

PERFORMANCE BUDGET



Fiscal Year 2009

Railroad Retirement Board

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Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 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, and results-oriented.

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 fiscal year 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 Capital Plan**. These plans inform the annual submission of the agency budget to OMB and the Congress.

The RRB's strategic and performance goals are presented in the sections following our mission statement. Information on anticipated performance in fiscal year 2009 for each performance goal, at the President's proposed budget level of \$105,463,000, is provided in the Exhibit.

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 fiscal year 2009, as part of our combined Performance and Accountability Report. The report will be audited by the 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 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 President's proposed budget level, we plan to allocate \$80,879,616 and 709 full-time equivalent employees to this goal. 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.* The 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 Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs.

The principal indicators of **accuracy** are the benefit payment and case accuracy rates in each program. Our performance goal is to ensure that we can continue 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 have also established case accuracy goals (the percentage of cases paid without material error) so that at least 94 percent of cases handled under the RRA and at least 98 percent of those handled under the RUIA are accurate. To accomplish these goals, we will:

- *Monitor payment and case accuracy and the levels of improper payments, 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.*

Our performance in the area of benefit **timeliness** is also a key indicator of our customer service. We track our performance against customer service standards and have found that in fiscal year 2007, customers received benefit services within the various timeframes promised for 98.6 percent of the services provided. The inset at the right shows composite results in four combined categories of services.

**Overall Timeliness Performance
Fiscal Year 2007**

- Retirement applications: 93.5%
(target: 92.6%)
- Survivor applications: 95.5%
(target: 91.7%)
- Disability applications/payments: 82.9%
(target: 78.1%)
- RUIA applications/claims: 99.7%
(target 99.0%)

Beginning in fiscal year 2008, we implemented a revised Customer Service Plan which provides our customers with information about when to expect the service requested for nine separate claims processing services. Performance goals for the services have been reworded as shown in the Exhibit to this performance budget.

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 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. Starting in fiscal year 2008, we are also using an on-line presentation facility called *RRBVision* to provide information and training to the public and rail employers. It is important that we provide this information in a timely manner 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. 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. We conducted an ACSI survey in fiscal year 2006, and plan to conduct a survey again in fiscal year 2009. 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.*
- *Expand the number of RRBVision presentations available on the agency website.*

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 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.*

- *Provide nationwide toll-free telephone service for our customers.*
- *Seek customers' service delivery preferences.*

Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers. To correctly pay benefits, the 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 manner.*
- *Continue to look for ways to encourage employers to file accurate and timely annual service and compensation reports.*

As mentioned under Goal I-B above, we are initiating the use of an on-line presentation facility (*RRBVision*) during fiscal year 2008, to provide easy access to training and information for rail employers.

Strategic Goal II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources. The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the President's proposed budget level, we plan to allocate \$24,583,384 and 201 full-time equivalent employees to this goal. 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. The 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. (We also have responsibilities with regard to the National Railroad Retirement Investment Trust, which are addressed under performance goal II-D.) To accomplish this commitment, we will:

- *Continue to issue annual audited financial statements.*
- *Continue to perform the RRB's actuarial valuations and financial projections.*
- *Continue to estimate funding requirements for the Dual Benefits Payments Account.*
- *Continue to carry out the RRB's debt management policy.*
- *Continue to accurately and in a timely manner 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 initiative to improve financial performance, on November 15, 2007, we released our Performance and Accountability Report for fiscal year 2007. The RRB's OIG issued an unqualified ("clean") opinion on the RRB's 2007 financial statements, which were included in that report. With regard to internal controls, the OIG noted that RRB management has completed action to strengthen controls over performance measurement, the actuarial projection process, and compliance with the Prompt Payment Act. However, the OIG will continue to list financial reporting as an area of significant deficiency until recently implemented controls have been in place and operating long enough to be evaluated.

The OIG reported that agency efforts to correct weaknesses in information security are not yet complete, and the previously reported material weakness continues to exist. Significant efforts are underway to strengthen controls in this area. The OIG also noted that the RRB does not have a consistent theory under which it computes the railroad retirement program's fund balance for social insurance reporting. The agency's Chief Actuary has decided to use an audited net asset figure, to be provided by the National Railroad Retirement Investment Trust each year, to ensure future consistency.

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 and Medicaid Services' death records, the Office of Personnel Management's benefit records, and State wage reports, usually via computer tapes. We also administer other benefit monitoring programs to identify and prevent erroneous payments, and refer some cases to the 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 fiscal year 2007, the RRB invested the equivalent of about 24 full-time employees, at a cost of approximately \$1.98 million, in program integrity efforts. This resulted in \$9.9 million in recoveries, \$942,000 in benefits saved, and the referral of 90 cases to the OIG for investigation. This is approximately \$5.48 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. The 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 also recently completed an evaluation of the railroad retirement and railroad

unemployment and sickness insurance programs using the Program Assessment and Rating Tool (PART), and will continue to use this tool to monitor, update and improve program performance. 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 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.*
- *Monitor and improve program performance and accountability.*
- *Streamline and modernize the management of the field service, including closing three regional offices during fiscal year 2008.*
- *Expand our participation in E-Government initiatives.*
- *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.*
- *Comply with new security requirements for employee identification.*

In addition to our ongoing activities, during the planning period we will be placing special emphasis on key areas related to the President's Management Agenda, specifically, strategic management of human capital, improving program performance and accountability, expanding electronic government, and competitive sourcing.

Strategic Management of Human Capital – Strategic management of human capital is a primary initiative of the President's Management Agenda. Accordingly, the RRB has focused on several aspects of the human capital standards. Furthermore, we are using the Human Capital Assessment and Accountability Framework as a guide to help us meet the standards. Following are some of the initiatives we have undertaken as we strive to make the transformation.

Like many agencies, the RRB has an aging workforce, with more and more employees approaching and reaching retirement age. By 2009, it is estimated that about one in three agency employees will be retirement-eligible. To help address an increased rate of attrition linked to retirement, the RRB has looked at a variety of critical positions to identify any gaps in particular competencies or skills that exist within the workforce. In some cases, the agency has provided supplemental developmental and training opportunities to current employees so that the activities associated with these positions will continue as more experienced employees leave. Also, for the first time in several years, the RRB managed to bring on many entry-level hires in fiscal year 2007, including two claims examiner training classes. Given an

expected increase in the agency attrition rate, these new employees will be key to the long-term success of the agency in continuing to provide outstanding service to our customers. The RRB is also in the process of developing more formalized human capital management and succession planning documents. This is partially in response to recommendations and suggestions made by the Office of Personnel Management. The Board Members have also created an internal succession planning task force, chaired by the Director of Human Resources, to provide coordination and consolidation of existing plans, as well as identify new initiatives to address this important area.

As mentioned previously, the agency has devoted more attention and resources to training. This has included a reactivation of an agency-wide Training Council to coordinate this important activity, and various training programs geared to development of managers and supervisors. Such topics have included classes on labor relations and performance appraisal, as well as more general supervisory development programs. The RRB has also made use of technology in this area by adding a feature on the agency's intranet called *RRBvision* that allows employees to view training, including a video component, in an on-line format. This is particularly important for employees and managers in the RRB's field offices.

Improving Performance and Accountability – In connection with the PART reviews, the agency has established improvement plans to modernize the IT systems infrastructure, to modernize customer service delivery and to expand the document imaging system. In addition, the agency has defined several long-range outcome and output goals with targets for fiscal year 2012, and has strengthened annual targets of program goals for fiscal years 2008 and 2009 to make them even more aggressive.

In response to *Executive Order 13450: Improving Government Program Performance*, the RRB will take steps to ensure:

- programmatic goals continue to be aggressive, realistic and accurately measured,
- program improvement plans result in meaningful outcome improvements,
- managers are accountable for achievement of goals and improvement plans, and
- program performance plans and outcomes are transparent.

Field Service Structure – The RRB will be closing all three of its regional offices during fiscal year 2008. These offices are currently located in Atlanta, Philadelphia and Denver. Staffing for these offices has been reduced through attrition over the past few years from a total of 12 permanent employees to 5 permanent employees (projected as of early February 2008). We plan to reassign those 5 employees to other positions within the field service during the fiscal year. We will also revise our procedures and administrative processes to reflect this change and to ensure that all critical functions are transferred to other staff as necessary. We are also planning to revise our publications to eliminate references to the regional offices. In the meantime, we have started work with the General Services

Administration on realigning our physical space due to the closure of these regional offices. All necessary actions are targeted to be completed by September 30, 2008.

Expanding Electronic Government – In 2008, we are implementing an initiative to allow our Medicare contractor to file notices of death and changes of address via our website. We also plan to expand Internet services to include filing bi-weekly claims for sickness insurance benefits. With the implementation of Nationwide Toll Free Service, we will also introduce a new interactive voice response system, which will provide the foundation for additional automated service options in the future.

In addition, we continue to work on the Employer Reporting System (ERS), to incorporate mandatory changes to accommodate reports with larger money amounts. We are also using contractor assistance to convert existing software to a language that can be supported by in-house staff; completing work on processes that handle pre-payment and post-payment verification of unemployment and

sickness insurance claims; and adding the functionality to allow employers to create and file annual reports of service and compensation via the Internet-based ERS. These are scheduled to be completed in fiscal year 2009. The streamlined annual reporting process will encompass 13 existing forms involving 7 new Internet services.

In fiscal year 2009, ERS will also 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).

Database Management System Conversion – In September 2005, Tiburon Technologies, a software consulting firm based in Cleveland, Ohio, was awarded a \$2.7 million contract to assist RRB personnel in converting the agency’s existing IDMS databases to DB2. Tiburon has specialized in converting mainframe legacy systems to various platforms since 1983. Tiburon estimated that it would take 18 to 24 months to convert all the agency’s IDMS databases to DB2 with a target completion date of no later than September 30, 2007.

Fiscal Year 2009 E-Government Initiatives

We will expand the Internet-based Employer Reporting System to:

- Enable rail employers to create and file annual reports.
- Notify rail employers of annuities awarded to their employees.
- Notify rail employers of Tier I tax liability on sickness payments.

In February 2007, the IDMS/DB2 conversion team successfully completed the pilot phase of the DB2 conversion, which included conversion of the Railroad Unemployment Insurance Act (RUIA) database and related systems to the new database technology. The successful implementation of this system validated the migration process and the conversion methodology. Once the pilot system was placed into production, the conversion team continued working on the larger Railroad Retirement Act (RRA) databases and related systems. The final conversion of the RRA databases was completed in August 2007. The conversion team migrated multiple databases from IDMS to DB2, cleansed over 6 million IDMS data fields prior to loading them to the new DB2 database, and developed software delivery procedures.

Fiscal Year 2009 Information Technology Capital Plan Investments	
Network operations	\$950,000
IT task orders.....	395,000
Information security	375,000
System modernization	300,000
E-Government	200,000
IT tools	100,000
Infrastructure replacement.....	<u>50,000</u>
Total investments	\$2,370,000
See the IT Initiatives tab for more information.	

By the end of April 2007, all software developers, web developers, database administrators, system engineers, user-analysts and IT managers who work with the DB2 database had completed training for the new system. Additional classes are also scheduled, which will be completed by April 2008.

Data Optimization – In fiscal year 2007, the RRB began a post-DB2 conversion project to optimize the performance of the RRB’s databases and further reduce data redundancy. Retrieval of data for any organization must be fast and accurate and can only be achieved through a properly tuned database. An optimized database also reduces the need for frequent database restructuring, which can be costly and time-consuming and can impede performance. The RRB contracted with Data Blueprint for expert advice on developing the statement of work and evaluating offers. Data Blueprint developed a conceptual data model and a function hierarchy, which were included in the request for proposals.

In September 2007, a contract was awarded to KPIT Cummins Infosystems Limited (KPIT) to create an optimized database from the databases converted to DB2. In addition to hardware and software needed for the project, the contract also includes reports designed by KPIT and training for RRB staff to use the Business Objects tools to further analyze the data and create additional reports. In October 2007, representatives from KPIT and Data Blueprint joined RRB staff for 2 days of project and infrastructure planning. KPIT has provided a number of their staff to perform various duties on-site at the RRB headquarters. Other staff members support the project from KPIT offices in Richmond, Virginia.

As of January 2008, two new servers have been installed at RRB headquarters. The servers have been configured and Business Objects software has been installed. RRB staff are working on installing additional software on the RRB mainframe with the assistance of KPIT and others. Various other tasks are in progress, including development of the comprehensive project plan, a risk management plan, and a data quality assurance plan. A KPIT data modeler has also been working with RRB staff to develop a logical data model for the optimized database. The project is on target to complete the development of the database synchronized to the existing databases by December 2008.

Competitive Sourcing – In 2007, the RRB listed 8 commercial activities on its Federal Activities Inventory Reform (FAIR) Act inventory encompassing 117 FTEs. The inventory submitted to OMB for review and approval was largely unchanged from the previous year, though it reflected reduced staffing levels. A substantial majority of the agency’s employees are engaged in work that is classified as inherently governmental, such as taking applications for benefits and processing claims and payments associated with such applications, and such jobs are not subject to competition with private-sector sources. Nevertheless, the RRB will continue to look for opportunities to use the streamlined procedures available under OMB Circular A-76, which governs such competitions, to conduct cost comparisons on our limited commercial activities.

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 the 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 will be fulfilled through review of the monthly reports submitted by the NRRIT, the annual management reports submitted by the NRRIT, and the annual audit reports of the NRRIT’s financial statements. In addition, the RRB’s Board Members meet twice annually with the Trustees.

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

To facilitate coordination among the NRRIT and Federal government organizations, shortly after enactment of the Railroad Retirement and Survivors’ Improvement Act of 2001, the Department of the Treasury, OMB, NRRIT and RRB entered into a voluntary memorandum of understanding concerning budgetary, accounting and financial reporting responsibilities.

Information Security Program

The RRB relies heavily on information systems and on the public's trust in its work. Information security is therefore critical to RRB operations. In recent years, we have launched or expanded several initiatives to strengthen the agency's information security program. Establishing the agency's Security and Privacy Committee allows us to oversee agency-wide compliance with security and privacy laws, regulations and guidance. A sophisticated Intrusion Detection System on the RRB network provides comprehensive protection from a variety of cyber threats, and a Computer Emergency Response Team further enhances the incident response capability. All end users have had security awareness training and every employee with significant information security responsibilities was provided with additional role-based 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 RRB's information security program; additional staffing in the group includes two IT Assurance Analysts. Contractual support has provided additional resources to address effective risk management for specialized areas, as needed. A certification and accreditation assessment of the agency's LAN/PC General Support System was conducted in fiscal year 2007 with contractor support. We have contracted for an assessment of the mainframe general support system and will complete such assessments, with contractor assistance, for all major applications by the end of fiscal year 2009.

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 of 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 the 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 RRB Information Systems Security Policy, Standards and Guidelines Handbook identify the responsibilities for security throughout the organization.

During fiscal year 2008, the Risk Management Group will:

- Monitor the RRB network utilizing the Intrusion Detection System and Network Access Control.
- Certify and accredit the mainframe general support system and initiate, with contractor assistance, efforts toward the certification and accreditation of the agency's five major applications by the end of fiscal year 2009.
- Acquire and implement an enterprise grade anti-spyware solution.
- Ensure agency-wide compliance with Federal Information Security Management Act (FISMA) requirements through the oversight and direction of the Security and Privacy Committee.
- Hire an IT Availability Analyst whose primary responsibility will be in the area of continuity planning, contingency assessment and preparedness training.
- 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.
- Provide for general awareness training for agency employees, and broaden the security education program to include all employees and contractors with responsibilities for information system security.
- Conduct and/or oversee ongoing system security reviews and tests, and develop associated reports.

Railroad Retirement Board FY 2009 Final 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 Target (Appropriation at \$101.9m)	2009 Target (President's proposed budget at \$105.463m)
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%	99.88% through 3/31/07	99.50%	99.75%
	Sample post recurring payments:	99.92%	99.89%	99.94%	100% through 3/31/07	99.50%	99.80%
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%	99.64%	99.00%	99.25%
	Sickness:	99.84%	99.94%	99.78%	100%	99.70%	99.80%
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%	94.5% through 3/31/07	94.0%	94.0%
	Post cases:	97.8%	95.8%	96.3%	98.6% through 3/31/07	96.0%	96.0%
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%	98.01%	97.5%	97.5%
	Sickness:	99.25%	99.51%	99.03%	100%	99.0%	99.0%

Railroad Retirement Board FY 2009 Final 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 Target (Appropriation at \$101.9m)	2009 Target (President's proposed budget at \$105.463m)
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: % \leq 30 adjudicative processing days ^{3/4/})	N/A	93.1%	92.9%	92.8%		
<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: % \leq 30 adjudicative processing days ^{3/})					92.0%	92.75%
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: % \leq 60 adjudicative processing days ^{3/4/})	N/A	97.3%	96.2%	96.8%		
<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: % \leq 60 adjudicative processing days ^{3/})					96.0%	96.8%
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: % \leq 60 processing days ^{4/})	84.5%	92.8% ^{5/}	93.2%	93.3%		

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<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%
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%	94.8%		
<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%
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%	97.5%		

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<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%
I-A-10. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % ≤ 10 processing days ^{4/})	99.25% of cases sampled	99.8%	99.5%	99.5%		
<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 processing days)					99.5%	99.5%
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%	99.2%		
<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 processing days)					99.0%	99.25%

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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%	99.7%		
<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 processing days)					99.7%	99.8%
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%	69.6%		
<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%
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%	95.3%	94.5%	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

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<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	ACSI survey deferred	Conduct an ACSI survey
	No valid challenges to published data	No challenges to published data	No challenges to published data	No challenges to published data	No more than two valid challenges to published data in 2008	No more than two valid challenges to published data in 2009
<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	18 services available	18 services available
<i>Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers.</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%	99.81%	99.0%	99.8%

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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%	99.5%	99.0%	99.5%
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%	95.0%	98.0%
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	62.0% 7 Internet services available	65.0% 9 Internet services available	73.0% 18 Internet services available
<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%	59%	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

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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
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 taxes. (Measure: reasonableness test performed and anomalies reconciled with Treasury (Yes/No))	Yes	Yes	Yes	Yes	Yes	Yes
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. The 2007 P&AR was released on 11/15/07.	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%	93.2%	95.0%	95.0%

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<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	\$5.48: \$1.00	\$5.00: \$1.00	\$5.36: \$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

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<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 was in draft status.</p>	<p>No. RRB certified and accredited one general support system. The agency hired an information availability analyst and completed a training test and exercise of the Continuity of Operations Plan.</p>	<p>RRB has acquired contractor assistance to certify and accredit other systems. Self-assessments will be performed on selected control components of the systems. Contingency planning and related training material will also be updated.</p>	<p>All systems will be certified and accredited. Self-assessments will be performed on selected components of the systems. The business impact assessment reports will be examined and revised as necessary. The BCP will be updated to maintain currency with the organizational structure.</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 fine-tuned. 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

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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 technical 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 received role-based security training at OPM's GoLearn.gov. Technical IT specialists participate in a track that requires security-specific technical education associated with their job. The annual computer awareness program for all employees and contractors with network access was completed.	The two-track training concept will be maintained. All agency staff and contractors 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.

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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
II-C-7. Complete public-private competitions on the required activities listed on the Federal Activities Inventory Reform (FAIR) Act inventory. (Measure: % of the FTEs 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
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

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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
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)				Yes. The IDMS/DB2 database conversion was successfully completed as of 8/18/07.		
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)				Yes. RRB contracted for this effort.	Yes	
II-C-12. Complete modernization of RRB processing systems in accordance with long-range planning goals. (Measure: Meet target dates for each phase of the project. Yes/No)						Yes, established target dates will be met.
II-C-13. Complete 16 corrective actions to correct the RRB's material weakness related to information security. (Measure: Meet target dates for the project. Yes/No)					Most projects that do not require funding will be completed. Others will be completed if funding is available.	All corrective actions will be completed.

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<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
II-D-2. Review annual management reports submitted by the Trust. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes
II-D-3. Review annual audit reports of the Trust's financial statements. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes

^{1/} Dollar amounts shown are funds appropriated for the fiscal year.

^{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 1 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 6 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.