

## **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> <sup>1/</sup>	<u>Amount</u> <sup>1/</sup> (\$ thousands)
OMB guidance level <sup>2/</sup>	880	\$103,518
Requested increase	<u>58</u>	<u>5,974</u>
Agency request level	<u>938</u>	<u>\$109,492</u>

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

<sup>2/</sup> 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>	(1,495)	2,462
<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>	86	1,184

**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 12<sup>th</sup> 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
<b>Total Increase</b>	0	5,974

**RAILROAD RETIREMENT BOARD**

**Summary of Full-Time Equivalent Employment by Series a/**

<b>Series</b>	<b>Rank</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009 OMB Guidance Level</b>	<b>FY 2009 RRB Request</b>
Executive	Level III	1	1	1	1
	Level IV	2	2	2	2
	<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Senior Executive Service	<b>ES-00</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
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
	<b>Subtotal</b>	<b>930</b>	<b>916</b>	<b>868</b>	<b>926</b>
Wage Board	<b>All Levels</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Combined	<b>Total</b>	<b>942</b>	<b>928</b>	<b>880</b>	<b>938</b>

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 <sup>a/</sup>

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

<sup>a/</sup> 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.

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

<sup>c/</sup> Reflects projected total staffing at the President's proposed level of \$103.5 million.

<sup>d/</sup> 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)**

<b><u>Fiscal Year/Level</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b>2009</b>		
			<b><u>Guidance Level</u></b>	<b><u>Agency Request</u></b>	<b><u>Difference</u></b>
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

<b><u>Fiscal Year</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
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)**

<b><u>Fiscal Year/Level</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b>2009</b>		
			<b><u>Guidance Level</u></b>	<b><u>Agency Request</u></b>	<b><u>Difference</u></b>
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

<b><u>Fiscal Year</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
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)**

<b><u>Fiscal Year/Level</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b>2009</b>		
			<b><u>Guidance Level</u></b>	<b><u>Agency Request</u></b>	<b><u>Difference</u></b>
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

<b><u>Fiscal Year</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
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.