	Not available	96.0%	96.0%	96.5%
I-A-4. Achieve a railroad unemployment/sickness insurance case accuracy rate ^{2/} of at least 98%. (Measure: % of case accuracy)	Unemployment:	99.75%	98.01%	97.5%	97.98%	97.5%	97.5%	98.2%
	Sickness:	99.25%	99.51%	99.03%	100%	99.0%	99.0%	99.25%

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
I-A-5. Railroad retirement employee or spouse receives initial annuity payment, or a decision, within 35 days of annuity beginning date, if advanced filed. (Measure: % ≤ 30 adjudicative processing days ^{3/4/})	N/A	93.1%	92.9%	92.3%			
<i>Revised goal for 2008 and later</i>							
I-A-5. The RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 35 days of the annuity beginning date, if advanced filed. (Measure: % ≤ 30 adjudicative processing days ^{3/})					92.0%	92.75%	93.1%
I-A-6. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 65 days of the date the application was filed, if not advanced filed. (Measure: % ≤ 60 adjudicative processing days ^{3/4/})	N/A	97.3%	96.2%	96.4%			
<i>Revised goal for 2008 and later</i>							
I-A-6. The RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 60 days of the date the application was filed. (Measure: % ≤ 60 adjudicative processing days ^{3/})					96.0%	96.8%	97.3%
I-A-7. Survivor annuitant not already receiving a benefit receives initial payment, a decision, or notice of transfer to SSA within 65 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 processing days ^{4/})	84.5%	92.8% ^{5/}	93.2%	94.1%			

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
<i>Revised goal for 2008 and later</i> I-A-7. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor not already receiving a benefit within 60 days of the annuity beginning date. (Measure: % ≤ 60 days)					94.0%	94.0%	94.2%
I-A-8. Survivor annuitant receiving benefits as a spouse receives payment as a survivor, notice of denial, or notice of application transfer to SSA, within 35 days of RRB's receipt of notice of the employee's death. (Measure: % ≤ 30 processing days ^{4/})	94.1%	94.6%	95.7%	94.2%			
<i>Revised goal for 2008 and later</i> I-A-8. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor already receiving the benefits as a spouse within 30 days of the date the application was filed. (Measure: % ≤ 30 days)					94.0%	95.1%	95.7%
I-A-9. Applicant for any railroad retirement death benefit receives payment, or notice of denial within 65 days of the date filed. (Measure: % ≤ 60 processing days ^{4/})	95.4%	96.9%	97.5%	97.9%			
<i>Revised goal for 2008 and later</i> I-A-9. RRB makes a decision to pay or deny a railroad retirement death benefit application within 60 days of RRB's receipt of the first notice of death. (Measure: % ≤ 60 days)					97.0%	97.25%	97.5%

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
I-A-10. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date applications filed. (Measure: % ≤ 10 processing days ^{4/})	99.25% of cases sampled	99.8%	99.5%	100%			
<i>Revised goal for 2008 and later</i>							
I-A-10. RRB releases a UI claim form or letter of denial within 10 days of receiving an application for unemployment benefits. (Measure: % ≤ 10 days)					99.5%	99.5%	99.8%
I-A-11. Railroad employee unable to work due to temporary illness or injury, receives SI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % ≤ 10 processing days ^{4/})	99.4%	99.6%	99.5%	99.3%			
<i>Revised goal for 2008 and later</i>							
I-A-11. RRB releases an SI claim form or letter of denial within 10 days of receiving an application for sickness insurance benefits. (Measure: % ≤ 10 days)					99.0%	99.25%	99.5%
I-A-12. Railroad employee, unemployed or unable to work due to temporary illness or injury, receives a payment for unemployment or sickness insurance benefits, or a decision, within 15 days of claim receipt. (Measure: % ≤ 10 processing days ^{4/})	99.7 %	99.8%	99.8%	99.8%			
<i>Revised goal for 2008 and later</i>							
I-A-12. RRB certifies a payment or releases a letter of denial of UI or SI benefits within 10 days of the date RRB receives the claim. (Measure: % ≤ 10 days)					99.7%	99.8%	99.8%

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
I-A-13. Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed. (Measure: % ≤ 100 processing days ^{4/})	55.9%	67.9%	65.9%	68.3%			
<i>Revised goal for 2008 and later</i>							
I-A-13. The RRB makes a decision to pay or deny a benefit for a disabled applicant or family member within 100 days of the date the application is filed. (Measure: % ≤ 100 days)					68.0%	70.0%	71.0%
I-A-14. Disabled applicant receives payment within 25 days of decision or earliest payment date (whichever is later). (Measure: % ≤ 20 processing days ^{4/ 6/})	94.8%	94.4%	95.2%	96.0%	94.5%	95.0%	95.0%
I-A-15. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	194	207	206	159	190	190	180
<i>Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand.</i>							
I-B-1. Achieve quality and accuracy of correspondence, publications, and voice communications. (Measure: surveys and reviews; number of valid challenges to published data)	ACSI survey deferred	Completed the final report on a widow(er)s survey. RRB's score of 90 was the highest of Federal agencies.	Completed a survey of initial disability decisions. RRB's score was 85.	ACSI survey deferred	Conduct an ACSI survey	Conduct an ACSI Survey	Conduct an ACSI Survey
	No valid challenges to published data	No challenges to published data	No challenges to published data	No more than two valid challenges to published data in 2007	No more than two valid challenges to published data in 2008	No more than two valid challenges to published data in 2009	No more than two valid challenges to published data in 2009

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
<i>Performance Goal I-C: Provide a range of choices in service delivery methods.</i>							
I-C-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: # of services available through electronic media)	12 services available	14 services available	16 services available	16 services available as of May 2007.	18 services available	18 services available	19 services available
<i>Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employees.</i>							
I-D-1. Improve timeliness and efficiency in posting service and compensation data to agency records. (Measure: % of service and compensation records posted by April 15)	New indicator for FY 2005	99.7%	99.6%	99.92% through 4/15/07	99.0%	99.8%	99.9%
I-D-2. Improve accuracy in posting service and compensation data to agency records. (Measure: % of service and compensation records posted accurately)	New indicator for FY 2005	99.0%	99.9%	99.67%	99.0%	99.5%	99.8%
I-D-3. Covered employer annual reports of employees filed electronically, or on magnetic media. (Measure: % of employee records filed electronically, or on magnetic media)	97.0%	98.0%	97.8%	98.2% through 4/15/07	95.0%	98.0%	98.5%
I-D-4. Enable employers to use the Internet to conduct business with RRB, in support of the Government Paperwork Elimination Act. (Measure: % of employers who use the new on-line reporting process (Employer Reporting System - ERS); # of services available through electronic media)	52.0% 4 Internet services available	55.0% 4 Internet services available	58.0% 6 Internet services available	61.0% 6 Internet services available	70.0% 16 Internet services available	73.0% 18 Internet services available	75.0% 20 Internet services available

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
<i>STRATEGIC GOAL II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</i>							
<i>Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded, and reported appropriately.</i>							
II-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure: funds collected vs. total debts outstanding)	69%	66%	62%	42%	55%	55%	55%
II-A-2. Release quarterly and annual notices accurately and timely to employers regarding their experience rating based contributions. (Measure: Yes/No)	New indicator for 2005	Yes	Yes	Yes	Yes	Yes	Yes
II-A-3. Complete compensation reconciliations at least one year before the statute of limitations expires. (Compensation reconciliations involve a comparison of compensation reported by railroad employers to RRB for benefit calculation purposes with compensation reported to IRS for tax purposes.) (Measure: % completed)	100% of the 2001 reconciliations by 2/20/04	100% of the 2002 reconciliations by 12/17/04	100% of the 2003 reconciliations by 12/15/05	100% of the 2004 reconciliations by 12/11/06.	100% of the 2005 reconciliations by 2/28/08	100% of the 2006 reconciliations by 2/28/09	100% of the 2006 reconciliations by 2/28/09
II-A-4. Perform monthly reasonableness tests comparing railroad retirement taxes deposited electronically, which represent over 99% of all railroad retirement taxes, against tax receipts transferred to RRB trust funds by the Department of the Treasury (Treasury) to provide reasonable assurance RRB trust funds are receiving appropriate tax funds. (Measure: reasonableness test performed and anomalies reconciled with Treasury (Yes/No))	Yes	Yes	Yes	As of 3/31/07, tests were completed through February 2007.	Yes	Yes	Yes

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
II-A-5. Prepare annual Performance and Accountability Reports (including audited financial statements and other financial and performance reports) by the required due dates. (Measure: Yes/No)	Yes. The 2003 P&AR was released in 01/04.	Yes. The 2004 P&AR was released on 11/10/04.	Yes. The 2005 P&AR was released on 11/10/05.	Yes. The 2006 P&AR was released on 11/15/06.	Yes	Yes	Yes
II-A-6. Take prompt corrective action on audit recommendations. (Measure: % of audit recommendations implemented by target date)	95.7%	90.3% ^{2/}	97.2%	88.9%	95.0%	95.0%	98.0%
<i>Performance Goal II-B: Ensure the integrity of benefit programs.</i>							
II-B-1. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure: recoveries and savings per dollar spent)	\$4.84 : \$1.00	\$5.11: \$1.00	\$5.36 : \$1.00	Data will be available in November 2007.	\$5.00 : \$1.00	\$5.36 : \$1.00	\$5.48 : \$1.00
<i>Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations.</i>							
II-C-1. Continue succession planning by ensuring there is a cadre of highly skilled employees available for key positions. (Measure for 2004 and 2005: # of position types (descriptions) for which core competencies have been defined)	1 position	6 positions					
# of employees whose skills have been assessed	39 employees	73 employees					
# of employees involved with skills-enhancement programs)	18 employees	31 employees					
(Measure for 2006 and later: structured succession planning activities are continuing – Yes/No)			Yes	Yes	Yes	Yes	Yes

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
<p>II-C-2. Annually assess/update all computer security, disaster recovery, and business resumption plans for the agency. (Measure: Yes/No)</p>	<p>Assessments and updates of all scheduled plans completed.</p>	<p>Yes. The agency has completed a Business Impact Analysis and a Business Continuity Plan (BCP).</p>	<p>No. The BCP was updated with alternate non-IT site information in January 2006, and Appendix H of the BCP, the Emergency Management Organization, was updated in February 2006. An IT Disaster Recovery Plan is currently in draft status.</p>	<p>Yes. As of July 2007, RRB has acquired contractor assistance to certify and accredit the general support and major applications systems. The agency is in the process of filling an information availability analyst position. RRB has also completed a training test and exercise of the Continuity of Operations Plan.</p>	<p>In compliance with FISMA requirements, self-assessments will be performed on selected control components of the major applications and the general support systems. Contingency planning and related training material will also be updated.</p>	<p>The business impact assessment reports will be examined and revised as necessary. The BCP is also scheduled to be updated as required to maintain currency with the organizational structure.</p>	<p>Business impact assessment reports will be examined and revised as necessary. The BCP will be updated as required to maintain currency with RRB's organizational structure. A disaster training initiative will be developed to engage agency staff in updated continuity of operations program practices.</p>

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II-C-3. Develop and implement new procedures for responding to and reporting computer security incidents. (Measure: Yes/No)	Procedures have been developed, and reports of identified incidents are documented. RRB also purchased an Intrusion Detection System (IDS).	Yes. The IDS was installed on 11/19/04, and was placed in operation on 2/12/05. The IDS tuning phase was completed by 6/30/05. Computer security incident procedures are in place and reports of incidents are documented.	Yes. The Department of Energy's Computer Incident Advisory Center began vulnerability assessment testing in January 2006, and completed testing of RRB's LAN general support system.	Yes. The IDS was recently upgraded to Intrusion Prevention. A network access control device was installed on the agency LAN/WAN general support system to provide increased security management capabilities.	A Network Access Control appliance will be installed and functioning. The computer Security Incident Response Plan will be reviewed and updated as necessary.		
<i>Revised goal for 2009 and later</i>							
II-C-3. Maintain an incident response program for responding to and reporting computer security incidents. (Measure: All cyber security incidents will be reported to US-CERT, Yes/No)						Yes	Yes

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
II-C-4. Assess computer security training requirements and implement an ongoing training program for agency staff. (Measure: Yes/No)	Yes. Training needs were assessed and a security curriculum was developed based on audit findings. An ongoing awareness training program for computer users at the agency was completed with 100% participation by agency personnel.	Yes. The agency has established two training tracks. Track one provides technical expertise and functional skills for IT staff, and track two focuses on knowledge of security assessments, planning, policy development and safeguard controls. All employees requiring IT security education participate in track two; however, technical employees use both tracks.	Yes. A total of 181 RRB employees with computer security responsibilities are receiving Web-based training at OPM's USALearning site, with a second training track for specialized technical education. All RRB staff annually complete a computer security awareness program.	Yes. All staff with computer security responsibilities are registered in role-based security training to be completed by 8/31/07 at OPM's GoLearn.gov. In addition, technical IT specialists participate in a second track that requires security-specific technical education associated with their job. The annual computer awareness program for all employees began on 1/22/07. As of June 2007, all RRB staff and contractors with network access have completed the annual computer security awareness program.	The two-track training concept will be maintained. All agency staff with computer security responsibilities will receive role-based security training with a second training track for specialized technical education. Also, all RRB staff will complete a computer security awareness program.	The two-track training concept will be maintained. All agency staff with computer security responsibilities will receive role-based security training with a second training track for specialized technical education. Also all RRB staff will complete a computer security awareness program.	The two-track training concept will be maintained. All agency staff with computer security responsibilities will receive role-based security training with a second training track for specialized technical education. Also all RRB staff will complete a computer security awareness program. To make the computer security awareness program more effective, RRB will purchase additional reinforcement computer security awareness material.

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
II-C-5. Implement a methodology to successfully estimate, track and monitor total costs and time schedules for information technology investments through the project life cycle, incorporating both web and mainframe investments. (Measure: Yes/No)	New indicator for 2005	The pilot portion of the multi-phase project was completed at the end of 2005. All projects are now being entered and tracked in MS Project.	A post-implementation review was completed in 2006 to tune the system and ensure that project measures were working in the IT environment. Some best practices were developed.	This objective has been completed with full implementation of the project management system in the Bureau of Information Services.			
II-C-6. Assemble and publicize an annual inventory of RRB commercial activities on the RRB Website. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
II-C-7. Complete public-private competitions on the required activities listed on the Federal Activities Inventory Reform (FAIR) Act inventory. (Measure: % of the FTE's listed on the FAIR Act inventory for which competitions completed)	5% (cumulative)	5% (cumulative)	OMB did not establish a target for 2006. RRB has competed about 5% of the FTEs on the FAIR Act inventory.	OMB did not establish a target for 2007. RRB has competed about 5% of the FTEs on the FAIR Act inventory.	Meet target level established by OMB	Meet target level established by OMB	Meet target level established by OMB
II-C-8. Meet government percentage goal for use of performance-based contracting techniques for eligible service contract funds. (Measure: Yes/No)	New indicator for 2005	Yes	Yes	Yes	Yes	Yes	Yes

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
II-C-9. Support government-wide procurement of E-Government initiatives using the point of entry vehicle of www.FedBizOpps.gov for all eligible actions. (Measure: Yes/No)	New indicator for 2005	Yes	Yes	Yes	Yes	Yes	Yes
II-C-10. Complete migration from the agency's current mainframe database management system (IDMS) to DB2, and initiate efforts to optimize the performance of those databases and further reduce data redundancy. (Measure: Meet target dates for the migration. Yes/No)				As of July 2007, the IDMS/DB2 database conversion is on schedule for completion in 2007.			
II-C-11. Complete data optimization to optimize the performance of DB2 databases for future developmental efforts, and to further reduce and document the data. (Measure: Meet target dates for the project. Yes/No)				RRB has issued an RFP for data optimization, and plans to begin the project by the end of 2007.	Yes		
II-C-12. Complete modernization of RRB processing systems in accordance with long-range planning goals. (Measure: Meet target dates for the project. Yes/No)						No	Yes
<i>Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.</i>							
II-D-1. Review monthly reports submitted by the Trust. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
II-D-2. Review annual management reports submitted by the Trust. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Railroad Retirement Board FY 2009 Initial Performance Budget	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{1/} (At \$102.5m)	2006 Actual ^{1/} (At \$101.5m)	2007 Actual ^{1/} (At \$103.7m)	2008 President's Proposed (At \$103.5m)	2009 Guidance Level (At \$103.5m)	2009 Request Level (At \$109.5m)
II-D-3. Review annual audit reports of the Trust's financial statements. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- 1/ Dollar amounts shown are funds appropriated for the fiscal year. Actual results for 2007 represent status as of March 31, 2007, unless otherwise noted.
- 2/ The payment accuracy rate is the percentage of **dollars** paid correctly as a result of adjudication actions performed. The case accuracy rate represents the percentage of **cases** that do not contain a material payment error. Case accuracy rates reflect only those errors that are detected as a result of reviewing award actions performed during the fiscal year being studied. (A material error is an incorrect payment of \$5.00 or more at the point the error is identified; an incorrect payment of less than \$5.00 totaling one percent or more of the monthly rate; or, any situation in which a non-entitled benefit is paid.)
- 3/ In audit report 05-05, dated May 17, 2005, RRB's OIG found problems with the performance data for these indicators. One significant problem has been resolved, allowing us to report performance for 2005 and later. However, there are still some system limitations that prevent inclusion of all internal processing time in the performance data. We are addressing them. Until the system changes are in place, performance will be calculated as the percent of cases adjudicated within the time specified in the measure. Another program error causes a small number (less than 1 percent) of spouse applications to be calculated incorrectly. The performance data includes these cases.
- 4/ Measure does not include the time for customer receipt (from the U.S. Treasury or Postal Service).
- 5/ Measurement and reporting inconsistencies, which resulted in a net understatement of actual performance, were identified during this reporting period. These inconsistencies have been corrected effective with April 2005 data. Therefore, the 2005 performance is for the last six months only.
- 6/ This indicator includes both retirement and survivor disability payments. The retirement payments are impacted by the system limitations identified in footnote 3 above. When the system limitations for retirement cases are corrected, this inconsistency will be eliminated.
- 7/ The percentage has been adjusted from 88.4 percent to reflect two audit recommendations implemented at the end of the fiscal year.

RAILROAD RETIREMENT BOARD

Information Technology Initiatives for Fiscal Year 2009

The Railroad Retirement Board is actively pursuing further automation and modernization of its various claims processing systems. Ongoing and planned projects will further increase and enhance the efficiency and effectiveness of our benefit payments and program administration. Automation initiatives in recent years have also significantly improved operations and allowed the agency to reduce staffing in certain areas. Key initiatives for fiscal year 2009 are described below.

Technology Infrastructure and Administrative Support -- These investments are required to establish a firm foundation for the technology advances we have planned in accordance with the agency's target enterprise architecture, and to maintain our operational readiness. The specific investments in fiscal year 2009 include:

Network Operations (\$450,000 at both budget levels)

This item supports the agency's centralized wide-area network operations. It includes funding for emergency/mandatory replacements or upgrades of hardware and software as needed to ensure continuing service to the user community and the agency's customers. This item also provides for assistance in the form of staff augmentation and other contractual support to provide for the introduction of new technologies, and the purchase of system monitoring tools to improve efficiency. Additional information concerning this area is included in the IT Capital Plan, Element 2.

Infrastructure Replacement (\$50,000 at the guidance level; \$900,000 at the agency request level)

This item provides funding for the continued upgrading and scheduled replacement of the agency's IT infrastructure equipment and related software. The upgrades and replacements follow the RRB's *IT Equipment Replacement Policy* for modernizing and securing the agency's computer operations. At the guidance level of the budget, most scheduled replacements would have to be deferred. Additional information concerning this area is included in the IT Capital Plan, Element 3.

IT Tools (\$100,000 at the guidance level; \$130,000 at the agency request level)

The RRB will purchase a variety of software and systems development tools to continue automation efforts that exploit new information technology and support the transition to automation. Funding is also needed to comply with Federal requirements concerning the need to record and archive electronic transmission of information in the future. Additional information concerning this area is included in the IT Capital Plan, Element 5.

RAILROAD RETIREMENT BOARD

Information Technology Initiatives for Fiscal Year 2009

Application Design Services -- Initiatives in this category are required to provide electronic services to the public, as mandated by the Government Paperwork Elimination Act of 1998, and other Federal directives/mandates. They are also needed to achieve our strategic objective of providing our customers with more flexible service delivery options.

E-Government (\$200,000 at the guidance level; \$450,000 at the agency request level)

At the agency request level of funding in fiscal year 2009, we plan to begin development of a web-based system that will allow employees and spouses to file applications for retirement age and service benefits online. We will also develop automated referrals processing in the Employer Reporting System (ERS) for use by the employers who do not file annual reports through the Internet. By the end of fiscal year 2009, we will have consolidated ERS processing for 16 new services covering 20 paper-based forms. Additional information concerning these activities is included in the IT Capital Plan, Element 6.

Risk Management Services -- In order to provide appropriate protection of information and information systems in the face of a changing risk environment, a comprehensive security program requires continuous management to control the risks that threaten the agency's critical assets. Complementary use of both technology and well-trained personnel can effectively reduce those risks to an acceptable level.

Information Security (\$375,000 at both budget levels)

In fiscal year 2009, we plan to continue with certification and accreditation of agency systems, and acquire security awareness training and specialized role-based training related to security concerns. We will also acquire a Federal Information Security Management Act (FISMA) Reporting Solution to automate FISMA evaluation and reporting processes. In addition, we plan to acquire a digital evidence forensic workstation and to automate malicious code analysis software and tools. Additional information concerning these activities is included in the IT Capital Plan, Element 7.

System Modernization – Building on the DB2 Data Optimization project, the next step is system modernization. The data optimization process will point out opportunities to modernize our systems, many of which are old and complex and require a large investment in maintenance. Planning for system modernization will begin in fiscal year 2008, with selection of a pilot application.

System Modernization (\$300,000 at the guidance level; \$495,000 at the agency request level)

In fiscal year 2009, we will use contractor services to evaluate the pilot application's business requirements, identify possible solutions, and recommend

RAILROAD RETIREMENT BOARD

Information Technology Initiatives for Fiscal Year 2009

one for implementation. Key to this examination will be the requirement to use optimized data so that data redundancy is reduced to the lowest practical level. Development of the pilot application will take place during fiscal year 2009. Additional information concerning this project is included in the IT Capital Plan, Element 9.

Enterprise Human Resources Integration (EHRI) – One of the 25 Presidential E-Government initiatives, EHRI is comprised of three major components: a central data repository for all Executive Branch employee records; an electronic employee record accessible to all Federal employees; and, a set of analytical tools for reporting and data analysis. This initiative also reflects a mandate from OMB to implement an electronic Official Personnel Folder (eOPF).

EHRI (\$280,000 included only at the agency request level of the budget)

In fiscal year 2009, funding is requested for EHRI planning and implementation services. Planning services include assessing requirements for, and planning of, implementation of the overall eOPF at the RRB, including software, hardware, hosting, licenses, and paper file (“backfile”) conversion. Implementation services include acquisition of software and licenses, system configuration of the development and production environments, software development and configuration, installation and configuration of the eOPF system at the hosting facility, system testing at the development and production environment, transition to support, training, and backfile conversion. Additional information concerning this initiative is included in the IT Capital Plan, Element 10.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2007 - 2012

Capital Element	FY 2007 ^{a/}	FY 2008 ^{b/}	FY 2009 ^{c/}	FY 2010	FY 2011	FY 2012	TOTAL
1. Mainframe leases/purchases	\$630,147	\$0	\$0	\$850,000	\$0	\$0	\$1,480,147
2. Network operations	350,000	350,000	450,000	450,000	450,000	470,000	2,520,000
3. Infrastructure replacement	944,766	210,000	900,000	900,000	900,000	900,000	4,754,766
4. Document imaging	25,000	0	0	0	0	0	25,000
5. IT tools	0	150,000	130,000	50,000	75,000	75,000	480,000
6. E-Government	230,353	0	450,000	350,000	350,000	350,000	1,730,353
7. Risk management	110,000	375,000	375,000	375,000	375,000	375,000	1,985,000
8. DB2 data optimization	912,234	0	0	0	0	0	912,234
9. System modernization	0	0	495,000	475,000	475,000	475,000	1,920,000
10. Enterprise Human Resources Integration	0	0	280,000	0	0	0	280,000
11. Implement 800 number	690,000	0	0	0	0	0	690,000
Non-Capital Plan Element							
12. IT task orders	0	305,000	450,000	450,000	450,000	450,000	2,105,000
TOTAL	\$3,892,500	\$1,390,000	\$3,530,000	\$3,900,000	\$3,075,000	\$3,095,000	\$18,882,500

^{a/} Amounts reflect funding as of August 10, 2007. Additional funding is expected to be allocated for IT later in fiscal year 2007.

^{b/} Amounts reflect funding at the President's proposed level of the fiscal year 2008 budget.

^{c/} Reflects funding at the agency request level of the fiscal year 2009 budget. The chart on the following page shows the amounts which would be available at the OMB guidance level.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
 FY 2007 - 2012

INFORMATION TECHNOLOGY INVESTMENTS IN THE FY 2009 BUDGET

Capital Element	Guidance Level	Increase	Agency Request
1. Mainframe leases/purchases	\$0	\$0	\$0
2. Network operations	450,000	0	450,000
3. Infrastructure replacement	50,000	850,000	900,000
4. Document imaging	0	0	0
5. IT tools	100,000	30,000	130,000
6. E-Government	200,000	250,000	450,000
7. Risk management	375,000	0	375,000
8. DB2 data optimization	0	0	0
9. System modernization	300,000	195,000	495,000
10. Enterprise Human Resources Integration	0	280,000	280,000
11. Implement 800 number	0	0	0
Non-Capital Plan Element			
12. IT task orders	150,000	300,000	450,000
TOTAL	\$1,625,000	\$1,905,000	\$3,530,000

RAILROAD RETIREMENT BOARD

Information Technology (IT) Capital Plan FY 2007-2012

1. Capital Element: *Mainframe Leases/Purchases*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$630,147	\$0	\$0	\$850,000	\$0	\$0	\$1,480,147

Agency Strategy and Benefits: The mainframe operating system supports our nationwide delivery of services as well as our suite of mainframe legacy application programs and databases. The agency leased a Z890 mainframe in July 2004, through a multi-year operating lease. Following buyout of the mainframe in fiscal year 2007, the RRB upgraded the processor from 135 MIPS (million instructions per second) to 170 MIPS.

The acquisition of the database, DB2, and its capacity requirements was a factor influencing the upgrade. The Z890 mainframe provides us with flexible enterprise server capabilities and is capable of providing greater capacity. This supports the agency's plans for increasingly automated operations and new E-Government functions. Benefits include reduced energy requirements, faster performance, growth options for increased capacity, and an ongoing ability to install new releases of operating system software as they are issued.

Fiscal year 2010

In fiscal year 2010, funding is provided for purchase of a new mainframe.

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***Information Technology (IT) Capital Plan
FY 2007-2012***

2. Capital Element: *Network Operations*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$350,000	\$350,000	\$450,000	\$450,000	\$450,000	\$470,000	\$2,520,000

Agency Strategy and Benefits: The agency strives to provide one of the best computing environments in the Federal government. This capital item supports the agency's centralized wide-area network operations. The RRB's computer network links together headquarters and field office computer systems. Services such as electronic mail and the Web are supported through network operations.

Fiscal years 2007-2012

This item provides for:

- Assistance in the form of contractual support for our mainframe and network staff,
- Support to provide for the introduction of new, emerging technologies, and
- Purchase of system monitoring tools to further mechanize the monitoring of the network so that we can do more with less staff.

Cyclical replacement of hardware is included in Capital Element 3, Infrastructure Replacement.

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*Information Technology (IT) Capital Plan
FY 2007-2012*

3. Capital Element: *Infrastructure Replacement*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$944,766	\$210,000	\$900,000	\$900,000	\$900,000	\$900,000	\$4,754,766

Agency Strategy and Benefits: IT infrastructure is the critical foundation for business applications. Life cycle replacement of infrastructure equipment is a direct cost but reduces indirect, hidden costs such as lost end-user productivity and downtime. This item provides for the continued upgrading and scheduled replacement of the agency’s network equipment and software.

Fiscal years 2007-2012

Upgrades and cyclical replacements follow the RRB’s *IT Equipment Replacement Policy* for modernizing and securing the agency’s computer operations. Core IT infrastructure elements identified in the policy include:

- Imaging jukeboxes
- Laptops
- Monitors
- Personal digital assistants (PDA’s)
- Personal computers (not including monitors)
- Network printers
- Card readers for Personal Identification Verification Cards
- Personal printers
- Portable printers
- Routers/switches
- Scanners (imaging)
- Scanners (personal)
- Servers

This capital element also includes the cyclical replacement of the MediaSite Live (RRB Vision) equipment, and the cyclical replacement of software and equipment to comply with OMB Memorandum 05-22, “Transition Planning for Internet Protocol Version 6 (IPv6),” issued in August 2005. The RRB is currently engaged in planning the transition to IPv6 in the agency’s network. The hardware and software that constitute the network backbone (core) are required to be in place by June 30, 2008. Equipment will be replaced based on this policy.

The funds requested will only provide for a portion of the equipment due to be replaced based on our IT equipment replacement schedule. Due to other priority needs in past years, IT equipment has not been replaced based on the industry standards. Replacement of equipment will continue to be based on priorities.

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***Information Technology (IT) Capital Plan
FY 2007-2012***

4. Capital Element: *Document Imaging*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000

Agency Strategy and Benefits: This capital item represents funding for the expansion of document imaging. Image processing allows claims staff to view certain documentary evidence and materials needed to adjudicate or process a claim through a microcomputer workstation, without having to wait to retrieve a paper claim folder from the central file storage area. The RRB’s document imaging system has:

- Improved service delivery through immediate access to claim information,
- Reduced the need for and expense of paper folders and claim materials,
- Reduced contract costs for claim folder storage and retrieval, and
- Provided simultaneous access to claim folder information by multiple employees.

In fiscal year 2007, a pilot study was conducted to determine whether field offices should scan documents into our imaging system. Based on the pilot study results, additional funding may be used to purchase scanning stations for additional field offices. Thus, the projected total funding for this element in fiscal year 2007 could increase to \$110,000.

Beginning in fiscal year 2008, document imaging costs are included in Capital Element 2, Network Operations, and Capital Element 3, Infrastructure Replacement.

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*Information Technology (IT) Capital Plan
FY 2007-2012*

5. Capital Element: IT Tools

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY2012	TOTAL
\$0	\$150,000	\$130,000	\$50,000	\$75,000	\$75,000	\$480,000

Agency Strategy and Benefits: New software tools are needed to implement the target information technology architecture defined in the RRB’s Enterprise Architecture Strategic Plan. Taken as a whole, the new tools and software purchased under this capital element will provide programmers and system support staff with the ability to move development forward, improve the efficiency and effectiveness of the system development life cycle, and help business processes throughout the agency operate more effectively.

Fiscal years 2007-2012

The RRB will purchase a variety of software and systems development tools to continue automation efforts that exploit new information technology and support the transition to automation. This includes tools to support middleware, relational databases, and the development of additional microcomputer application systems, as well as tools to allow secure Intranet/Internet access to enterprise mainframe-based applications and data. It also includes additional developer licenses for a variety of multi-platform system development tools and server support components. Funding was not allocated to this item in 2007 due to higher priority needs.

Funding is also needed to comply with Federal requirements concerning the need to record and archive electronic transmission of information in the future. We plan to implement a fully developed Electronic Records Management (ERM) system, which consists of the ERM application, hardware, staff, policies, and procedures that work in concert to enable the RRB to manage records electronically. This element includes the ERM software and developmental effort to identify, classify, and dispose of RRB electronic records according to specified records disposition policies.

In 2008, we will purchase ERM software and use a consultant to assist with developing the ERM application. In 2009, we will continue using the consultant’s assistance, and will provide agency-wide training on use of the software.

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Information Technology (IT) Capital Plan FY 2007-2012

6. Capital Element: *E-Government*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$230,353	\$0	\$450,000	\$350,000	\$350,000	\$350,000	\$1,730,353

Agency Strategy and Benefits: With its emphasis on the use of information technology in the delivery of services, E-Government presents the agency with the opportunity to re-think how it delivers services. Specifically, E-Government offers the agency the opportunity to: examine its current operations and procedures, identify business processes and practices that can be streamlined, implement those streamlined business processes, and implement new technologies that enhance those improvements. In the process of streamlining business operations, a properly implemented E-Government solution provides the agency with the opportunity to focus its resources on other service delivery efforts.

The President's Management Agenda calls for expanded use of the Internet for services to citizens. We plan to use contractor services to augment existing agency staff to expand the electronic services available to the railroad public via the RRB's website. This goal is consistent with the agency's overall goal to address our customers' needs and expectations, providing them with a range of choices for conducting business with us, including more Internet options that are private and secure. The benefits of these initiatives will be realized in increased efficiency and accuracy of business transactions between rail employees/ employers and the RRB.

Fiscal year 2007

In fiscal year 2007, we plan to implement a web-based system that will accept address changes and death notifications from the RRB's Medicare Part B carrier.

In December 2003, we implemented the Employer Reporting System (ERS) which initiated a strategic shift from paper forms and reports to Internet-based reporting and reports by railroad employers. The goal of this project is to provide employers with electronic alternatives to all 74 paper forms exchanged between employers and the RRB. We are also planning for secure e-mail to provide notices of covered service and compensation.

Fiscal year 2008

In fiscal year 2008, we plan to implement a web-based system that will allow railroad employees to file sickness insurance benefit claims online.

For rail employers, we plan to add the following forms to ERS: BA-3, Annual Report of Creditable Compensation; BA-10, Report of Miscellaneous Compensation and Sick Pay;

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and BA-11, Report of Gross Earnings. In addition, we plan to complete conversion of the existing system from SAS-based software to Microsoft's .Net language platform.

Fiscal year 2009

At the agency request level of funding in fiscal year 2009, we plan to implement a web-based system that will allow employees and spouses to file applications for retirement age and service benefits over the Internet.

We will also develop automated referrals processing in ERS for use by the employers who do not file annual reports through the Internet ERS. These referrals relate to the following:

- Employer's deemed service month questionnaire,
- Supplemental reports of service and compensation and discrepancy resolution,
- Discrepancies on service and compensation reports,
- Service reported after the annuity beginning date, and
- Requests for pay-rate information.

By the end of fiscal year 2009, we will have consolidated processing for 16 new services covering 20 paper-based forms.

Fiscal years 2010-2012

For rail employers, we will add more consolidated processing for services covering additional paper-based forms. We will continue to focus on the opportunities that ERS can offer the rail community and the RRB to improve our business processes and interactions. Like previous phases, this will involve some streamlining of the process, rather than just automating the current processes. We expect that the agency will need to continue to commit resources to this project through fiscal year 2012 and beyond.

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Information Technology (IT) Capital Plan FY 2007-2012

7. Capital Element: Risk Management

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$110,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$1,985,000

Agency Strategy and Benefits: In order to provide appropriate protection of information and information systems in the face of a changing risk environment, a comprehensive security program requires continuous management to control the risks that threaten the agency's critical assets. Complementary use of both technology and well-trained personnel can effectively reduce those risks to an acceptable level. Funding of the risk management capital plan item will provide for a variety of annual information security program activities. Projects/initiatives include the following.

Fiscal year 2007

OMB Circular A-130 and the Federal Information Security Management Act (FISMA) require Federal agencies to plan for security, ensure that appropriate officials are assigned security responsibility, and authorize system processing prior to operations and periodically thereafter. This authorization by senior agency officials is sometimes referred to as *accreditation*. The technical and non-technical evaluation of an IT system that produces the necessary information required by the authorizing official to make a credible, risk-based decision on whether to place the system into operation is known as *certification*.

The RRB has six major applications and two general support systems that must undergo an NIST-defined certification and accreditation process. In fiscal year 2007, we are initiating the certification and accreditation process for our systems.

Fiscal year 2008

- Continue certification and accreditation of agency systems.
- Acquire an Intrusion Prevention server.
- Acquire an Intrusion Prevention System appliance which will be placed on the perimeter of the network to protect the entire network, including the virtual private network.
- Establish an Anti-Spyware Enterprise server which uses true ON-Access scanning to proactively block, identify, and safely eliminate applications such as spyware, adware, cookies, and remote control programs.
- Purchase another Encase (forensics, incident response, and security tool) license so that two employees can work simultaneously to cut incident handling time in half.
- Create a security test lab to enact test security scenarios and incident replication.
- Establish a Security Inventory System which would be a document control system for records of source for security controls, assessments, planning, certification, accreditation, and privacy.

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Fiscal year 2009

- Continue certification and accreditation of agency systems.
- Acquire security awareness training. The agency will take advantage of shared service center agencies/vendors participating in the Presidential Information Systems Security Line of Business initiative.
- Acquire role-based comprehensive specialized security training for personnel with direct responsibilities for protecting IT systems.
- Acquire a FISMA Reporting Solution to automate FISMA evaluation and reporting processes. The agency will take advantage of shared service center agencies/vendors participating in the Presidential Information Systems Security Line of Business initiative.
- Replace equipment in accordance with life-cycle standards.
- Acquire a digital evidence forensic workstation and automated malicious code analysis software/tools.
- Continue efforts to improve other processes to incorporate security program principles into all aspects of IT system operations.

Fiscal years 2010-2012

- Continue certification and accreditation of agency systems.
- Provide for annual security awareness training for all agency personnel.
- Provide specialized security training for personnel with direct responsibilities for protecting IT systems.
- Continue efforts to improve other processes to incorporate security program principles into all aspects of IT system operations.

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*Information Technology (IT) Capital Plan
FY 2007-2012*

8. Capital Element: DB2 Data Optimization

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$912,234	\$0	\$0	\$0	\$0	\$0	\$912,234

Agency Strategy and Benefits: The RRB is nearing completion of a major project to convert our systems from a non-relational database management system (IDMS) to IBM's DB2 relational database. After our databases are converted to DB2, we must optimize the performance of those databases and reduce data redundancy.

In fiscal year 2007, we plan to begin the next phase of the project, to reanalyze and improve our data efficiency. The data optimization process will help us meet the requirements of the data reference model for our architecture. This process will also improve data accuracy.

Contractor support will be needed to assist with the optimization effort. Automated tools and training will also be needed to monitor the performance of the databases.

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*Information Technology (IT) Capital Plan
FY 2007-2012*

9. Capital Element: System Modernization

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$0	\$0	\$495,000	\$475,000	\$475,000	\$475,000	\$1,920,000

Agency Strategy and Benefits: Building on the data optimization effort, the next step is system modernization. The data optimization process will point out opportunities to modernize our systems, many of which are old and complex and require a large investment in maintenance. Planning for system modernization will begin in 2008.

Fiscal year 2008

We will use our enterprise architecture business value and risk assessment tools to rank our crucial business processes. From this ranking, we will select a pilot application for modernization that is both highly critical to our mission and in immediate need of redesign. We will then write a business requirements statement for modernizing the pilot application.

Fiscal year 2009

We will use contractor services to evaluate the pilot application’s business requirements. The contractor will identify possible solutions, analyze them and then recommend one for implementation. Key to this examination will be the requirement to use optimized data so that data redundancy is reduced to the lowest practical level. To save development costs, the contractor will also investigate incorporating any of the pilot application’s processes into already existing RRB applications. Additionally, the contractor will explore the possibility of locating the application on a non-mainframe computer platform. Moving away from mainframe technologies will help the RRB recruit development staff to replace its retiring workforce. Development of the pilot application will begin during fiscal year 2009. RRB and contractor staff will perform the work.

Fiscal years 2010 – 2012

With contractor assistance, the RRB will continue modernizing high value-high risk applications using knowledge gained from the redesign of the pilot application. Our efforts will result in improved interoperability and flexibility of systems, decreased time and cost to develop and operate E-Government applications, and improved ability to collaborate with agency partners. By modernizing systems, the RRB will save staff time in maintenance that could be better used in developing new systems. The modernization process will help us reduce redundancy, improve accuracy and speed, and move to more modern, less costly technologies.

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***Information Technology (IT) Capital Plan
FY 2007-2012***

10. Capital Element: *Enterprise Human Resources Integration*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$0	\$0	\$280,000	\$0	\$0	\$0	\$280,000

Agency Strategy and Benefits: Enterprise Human Resources Integration (EHRI) is one of the 25 Presidential E-Government initiatives. EHRI is comprised of three major components; a central data repository for all Executive Branch employee records, an electronic employee record accessible to all Federal employees, and a set of analytical tools for reporting and data analysis.

A part of EHRI is related to OMB’s mandate for agencies to implement an *electronic Official Personnel Folder* (eOPF) system. Currently, Official Personnel Folders are paper folders housed on-site by each Federal agency. Funds for this initiative would provide for the planning and implementation of an eOPF system for the RRB. The Office of Personnel Management’s EHRI Project Office will provide the RRB technical support and administrative services related to eOPF.

Some benefits of EHRI include:

- Projected \$72 million annual savings government-wide by eliminating paper folders;
- Automated filing of SF-50 notices of personnel actions;
- Access to eOPF’s with web-based, secure, and audited access;
- Ability of employees to access their OPF’s from work or home; and
- Automated retrieval of eOPF’s by agencies and the National Archives and Records Administration.

Fiscal year 2009

Planning services proposed include assessing requirements for, and planning of, implementation of the overall EHRI eOPF system at the RRB, including software, hardware, hosting, licenses, and paper file (“backfile”) conversion. Implementation services include acquisition of software and licenses, system configuration of the development and production environments, software development and configuration, installation and configuration of the eOPF system at the hosting facility, system testing at the development and production environment, transition to support, training, and backfile conversion.

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***Information Technology (IT) Capital Plan
FY 2007-2012***

11. Capital Element: *Implement 800 Number*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$690,000	\$0	\$0	\$0	\$0	\$0	\$690,000

The RRB currently serves approximately 270,000 railroad employees and 600,000 retirees/beneficiaries. The current structure of the field service through which the RRB delivers services to its customers includes 53 field offices, and 3 regional offices (Philadelphia, Denver and Atlanta). Approximately 300 RRB staff members are currently assigned to the geographically dispersed offices, and assist customers with retirement-survivor and unemployment-sickness insurance benefits, processes, and inquiries.

In fiscal year 2007, the RRB has budgeted funding to implement a nationwide toll-free service for our customers. The RRB has indicated that the design for the new system must address strategic objectives to:

- Maximize the use of technology to improve productivity in the face of declining staff and operating budgets, and
- Maintain the current levels of customer service to which RRB customers have become accustomed.

Requirements for the new system specify that the provider must:

- Maximize the use of carrier-provided routing and/or enhanced network features, incorporating all appropriate technologies to allow for dynamic and flexible call routing capabilities among the field offices. These features and technologies should meet or exceed the RRB’s current quality standards for customer service delivery.
- Develop a strategy for the integration and optimization of the RRB’s interactive voice response (IVR) services with the nationwide toll-free services design.

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***Information Technology (IT) Capital Plan
FY 2007-2012***

12. Non-Capital Element: *IT Task Orders*

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
\$0	\$305,000	\$450,000	\$450,000	\$450,000	\$450,000	\$2,105,000

Agency Strategy and Benefits: This non-capital item represents funding to implement the President’s goals for increasing private-sector competition in commercial-type activities. Task orders offer the agency an opportunity to quickly and efficiently purchase IT services including staff augmentation, computer programming, hardware, software, and other IT-related services.

Task order contracts are a method of rapid procurement of IT professional services with predetermined contractors at competitive rates. Task order contracts allow the agency to enter into contracts before the specific service/product requirements are known. A task order contract obligates a contractor to render services or deliver products as ordered *from time to time* by the agency, and the contractor is pre-qualified to do work for the RRB. This type of contract puts the contractor on standby. The contract statement of work is a general description of the services or products the contractor will be obligated to produce on demand. And after the contract award, the agency will issue, as needed, task orders to specify specific, detailed requirements. The task order contract, with its simplified process and unique fast-track rules, is used to save time and money in the long run.

Fiscal years 2008 - 2012

In fiscal years 2008 through 2012, we plan to use contractor resources on a task-order basis as an alternative to filling vacant positions, to augment staffing for system and network engineering, and to accelerate the development of application development projects. Task orders will also be used for assistance in handling follow-up activities related to the DB2 data optimization project (Capital Element 8).

IT Investment Portfolio - Railroad Retirement Board
Exhibit 53 - Appropriation Funding Source: OMB 446-00-8237-0/60-8237-0-7-601

2008 UPI (17-digits required for all)	2009 UPI (17-digits required for all)	Investment Title	Investment Description (limited to 255 characters)	Primary FEA Mapping (BRM or SRM)		Percentage (%)						HSPD-12 (\$M)	Homeland Security	DME (\$M)			Steady State (\$M)			Investment C&A Status (00,02,22,25,55)	Project Management Qualification Status (1, 2, 3, 4, 5, 6)	On High-Risk List (Yes)	Breach (Yes/No)	Segment Architecture (1,2,3)		
				Line of Business or Service Type (3 digit code)	Sub-Function or Svc Component (3 digit code)	BF	BE	Financial	IT Security	IPv6	PY			PY	CY	BY	PY	CY	BY							
446-00-00-00-00-0000-00	446-00-00-00-00-0000-00	Total Railroad Retirement Board Investment Portfolio Sum of Parts 1,2,3&4							12						3.892	1.085	3.080	0.000	0.000	0.000						
446-00-00-00-01-0000-09	446-00-00-00-01-0000-09	Total, Major Projects													0.000	0.000	0.000	0.000	0.000	0.000						
446-00-00-00-02-0000-09	446-00-00-00-02-0000-09	Total, Non-Major Projects							12						3.892	1.085	3.080	0.000	0.000	0.000						
446-00-01-00-00-0000-00	446-00-01-00-00-0000-00	Total, Part 1 - IT Investments													0.920	0.000	0.450	0.000	0.000	0.000						
446-00-01-01-00-0000-00	446-00-01-01-00-0000-00	Mission Area 1: Financial Management																								
446-00-01-01-01-0000-09	446-00-01-01-01-0000-09	Subtotal, Major Projects for Mission Area 1 - Financial Management													0.000	0.000	0.000	0.000	0.000	0.000						
446-00-01-01-02-0000-09	446-00-01-01-02-0000-09	Subtotal, Non-Major Projects for Mission Area 1 - Financial Management													0.000	0.000	0.000	0.000	0.000	0.000						
446-00-01-01-00-0000-09	446-00-01-01-00-0000-09	Subtotal for Mission Area 1, Major and Non-Major Projects. Financial Management													0.000	0.000	0.000	0.000	0.000	0.000						
446-00-01-02-00-0000-00	446-00-01-02-00-0000-00	Mission Area 2: RRA/RUIA Benefit Programs													0.000	0.000	0.000	0.000	0.000	0.000						
446-00-01-02-01-0000-09	446-00-01-02-01-0000-09	Subtotal, Major Projects for Mission Area 2													0.000	0.000	0.000	0.000	0.000	0.000						
446-00-01-02-02-0003-00	446-00-01-02-02-0003-00	First Non-Major Project Name: E-Government.	RRA and RUIA Internet transactions. Development of on-line customer functions.	703	525										0.230	0.000	0.450	0.000	0.000	0.000	00	2			3	
446-00-01-02-02-0003-04	446-00-01-02-02-0003-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																							
	446-00-01-02-02-0004-00	Second Non-Major Project Name: Implement Toll Free Number	Contractual assistance to develop toll free telephone service.	703	525										0.690	0.000	0.000	0.000	0.000	0.000	00	2			3	
	446-00-01-02-02-0004-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																							
446-00-01-02-02-0000-09	446-00-01-02-02-0000-09	Subtotal, Non-Major Projects for Mission Area 2													0.920	0.000	0.450	0.000	0.000	0.000						
446-00-01-02-00-0000-09	446-00-01-02-00-0000-09	Subtotal Total for Mission Area 2, Major and Non-Major Projects													0.920	0.000	0.450	0.000	0.000	0.000						

IT Investment Portfolio - Railroad Retirement Board
Exhibit 53 - Appropriation Funding Source: OMB 446-00-8237-0/60-8237-0-7-601

2008 UPI (17-digits required for all)	2009 UPI (17-digits required for all)	Investment Title	Investment Description (limited to 255 characters)	Primary FEA Mapping (BRM or SRM)		Percentage (%)						HSPD-12 (\$M)	Homeland Security	DME (\$M)			Steady State (\$M)			Investment C&A Status (00,02,22,25,55)	Project Management Qualification Status (1, 2, 3, 4, 5, 6)	On High-Risk List (Yes)	Breach (Yes/No)	Segment Architecture (1,2,3)				
				Line of Business or Service Type (3 digit code)	Sub-Function or Svc Component (3 digit code)	BF	BE	Financial	IT Security	IPv6	PY			PY	CY	BY	PY	CY	BY									
446-00-02-00-00-0000-00	446-00-02-00-00-0000-00	Part 2. IT Infrastructure and Office Automation							18						2.060	1.085	2.135	0.000	0.000	0.000								
446-00-02-02-01-0000-09	446-00-02-02-01-0000-09	Subtotal, Major Projects - None													0.000	0.000	0.000	0.000	0.000	0.000								
446-00-02-02-02-0001-00	446-00-02-02-02-0001-00	First Non-Major Project Name: Infrastructure Leases.	Mainframe lease costs and upgrade costs.	404	139										0.630	0.000	0.000	0.000	0.000	0.000	00	1					3	
446-00-02-02-02-0001-04	446-00-02-02-02-0001-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																									
446-00-02-02-02-0004-00	446-00-02-02-02-0004-00	Second Non-Major Project Name: Document Imaging.	Expansion of systems to image documents in headquarters and the field.	732	563										0.025	0.000	0.000	0.000	0.000	0.000	00	5					3	
446-00-02-02-02-0004-04	446-00-02-02-02-0004-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																									
446-00-02-02-02-0005-00	446-00-02-02-02-0005-00	Third Non-Major Project Name: System Development Tools (IT Tools).	Tools utilized to build new systems and support transition to a new information technology architecture.	404	139										0.000	0.150	0.130	0.000	0.000	0.000	00	1					3	
446-00-02-02-02-0005-04	446-00-02-02-02-0005-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																									
446-00-02-02-02-0006-00	446-00-02-02-02-0006-00	Fourth Non-Major Project Name: Information Security	Computer hardware/software and consulting services to enhance security.	761	656				100						0.110	0.375	0.375	0.000	0.000	0.000	00	1					3	
446-00-02-02-02-0006-04	446-00-02-02-02-0006-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																									
446-00-02-02-02-0008-00	446-00-02-02-02-0008-00	Fifth Non-Major Project Name: Network Operations.	Support for the RRB's local and wide-area network operations. Funds replacement and/or upgrade of network servers and software.	404	139										0.350	0.350	0.450	0.000	0.000	0.000	00	1					3	
446-00-02-02-02-0008-04	446-00-02-02-02-0008-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																									

IT Investment Portfolio - Railroad Retirement Board
Exhibit 53 - Appropriation Funding Source: OMB 446-00-8237-0/60-8237-0-7-601

2008 UPI (17-digits required for all)	2009 UPI (17-digits required for all)	Investment Title	Investment Description (limited to 255 characters)	Primary FEA Mapping (BRM or SRM)		Percentage (%)						HSPD-12 (\$M)	Homeland Security	DME (\$M)			Steady State (\$M)			Investment C&A Status (00,02,22,25,55)	Project Management Qualification Status (1, 2, 3, 4, 5, 6)	On High-Risk List (Yes)	Breach (Yes/No)	Segment Architecture (1,2,3)		
				Line of Business or Service Type (3 digit code)	Sub-Function or Svc Component (3 digit code)	BF	BE	Financial	IT Security	IPv6	PY			PY	CY	BY	PY	CY	BY							
446-00-02-02-0012-00	446-00-02-02-0012-00	Sixth Non-Major Project Name: Infrastructure Replacement.	Continuing upgrade and scheduled replacement of computer equipment and software.	404	139									0.945	0.210	0.900	0.000	0.000	0.000	00	1				3	
446-00-02-02-0012-04	446-00-02-02-0012-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																							
446-00-02-02-0013-00	446-00-02-02-0013-00	Seventh Non-Major Project Name: Enterprise Human Resources Integration.	Presidential E-government initiative to develop an electronic Official Personnel Folder (eOPF) system.	752	617									0.000	0.000	0.280	0.000	0.000	0.000	00	1				3	
446-00-02-02-0013-04	446-00-02-02-0013-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																							
446-00-02-02-0000-09	446-00-02-02-0000-09	Subtotal, Non-Major Projects - IT Infrastructure and Office Automation												2.060	1.085	2.135	0.000	0.000	0.000							
446-00-03-00-0000-00	446-00-03-00-0000-00	Part 3. IT Architecture and Planning												0.912	0.000	0.495	0.000	0.000	0.000							
446-00-03-02-01-0000-09	446-00-03-02-01-0000-09	Subtotal, Major Projects - IT Architecture												0.000	0.000	0.000	0.000	0.000	0.000							
446-00-03-02-02-0052-00	446-00-03-02-02-0052-00	Non-Major Project Name: System Modernization.	Modernization of software systems.	404	136									0.000	0.000	0.495	0.000	0.000	0.000	00	1				3	
446-00-03-02-02-0052-04	446-00-03-02-02-0052-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																							
	446-00-03-02-02-0053-00	Non-Major Project Name: DB2 Data Optimization	Database optimization.	404	136									0.912	0.000	0.000	0.000	0.000	0.000	00	1				3	
	446-00-03-02-02-0053-04	MAX ID: 446-00-8011-0	Funding source: Limitation on Administration																							
446-00-03-02-02-0000-09	446-00-03-02-02-0000-09	Subtotal, Non-Major Projects - IT Architecture and Planning												0.912	0.000	0.495	0.000	0.000	0.000							
446-00-04-00-0000-00	446-00-04-00-0000-00	Part 4. Grants Management												0.000	0.000	0.000	0.000	0.000	0.000							
446-00-05-00-0000-00	446-00-05-00-0000-00	Part 5. Grants to State and Locals												0.000	0.000	0.000	0.000	0.000	0.000							
446-00-06-00-0000-00	446-00-06-00-0000-00	Part 6. National Security Systems												0.000	0.000	0.000	0.000	0.000	0.000							

RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2009

Agency's Legislative Program Proposals

1. **Amend the Railroad Retirement Act to provide that, notwithstanding any other law, employees of covered employers shall be issued social security numbers.**

Under Immigration and Naturalization Service rules governing when non-resident aliens may be issued a social security number, non-citizens who reside outside the United States do not qualify for social security numbers. However, employers covered under the Railroad Retirement Act are required to report employee earnings to the Railroad Retirement Board using a social security number.

Consequently, the Railroad Retirement Board is unable to readily retrieve an individual record for approximately 300-400 employees annually, primarily railroad employees who reside in Canada and perform some of their railroad work in the United States.

Under this proposal, all railroad employees must be given social security numbers, which would facilitate the processing of earnings records of railroad employees who are not resident in the United States.

2. **Amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies.**

Section 7(b)(9) of the Railroad Retirement Act contains language requiring that all employees of the Railroad Retirement Board, except for one assistant for each Board Member, must be hired under the competitive civil service.

Elimination of this requirement would enable the Railroad Retirement Board to use various hiring authorities offered by the Office of Personnel Management.

RAILROAD RETIREMENT BOARD

Relationship of Programs to Account Structure
(in thousands of dollars)

	<u>2009 Estimates</u>	
	<u>Budget Authority</u>	<u>Outlays</u>
60-0111-0-1-601 Dual Benefits Payments Account.....	72,001	72,001
60-0113-0-1-601 Federal Payments to the Railroad Retirement Accounts.....	848,210	848,210
60-8010-0-7-601 Social Security Equivalent Benefit Account.....	6,196,000	6,177,000
60-8011-0-7-601 Railroad Retirement Account.....	4,336,000	4,325,000
60-8118-0-7-601 National Railroad Retirement Investment Trust.....	1,703,300	1,703,300
60-8237-0-7-601 Limitation on Administration		
Guidance level	103,518	103,518
Agency request level.....	109,492	109,492

RAILROAD RETIREMENT BOARD

Relationship of Programs to Account Structure
(in thousands of dollars)

Summary	2009 Estimates	
	Budget Authority	Outlays
Federal funds (see previous page) ^{a/}	920,211	920,211
Trust funds (see previous page) ^{b/}	12,235,300	12,205,300
Deductions for offsetting receipts:		
Intrafund transactions (OASDI transfer) ^{c/}	(4,006,000)	(4,006,000)
Intrafund transactions (NRRIT transfers) ^{c/}	(1,564,000)	(1,564,000)
Proprietary receipts from the public ^{d/}	(1,580,000)	(1,580,000)
Interfund transactions ^{e/}	<u>(848,210)</u>	<u>(848,210)</u>
TOTAL	<u>5,157,301</u>	<u>5,127,301</u>

^{a/} Represents budget authority and outlays for the Dual Benefits Payments Account and the Federal Payments to the Railroad Retirement Accounts.

^{b/} Represents budget authority and outlays for the Social Security Equivalent Benefit Account, the Railroad Retirement Account, and the National Railroad Retirement Investment Trust (NRRIT). Excludes the Limitation on Administration.

^{c/} Represents the financial interchange transfer amount of \$4,006,000,000 expected from the Social Security Administration's Old Age and Survivors Insurance and Disability Insurance (OASDI) Funds and a transfer of \$1,564,000,000 from the NRRIT to the Railroad Retirement Account.

^{d/} Estimate of interest and dividends on non-Federal securities earned by the NRRIT.

^{e/} Represents budget authority and outlays for the Federal Payments to the Railroad Retirement Accounts.

RAILROAD RETIREMENT BOARD**Program Evaluation Agenda as of August 2007****Medicare**

- *Contractor evaluation*
RRB's Resource Management Center evaluates operations of the Medicare Part B contractor serving RRB annuitants. The evaluations include measuring the contractor's performance against established criteria and standards for the Medicare program.
Frequency: Series of reviews each year
- *Validation and special studies*
RRB's Assessment and Training component (A&T) performs various validation and special reviews to provide management assurance that specific processes are operating as designed or to identify problems or identify waste, fraud or abuse.
Frequency: Ad hoc

Retirement and Survivor Benefits

- *Quality assurance analysis*
A&T develops case and payment accuracy statistics for application processing and post-adjudication processing through reviews of randomly sampled process outputs. These statistics are key indicators of the effectiveness of various processes within the retirement and survivor program and are reported in RRB's Performance and Accountability Report (P&AR).
Frequency: Series of reviews each year
- *Medical vendor reports*
A&T prepares performance reports on the timeliness of consultative medical examinations and medical opinions provided by contract providers for disability cases. The reports show vendor performance against standards specified in the contract.
Frequency: Monthly
- *Occupational disability reports*
A&T reports on the volumes of occupational disability decisions completed during the month, and provides breakdowns of the decisions by process, body systems, job types and costs.
Frequency: Monthly
- *Reconsideration reversal of disability determinations*
A&T reports on the number of, and reasons for, reversals of initial disability determinations at the first step of the appeal process and tracks trends over time.
Frequency: Annual

RAILROAD RETIREMENT BOARD

Program Evaluation Agenda as of August 2007

Unemployment and Sickness Insurance Benefits

- *Review of claims processing*
A&T conducts an end-of-line review of randomly selected unemployment and sickness insurance claims to determine whether they were correctly adjudicated. Reports provide statistics of case and payment accuracy used in RRB's P&AR.
Frequency: Annual

Railroad Retirement/Survivor and Unemployment/Sickness Insurance Benefits

- *Debt reports*
A&T prepares comparisons of Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) entitlement debt from year to year.
 - RRA reports include categories of debt, number of debts established, dollar amounts of debts established, the number of debts related to cases in pay status, and ratios for the number of debts to cases in pay status and the amount of debt to dollars of RRA benefits paid.
 - RUIA reports include categories of debt, number of debts established, dollar amount of debts established, amount of benefits paid, number of claims received, and ratios for the number of debts to claims and the amount of debt to the amount of RUIA benefits paid.
 Frequency: Annual
- *Validation and special studies*
A&T performs various validation and special reviews to provide management assurance that specific processes are operating as designed or to identify problems or identify waste, fraud or abuse.
Frequency: Ad hoc
- *Program integrity*
A&T prepares a report of the volumes, dollars, and time spent on all program integrity activities conducted throughout the agency. The report provides a benefit/cost ratio for overall program integrity activities which is included in the P&AR.
Frequency: Annual
- *Customer service*
A&T consolidates agency customer service data and reports actual performance in meeting published customer service timeliness standards.
Frequency: Semi-annual

RAILROAD RETIREMENT BOARD**Program Evaluation Agenda as of August 2007**

- *American Customer Service Index (ACSI)*
A&T coordinates this survey of various customer segments with the Federal Consultant Group and their affiliates from the University of Michigan.
Frequency: Annual (as funding allows)
- *Annual Federal Managers' Financial Integrity Act (FMFIA) certifications*
Responsible officials throughout the agency perform annual certifications under the FMFIA of various programs and processes. The purpose of the review is to ensure that there are effective internal controls in place.
Frequency: Series of reviews each year
- *Improper payments*
A&T develops estimates of improper benefit payments as required by the Improper Payments Information Act and defined by Office of Management and Budget guidance. The results of this analysis are included in the agency's P&AR.
Frequency: Annual

Security

- *Social Security Administration (SSA) security reviews and audits*
RRB's SSA Systems Security Officer certifies all direct terminal access to SSA databases.
Frequency: Monthly

SSA's security staff performs on-site reviews of field office personnel who have access to SSA databases.
Frequency: Periodic

A&T conducts an independent security audit of RRB employee direct terminal access of SSA data to ensure that all security requirements stipulated in the memorandum of understanding between SSA and RRB are being followed.
Frequency: Annual

RAILROAD RETIREMENT BOARD

Schedule of Program Evaluation Resources
(in thousands of dollars)

<u>ORGANIZATIONAL AREA</u>	2007			2008			2009		
	BA	O	FTE	BA	O	FTE	BA	O	FTE
<u>Resource Management Center</u>									
In-house costs: FTE	292	292	3	301	301	3	310	310	3
Other	<u>10</u>	<u>10</u>	<u>n/a</u>	<u>8</u>	<u>8</u>	<u>n/a</u>	<u>7</u>	<u>7</u>	<u>n/a</u>
Subtotal	302	302	3	309	309	3	317	317	3
<u>Assessment and Training</u>									
In-house costs: FTE	1,730	1,730	18	1,782	1,782	18	1,835	1,835	18
Other	<u>38</u>	<u>38</u>	<u>n/a</u>	<u>38</u>	<u>38</u>	<u>n/a</u>	<u>40</u>	<u>40</u>	<u>n/a</u>
Subtotal	1,768	1,768	18	1,820	1,820	18	1,875	1,875	18
<u>Agency totals</u>									
In-house costs: FTE	2,022	2,022	21	2,083	2,083	21	2,145	2,145	21
Other	<u>48</u>	<u>48</u>	<u>n/a</u>	<u>46</u>	<u>46</u>	<u>n/a</u>	<u>47</u>	<u>47</u>	<u>n/a</u>
Subtotal	2,070	2,070	21	2,129	2,129	21	2,192	2,192	21

RAILROAD RETIREMENT BOARD

Financial Management

Vision Statement

The Railroad Retirement Board (RRB) is committed to integrated and automated financial management systems that focus on the agency's mission and accountability. RRB strives to maintain an environment in which program and financial managers work in partnership to ensure the integrity of financial information and use that information to make decisions, measure performance, and monitor outcomes. In this environment, we envision integrated financial management systems with appropriate internal review and controls that provide agency managers with timely, accurate, and easily accessible information. We expect managers throughout the agency to use that information to achieve program objectives in a cost-effective manner and to ensure accountability.

RRB's Financial Management System

Accomplishment of this vision requires an accurate, timely, reliable, and flexible source for all financial and management information within the framework of requirements established by legislative mandates, the Government Accountability Office, the Office of Management and Budget (OMB), and the Department of the Treasury (Treasury).

RRB has continually upgraded its financial system structure to meet evolving standards and requirements. Core financial management functions are centralized in a mainframe-based system (the Federal Financial System – FFS) which continues to be under a maintenance contract between RRB and CGI-AMS. FFS met the Core Financial System Requirements that were established by the former Joint Financial Management Improvement Program (now the Financial Systems Integration Office (FSIO) at OMB), including support of the U.S. Government Standard General Ledger and prompt payment legislation requirements. It also fulfills the requirements of the Federal Managers' Financial Integrity Act to establish fiscal accountability.

FFS components support budget formulation and execution, general ledger and trust fund accounting, procurement and accounts payable, and inventory control. A Program Accounts Receivable (PAR) system, developed from the accounts receivable component of FFS, supports management of receivables arising from benefit payment programs and complies with debt collection legislation. CGI-AMS has transitioned from the FFS system to a server-based version called Momentum. The vendor is committed to maintaining the current baseline version of FFS for the foreseeable future. Nevertheless, RRB is assessing its options for addressing this transition.

RRB has completed or committed to several E-Government initiatives that were developed in response to the President's Management Agenda. RRB is already using the travel management services of the Bureau of the Public Debt for changes-of-station, and contracted with Carlson Wagonlit Government Travel (CWGT) to host its electronic travel authorization and vouchering

RAILROAD RETIREMENT BOARD

Financial Management

functions under the guidance of the General Services Administration (GSA) Program Management Office (PMO) which provides oversight for E-Government travel. RRB implemented an E-Government travel system with CWGT on September 30, 2006, in compliance with PMO's prescribed completion date for all agencies.

RRB payroll and human resources system support was transferred to GSA in June 2004, as part of the Administration's initiative to consolidate Federal Government payroll operations. Data files containing payroll expenses, transit benefit deductions and labor distribution costs are telecommunicated from GSA and support RRB's financial accounting, transit benefit, and cost accounting systems, respectively.

RRB Enterprise-Wide Technical Architecture is providing ever-increasing inter-connectivity between RRB's headquarters mainframe, networks, and intranet (Boardwalk); improved environmental security; enhanced network reconfiguration capabilities; and scalable bandwidth to support imaging, the intranet, and future needs. This enables RRB staff to operate more efficiently and effectively while performing fiscal administrative tasks, including collection and dissemination of financial management information and guidance.

A virtual private network extends the efficiency and effectiveness of these systems to RRB field staff by providing full access to all RRB internal systems from remote locations through a secure platform.

Goals and Strategies

To guide RRB in continually upgrading and improving its financial systems structure, the Chief Financial Officer has established broad financial management planning goals and implementing strategies to fully realize the overall financial management objectives. The goals and the strategies are as follows:

- **COMPLIANCE.** Ensure that financial operations continue to comply with applicable laws, regulations, standards, and guidelines and conform to financial systems, management controls, and information resources management requirements and standards.

Strategy: Integrate financial system automation requirements into RRB's *Strategic Information Resources Management Plan* and into the guiding principles, information requirements, and environmental trends of RRB's Enterprise Architecture.

Continue utilizing system administration and IT staff to make targeted upgrades to the current financial system in order to comply with all applicable laws, regulations, and Board Orders. Monitor the progress of the Financial

RAILROAD RETIREMENT BOARD

Financial Management

Management Line of Business initiative in conjunction with the planned expenditure of funds to perform a comprehensive evaluation of RRB's core financial system (FFS). The assessment will consider FSIO requirements, audit and statutory requirements, the agency's financial management system, and its business architecture.

Implement recommendations of RRB's Inspector General arising from annual audits of the financial statements and other reviews of the financial operations of RRB.

Provide for ongoing review of financial management controls in conjunction with the Management Control Review Program.

Status: This goal is being fully met.

- **SUPPORT.** Identify requirements for financial systems support to ensure timely and complete accomplishment of current, expanded, and new activities.

Strategy: Maintain adequate levels of internal system analyst and system accountant staffing, and provide training to all staff as appropriate.

Define system and application needs that are essential in performing current, expanded, and new activities.

Integrate new and revised financial system automation requirements into RRB's *Strategic Information Resources Management Plan* and into the guiding principles, information requirements, and environmental trends of RRB's Enterprise Architecture.

Status: This goal is being met to the extent permitted by limited resources.

- **ACCESS.** Improve and facilitate user access to financial information.

Strategy: Integrate off-the-shelf management information software products that can supplement the existing core financial systems by retrieving information from the mainframe software in end-user specified formats or office suite formats, with the intent of meeting user requirements.

Status: Data retrieval software products give users the ability to extract data from FFS and other mainframe databases in a wide variety of formats, including text reports, spreadsheets, and database tables without involving technical staff.

RAILROAD RETIREMENT BOARD

Financial Management

Consumable supplies are procured on-line through the Internet website of a competitively selected vendor.

We will explore any additional opportunities that are identified by the assessment of RRB's core financial system scheduled for 2008.

- **EFFICIENCY.** Reduce redundant data entry, storage, and processing, and minimize human intervention.

Strategy: Analyze additional automated interfaces among the benefit program payment systems, and the successor to the FFS system and implement the most cost-beneficial ones.

Implement paperless dissemination of financial management information and guidance and paperless collection of financial information wherever appropriate and practical.

Implement paperless drafting, editing, reviewing, and finalization of written products.

Keep current with Treasury's "paperless" financial systems initiative by expanding on-line links to Treasury, the Internal Revenue Service, and RRB's financial depositories. These links are replacing paper forms and reports and computer tapes as the primary method of exchanging financial information.

Status: Implementation of quarterly financial statements eliminated all redundant data entry from trial balance reports to the financial statements.

Automation of interfaces between the benefit payments systems, PAR, and FFS has been recommended. Due to limitations of the legacy benefit payment systems, automation has been limited to providing a common point of control for entry of recoveries into the PAR system.

Paperless collection and dissemination of financial information is progressing well. Financial statements, justification of budget requests, Congressional testimony on budget and management issues, and actuarial reports are available to the public on RRB's website (www.rrb.gov).

Budget preparation, management control, Prompt Payment Act, and transit benefit program guidance is available to all RRB staff on Boardwalk.

RAILROAD RETIREMENT BOARD

Financial Management

GSA's personnel and payroll systems allow RRB employees to view and update selected information in their records.

Paperless drafting, editing, reviewing, and finalization of written materials are being used for various products.

Currency with Treasury paperless initiatives is being maintained.

- **SECURITY, CONTROL, AND DISASTER RECOVERY.** Improve security, control, and disaster recovery capability for information processed and stored on mainframe, local area network, and PC systems.

Strategy: In accordance with agency-wide guidance, develop, test, and maintain a disaster recovery plan for financial systems.

Status: This goal is being met within the agency-wide disaster recovery plan.

- **AUDIT OF FINANCIAL STATEMENTS.** RRB complies with OMB Circular A-136 regarding the independent audit of financial statements. The RRB's Office of Inspector General (OIG) funded fixed price contracts for fiscal years 1993 through 1996 to audit the financial statements. The OIG audited RRB's financial statements for fiscal years 1997 through 2006. The purpose of the audits is to determine whether the financial statements present fairly the financial position and the results of financial operations in conformity with generally accepted accounting principles.

The *Auditor's Report* on page 89 of RRB's Financial Statements for Fiscal Year 2006 concludes that the financial statements present fairly, in all material respects, the financial position of RRB, its consolidated net cost of operations and changes in net position, combined budgetary resources, and reconciliation of net cost to budgetary resources as of and for the fiscal years ended September 30, 2006 and 2005, and financial condition of the railroad retirement program as of January 1, 2006.

The *Auditor's Report – Emphasis of Matters* on page 90 of RRB's Financial Statements for Fiscal Year 2006 states:

Transfers-in from the Social Security Administration's Old-Age and Survivors Insurance and Disability Insurance trust funds and transfers-out to the Federal Health Insurance trust fund represented approximately \$3.3 billion (net), or approximately 28%, of the nearly \$11.5 billion in total financing sources reported on the statement of changes in net position for FY 2006.

RAILROAD RETIREMENT BOARD

Financial Management

The RRB's FY 2005 balance sheet has been restated to include the net value of the railroad retirement program assets held and invested by the NRRIT which amount to approximately \$27.7 billion dollars. These investments were previously excluded from the RRB's financial statements. The statement of changes in net position has been restated to include the \$2.6 billion change in the value of NRRIT net assets as a financing source which also increased "Resources that Finance the Acquisition of Assets" on the statement of financing by the same amount.

The RRB's FY 2005 statement of changes in net position has been restated to report approximately \$97.2 million in contributions collected for the railroad unemployment insurance program as non-exchange revenue. Previously, this financing source had been reported as transfers-in without reimbursement.

RRB management discloses the aforementioned restatements in Note 18 to the financial statements.

The OIG rendered an unqualified opinion on the RRB's FY 2005 financial statements. The aforementioned restatements would not have altered that opinion except to the extent that the previous opinion included an emphasis of matters alerting readers that assets held by the NRRIT and related income had not been reported in the RRB's financial statements.

The *Auditor's Report – Compliance with Laws and Regulations* on page 94 of RRB's Financial Statements for Fiscal Year 2006 states that the audit disclosed one instance of noncompliance that is reportable under U.S. generally accepted government auditing standards or OMB guidance as follows:

The RRB has not fully complied with the Prompt Payment Act. During FY 2006, the RRB made substantial progress in correcting the previously identified deficiencies in both controls and compliance; however, most changes were implemented more than six months into the fiscal year and have not been tested by the full range of payment experience. In addition, we have observed that management has not yet ensured the level of uniform processing accuracy that would permit the OIG to conclude that the action taken to date is sufficient to ensure substantial compliance with the Act.

RAILROAD RETIREMENT BOARD

Financial Management

The OIG identified three material weaknesses and two reportable conditions in its *Report on Internal Control*, from which excerpts follow.

Material Weaknesses

Information Security

During FY 2006, the OIG evaluated information security pursuant to the provisions of the Federal Information Security Management Act. Our review disclosed continued weaknesses in many areas of the RRB's information security program. Significant deficiencies in program management and access controls make the agency's information security program a source of material weakness in internal control.

The RRB has undertaken the job of strengthening information security and has implemented many corrective actions recommended by the OIG and other technical specialists. During FY 2006, the agency completed corrective action to eliminate the previously reported significant deficiency in training. Previously identified significant deficiencies in access controls, risk assessments, and periodic testing and evaluation continue to exist, as well as other observed weaknesses in the agency's implementation of requirements for risk based policies and procedures, a remedial action process, continuity of operations, and inventory of systems.

The agency is addressing their significant deficiencies in the previously reported areas of access control, risk assessments, and periodic testing and evaluation; however, much work remains to be completed.

Performance Measures

During FY 2005, the OIG identified a material weakness in internal control over the preparation and reporting of performance information due to inadequacies in the review and validation of data. Although management has made progress in addressing this weakness, the agency has not yet fully implemented planned corrective action.

During FY 2006, the Office of Programs, the organizational unit responsible for reporting on the largest number of complex statistically based indicators, implemented new controls over the preparation, review and approval of performance data originating in that organization. In October 2006, the three-member Board approved an administrative circular establishing standards and

RAILROAD RETIREMENT BOARD

Financial Management

assigning responsibility for collecting, documenting, validating, certifying, reporting and retaining performance information.

Actuarial Projection Process

The RRB needs to strengthen controls over the actuarial projection process that supports the projections and estimates presented in the statement of social insurance, in the notes to the financial statements and as required supplementary information.

During FY 2005, the OIG performed a detailed evaluation of controls over the actuarial projection process that disclosed inadequacies in internal control over the projection process and related reports. Although responsible management and staff had described extensive controls over the preparation of projections, estimates and reports, they had not formalized their policies and procedures, did not capture evidence of the operation of controls and did not perform periodic evaluations of compliance with internal requirements.

During FY 2006, the Bureau of the Actuary responded to the OIG's findings by documenting their internal control structure through the RRB's management control review process. This process included development of an updated chart of controls and a bureau-level assessment of the operation of those controls.

Reportable Conditions

Prompt Payment Act

As a result of an FY 2005 evaluation of controls over compliance with the Prompt Payment Act, the OIG reported that existing systems and procedures had not been effective in ensuring that interest is paid to vendors in accordance with the requirements of the law. At that time, we observed that the RRB did not identify all invoices on which interest should be paid, did not pay the correct amount of interest when a late payment was recognized, and that controls were not adequate to ensure that required restrictions on early payment had been properly implemented.

During FY 2006, the Bureau of Fiscal Operations made substantial progress in correcting the deficiencies in both controls and compliance. However, most changes were implemented more than six months into the fiscal year and have not been tested by the full range of payment experience. In addition, we have observed that management has not yet ensured the level of uniform processing accuracy that would permit the OIG to conclude that the action taken has been fully effective.

RAILROAD RETIREMENT BOARD**Financial Management****Financial Reporting**

Over the years agency responsibility for financial reporting has grown from preparation of financial statements within six months of fiscal year-end, to publication of an annual performance and accountability report within 45 days of fiscal year-end. Publication of that report is an exercise in public accountability of which preparation of accurate, reliable financial statements is but a single part.

The Bureau of Fiscal Operations is responsible for publishing RRB's annual performance and accountability report. That organization has documented procedures and controls over its financial reporting process. During our audit we observed that existing procedures and control need to be updated to fully ensure the quality of RRB's response to the expanding responsibilities and short timeframes that are inherent to the reporting process. We also observed that the existing control framework is over-reliant on the OIG's annual audit of the financial statements to ensure the completeness and accuracy of the performance and accountability report.

The OIG and the Bureau of Fiscal Operations have already begun discussing ways to strengthen the existing control framework.

Electronic Funds Transfer/Vendor Express

Electronic funds transfer (EFT)

The Debt Collection Improvement Act of 1996 requires that most Federal payments, with the exception of tax refunds, be made by electronic funds transfer (EFT), also known as Direct Deposit. This includes monthly railroad retirement, survivor and disability benefits, as well as biweekly unemployment and sickness insurance benefits. Individuals without checking or savings accounts, and beneficiaries who determine that payment by EFT would impose a hardship, can request a waiver from the mandatory EFT requirement.

The RRB has traditionally had strong participation in the Direct Deposit program, and the percentage of payments and dollars made by EFT continues to increase among retirement, survivor and disability beneficiaries. The RRB is currently working with the Department of the Treasury on program changes that will allow child support payments, that are withheld from RRB benefits and paid to State agencies, to be made by EFT. The target date for completion of the changes is in fiscal year 2008. Work on this initiative was temporarily suspended because of the agency's conversion of its database applications from an IDMS to DB2 environment.

Payments by EFT during fiscal year 2007 (through June) compare with non-EFT activity as follows:

	<u>Direct Deposit</u>	<u>Treasury Check</u>
<u>RRA payments</u> ^{1/}		
Number of payments	4,789,335	751,253
Percent of payments	86.4%	13.6%
Amount of payments	\$6,822,659,498	\$864,041,286
Percent of RRA payment amount	88.8%	11.2%
<u>RUIA payments</u> ^{2/}		
Number of payments	126,033	20,243
Percent of payments	86.2%	13.8%
Amount of payments	\$67,005,171	\$9,843,635
Percent of RUIA payment amount	87.2%	12.8%

^{1/} In June 2006, 86.1 percent of RRA payments were through EFT; in June 2007, 86.9 percent of RRA payments were through EFT.

^{2/} In June 2006, 85.7 percent of RUIA payments were through EFT; in June 2007, 86.9 percent of RUIA payments were through EFT.

Electronic Funds Transfer/Vendor Express

Vendor Express

Vendor Express is the payment system used to make EFT payments to RRB vendors.

Vendor Express payments during fiscal year 2007 (through June) compare with non-vendor express activity as follows:

	<u>Vendor Express</u>	<u>Treasury Check</u>
Number of payments (invoices)	11,523	2,013*
Percent of payments	85.1%	14.9%
Amount of payments	\$8,135,430	\$3,689,638
Percent of payment amount	68.8%	31.2%

* In some cases, multiple invoices were paid with a single check. The total number of checks prepared was 1,879.

Space Budget Justification

I. Agency:	Railroad Retirement Board
Bureau:	Railroad Retirement Board
GSA Bureau Code:	6000
Date:	August 22, 2007

Railroad Retirement Board (obligations in thousands of dollars)

		PY		CY		BY		BY+1	
		SQ FT	\$	SQ FT	\$	SQ FT	\$	SQ FT	\$
OMB approved inflation factor:			2.40%		2.40%		2.50%		2.50%
PART 1: RENTAL PAYMENTS TO GSA									
II. GSA rent estimate		404,789	\$8,091	404,789	\$8,071	404,789	\$8,029	404,789	\$8,230
III. From Worksheet TAB Agency adjustments to the bill:									
Corrections PY	Chargebacks:	0	\$0	0	\$0	0	\$0	0	\$0
	Other adjustments (Trust Fund)	0	(\$4,641)	0	(\$4,421)	0	(\$4,179)	0	(\$4,284)
	Statutorily imposed rent caps	0	\$0	0	\$0	0	\$0	0	\$0
III. Planned changes to inventory:									
PY	PY	0	\$0	0	\$0	0	\$0	0	\$0
CY	CY			0	\$0	0	\$0	0	\$0
BY	BY					0	\$0	0	\$0
BY+1	BY+1							0	\$0
IV. Requested program changes:									
PY	PY								
CY	CY			0	\$0	0	\$0	0	\$0
BY	BY					0	\$0	0	\$0
BY+1	BY+1							0	\$0
Total, net rental payments to GSA		404,789	\$3,450	404,789	\$3,650	404,789	\$3,850	404,789	\$3,946
PART 1.A: FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA									
Funded by direct appropriations:									
Account title and ID code:									
Acct. 1	Limitation on Administration 60-8237-0-7-601		\$3,450		\$3,650		\$3,850		\$3,946
Acct. 2			\$0		\$0		\$0		\$0
Acct. 3			\$0		\$0		\$0		\$0
Acct. 4			\$0		\$0		\$0		\$0
Acct. 5			\$0		\$0		\$0		\$0
Acct. 6			\$0		\$0		\$0		\$0
Acct. 7			\$0		\$0		\$0		\$0
Acct. 8			\$0		\$0		\$0		\$0
Subtotal, direct appropriations			\$3,450		\$3,650		\$3,850		\$3,946
Funded by other sources:									
Account title and ID Code:									
Acct. 1			\$0		\$0		\$0		\$0
Acct. 2			\$0		\$0		\$0		\$0
Acct. 3			\$0		\$0		\$0		\$0
Acct. 4			\$0		\$0		\$0		\$0
Acct. 5			\$0		\$0		\$0		\$0
Acct. 6			\$0		\$0		\$0		\$0
Subtotal, other funding sources			\$0		\$0		\$0		\$0
Total funding sources (object class 23.1)			\$3,450		\$3,650		\$3,850		\$3,946
Control difference			\$0		\$0		\$0		\$0
PART 2: RENTAL PAYMENTS TO OTHERS									
Non-Federal sources (object class 23.2)									
Federal sources (object class 25.3)									
Total rental payments to others		0	\$0	0	\$0	0	\$0	0	\$0

NOTE: The GSA Rent Estimate calculations, the GSA Anticipated Inventory Changes file and the modified Exhibit 54 template are provided to assist you in completing your Space Budget Justification report. However, the user of this information is ultimately responsible for accuracy of their Agency Budget Request. Therefore, we strongly recommend that you thoroughly review all of the data in these files and to make all necessary adjustments for any errors or omissions on our part that may have occurred in the compilation of this data.

All spreadsheets have been password protected to avoid accidental overwriting of formulas. To unlock password protection got to TOOLS - PROTECTION - UNPROTECT SPREADSHEET. The password is PASSWORD.

Fiscal Year 2007

I. AGENCY IDENTIFICATION		ASSIGNMENT INFORMATION					GSA BILLING INFORMATION				AGENCY INFORMATION				AGENCY REVISION TO GSA ANNUAL RENT				# Months of Change	Monthly Amount of Change	Annual Amount		# Months of Change	GSA Monthly Rent Amount	Change in Monthly Amount		
Agency Name:	Bureau Name:	GSA Region No	Real Property ID	Building Name	City	State	OA #	Effective Date of Change	No of Parking Spaces	Rentable SF	Annual Rent + PY Impact of Anticipated IC's	Effective Date of Change	No of Parking Spaces	Rentable** SF calculation of IC Impact	Agency's calculation of IC Impact	No of Parking Change	Rentable SF Change	Chargebacks + Inventory Changes			Explanation of Change	PY Carryover Amount to CY (Includes CY CPI factor)				GSA Monthly Rent Amount	
Railroad Retirement Board	Railroad Retirement Board	6000								404,789	\$ 8,091,247	10/01/06				-	404,789	\$ 8,091,247									
II. GSA RENT BILL (Annual Rental Cost)																											
Resolved/Unresolved Chargebacks																											
Anticipated Inventory Changes																											
Adjusted Annual Rent PY																											
Revised Agency Budget																											
III. PLANNED CHANGES IN INVENTORY																											
From 09/16/06 to 9/15/07																											

Fiscal Year 2009

I. AGENCY IDENTIFICATION		ASSIGNMENT INFORMATION					GSA EXPECTED ANNUAL RENT				AGENCY INVENTORY CHANGE INFORMATION				AGENCY BUDGET REQUEST					
Agency Name: Bureau Name: GSA Bureau Code:		Railroad Retirement Board Railroad Retirement Board 6000					Rent Estimate plus Anticipated Inventory Change				Agency calculation of Inventory Change Impact				GSA Rent Estimate + Inventory Changes					
		GSA Region No	Real Property ID	Building Name	City	State	OA No	Effective Date of Change	No of Parking Spaces	Rentable SF	Rent Estimate + CY impact of Anticipated IC's	Effective Date of Change	No of Parking Spaces	Rentable SF	Agency's calculation of IC Impact	No of Parking Change	Rentable SF Change	Estimate + Inventory Changes	Explanation of Change	
II. GSA BY BUDGET ESTIMATE (as the base)								404,789	\$	8,029,419		10/01/08				404,789	\$	8,029,419		
Chargebacks Corrections PY x OMB CPI																				
Anticipated Inventory Changes PY									\$											
Net Anticipated Inventory Changes CY									\$											
Anticipated Inventory Changes SY									\$											
Total Budget Request BY								404,789	\$	8,029,419						404,789	\$	8,029,419		
III. PLANNED CHANGES IN INVENTORY																				
<i>From 9/16/08 to 9/15/09</i>																				
Subtotal:																				
IV. REQUESTED PROGRAM CHANGES IN INVENTORY																				
<i>FY 2009 Only</i>																				
Subtotal:																				

Fiscal Year 2010

I. AGENCY IDENTIFICATION		ASSIGNMENT INFORMATION					GSA ANTICIPATED INVENTORY CHANGES					AGENCY INVENTORY CHANGE INFORMATION				ANTICIPATED AGENCY BUDGET REQUEST			
Agency Name: Bureau Name: GSA Bureau Code:		Railroad Retirement Board Railroad Retirement Board 6000					OA No	Effective Date of Change	No of Parking Spaces	Rentable SF	BY Rent Estimate x OMB CPI + BY+1 impact of Anticipated IC's	Effective Date of Change	No of Parking Spaces	Rentable SF	Agency's calculation of IC Impact	No of Parking Change	Rentable SF Change	GSA Rent Estimate + Inventory Changes	Explanation of Change
II. GSA BUDGET RENT ESTIMATE x OMB CPI										404,789	\$ 8,230,154	100109					404,789	\$ 8,230,154	
Chargebacks Corrections PY x OMB CPI										-	\$ -						-	\$ -	
Anticipated Inventory Changes PY										-	\$ -						-	\$ -	
Net Anticipated Inventory Changes CY										-	\$ -						-	\$ -	
Net Anticipated Inventory Changes BY x OMB CPI										-	\$ -						-	\$ -	
Anticipated Inventory Changes BY+1										-	\$ -						-	\$ -	
Projected Budget Request BY+1										404,789	\$ 8,230,154					404,789	\$ 8,230,154		
II. PLANNED CHANGES IN INVENTORY																			
<i>BY+1 Projects in the Pipeline Only</i>																			
Subtotal:										-	\$ -						-	\$ -	
III. REQUESTED PROGRAM CHANGES IN INVENTORY																			
<i>BY+1 Only</i>																			
Subtotal:										-	\$ -						-	\$ -	
NOTE: The GSA Rent Estimate calculations, the GSA Anticipated Inventory Changes file and the modified Exhibit 54 template are provided to assist you in completing your Space Budget Justification report. However, the user of this information is ultimately responsible for accuracy of their Agency Budget Request. Therefore, we strongly recommend that you thoroughly review all of the data in these files and to make all necessary adjustments for any errors or omissions on our part that may have occurred in the compilation of this data.																			

FY 2009 FUNDING REQUEST FOR STRENGTHENING FEDERAL ENVIRONMENTAL, ENERGY, AND TRANSPORTATION MANAGEMENT

Agency: Railroad Retirement Board
 Date: 24-Jul-07

Prepared by: Scott Rush
 Phone: 312-751-4566

1.1 IDENTIFICATION OF FUNDS FOR STRENGTHENING ENERGY MANAGEMENT AS REQUIRED BY E.O. 13423

	2007		2008		2009		Page(s) in Budget Submission to OMB
	Amount (thou. \$)	Account(s)	Amount (thou. \$)	Account(s)	Amount (thou. \$)	Account(s)	
ESPC and/or UESC negotiation/administration	0	N/A	0	N/A	0	N/A	N/A
Direct spending on energy efficiency	25	60-8237-07-01	30	60-8237-07-01	30	60-8237-07-01	21
Direct spending on training	1	60-8237-07-01	2	60-8237-07-01	2	60-8237-07-01	21
Energy Star @ building design/construction incremental costs	0	N/A	0	N/A	0	N/A	N/A
Renewables purchases	11	60-8237-07-01	11	60-8237-07-01	15	60-8237-07-01	21
On-site generation and renewable power generation	0	N/A	0	N/A	0	N/A	N/A
Other (please specify)	0	N/A	0	N/A	0	N/A	N/A
Total	37	60-8237-07-01	43	60-8237-07-01	47	60-8237-07-01	21

1.2 IDENTIFICATION OF FUNDS FOR STRENGTHENING TRANSPORTATION MANAGEMENT AS REQUIRED BY E.O. 13423

	2007		2008		2009		Page(s) in Budget Submission to OMB
	Amount (thou. \$)	Account(s)	Amount (thou. \$)	Account(s)	Amount (thou. \$)	Account(s)	
Acquisition of alternative fuel vehicles							
Infrastructure development and use of alternative fuels							
Implementation of compliance strategy, including any							
Direct spending on training							
Procurement of environmentally preferable motor vehicle products							
Other (please specify)							
Total							

* The Railroad Retirement Board has no vehicles for its operations.

1.3 IDENTIFICATION OF FUNDS FOR STRENGTHENING OTHER MANAGEMENT DIRECTIVES AS REQUIRED BY E.O. 13423

	2007		2008		2009		Page(s) in Budget Submission to OMB
	Amount (thou. \$)	Account(s)	Amount (thou. \$)	Account(s)	Amount (thou. \$)	Account(s)	
Implementation of EMS	0	60-8237-07-01	3	60-8237-07-01	5	60-8237-07-01	21
Water efficiency	5	60-8237-07-01	6	60-8237-07-01	6	60-8237-07-01	21
Waste prevention (hazardous and non-hazardous) and recycling	6	60-8237-07-01	7	60-8237-07-01	7	60-8237-07-01	21
Electronics Stewardship	4	60-8237-07-01	6	60-8237-07-01	6	60-8237-07-01	21
Direct spending on training	1	60-8237-07-01	2	60-8237-07-01	2	60-8237-07-01	21
Acquisition of green products and services	15	60-8237-07-01	15	60-8237-07-01	16	60-8237-07-01	21
Other (please specify)	0	N/A	0	N/A	0	N/A	N/A
Total	31	60-8237-07-01	39	60-8237-07-01	42	60-8237-07-01	21

RAILROAD RETIREMENT BOARD

Employee Relocation Costs

Budget Object Code	2007 Budgeted	2008 Planned	2009 Proposed
126. Change-of-station	\$ 200,000	\$ 120,000	\$ 210,000
210. Travel	4,000	1,400	3,000
220. Transportation of things	40,000	24,000	29,100
252. Government contracts	10,600	6,900	10,600
255. Storage of household goods	26,000	19,600	24,600
Total	\$ 280,600	\$ 171,900	\$ 277,300