

# **U.S. Railroad Retirement Board**

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## ***Strategic Plan*** **2018-2022**



# **RAILROAD RETIREMENT BOARD STRATEGIC PLAN 2018-2022**

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# Introduction

We are pleased to present this Strategic Plan for the years 2018 through 2022 on behalf of the Railroad Retirement Board (RRB). The RRB has a long and distinguished history of excellent customer service, and this plan continues that tradition by calling for the attainment and maintenance of high levels of accuracy and timeliness in paying retirement, survivor, unemployment and sickness insurance benefits. A major reason for this has been our expanded use of technology to improve efficiency. Our aim, as reflected in this plan, is to build upon these achievements and improve customer service and satisfaction.

We will do this by continuing to research and utilize technological options that will assist us in maintaining high levels of service in the ever-changing work environment. Our goal is to make effective use of technology in a variety of ways, including enhancing accessibility to citizen services online and via telephone. We strive to reduce the amount of manual processing currently required in our operations. Of course, while budgets and technology are important, the true foundation for the agency's ongoing success is its dedicated employees. The RRB will continue to recruit and hire a high-performing workforce that reflects the diversity of all segments of American society. This plan places a heightened emphasis on human capital planning, including enhanced training, knowledge transfer and managerial succession planning. The RRB will also continue to work closely with partner agencies such as the Social Security Administration (SSA), the Centers for Medicare & Medicaid Services (CMS) and the Department of the Treasury (Treasury), as well as the National Railroad Retirement Investment Trust (NRRIT) that manages investment of the railroad retirement trust funds.

This plan reflects input and feedback from our stakeholders, including customers in the railroad community, Congressional committees, the Office of Management and Budget (OMB) and other Federal agencies. We believe this plan reflects a continued focus on our commitment to providing outstanding customer service in the most effective, efficient ways possible.



*Pictured left to right:*

Stephen J. Anthony, Management Member

Vacant, Chairman

Walter A. Barrows, Labor Member



## **RAILROAD RETIREMENT BOARD MISSION STATEMENT**

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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 (RRA) and the Railroad Unemployment Insurance Act (RUIA). 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 our 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.

## **Vision**

The RRB will continue to be customer-focused, quality-driven, and fiscally responsible. While our overall mission and responsibilities will remain unchanged, we will use creativity, innovation and technology to deliver best-in-class service in a cost-effective, efficient manner. As a result, our customers will have a broad range of choices for conducting their business with the agency, including more online, web-based options that will allow for secure transactions from remote locations. In addition, we will offer expanded services to our customers through our nationwide toll-free telephone number and will enhance and increase their ability and options to file benefit applications and claims online.

Direct customer feedback will shape our efforts and enhance responsiveness, with the goal of having our customer service levels serve as a standard of excellence in the Federal sector. However, our ultimate measure of success will be the sustained satisfaction of our customers and the agency's ability to respond to their needs and concerns.

The agency's internal culture will reflect a strong commitment to its employees and a drive to ensure continual learning at all levels. Given the large percentage of employees recently retired and currently eligible for retirement during this planning period, knowledge transfer continues to be a top priority in our managerial succession plans.

## **Programs & Responsibilities**

Our primary customers are the employees and employers of the rail industry and their families. They include, for example, train and engine service employees, maintenance of way employees, dispatchers, signalmen, computer specialists, sales personnel, lawyers and accountants. They also include railroad employees who have retired on the basis of age, their spouses and dependents, as well as younger beneficiaries who have retired on the basis of disability, survivors of deceased employees or retirees, and employees who are not working because of layoffs, injuries, or illness. Employers include the nation's Class I freight railroads as well as more than 600 other employers, including short line regional railroads, Amtrak, certain commuter roads, railroad associations and rail labor unions.

The RRB's benefit programs are based on two primary laws – the Railroad Retirement Act (RRA) and the Railroad Unemployment Insurance Act (RUIA). Under the RRA, the RRB processes retirement, survivor and disability annuities for railroad employees and their families. Under the RUIA, the agency pays unemployment benefits to railroad workers who cannot find a job in the industry and sickness benefits to those unable to work on a temporary basis due to illness, injury or pregnancy. In fiscal year 2017, the RRB paid a total of \$12.7 billion in benefits. This included about \$12.6 billion in retirement and survivor benefits to 548,000 beneficiaries, and \$104.6 million in unemployment and sickness insurance benefits, net of recoveries, to some 28,000 claimants. Payroll taxes paid by railroad employees and employers are the primary funding source for these benefits, although in fiscal year 2017, unemployment benefits included \$0.4 million financed separately under special extended benefit programs. The agency also administers various provisions of the Medicare program for rail workers and family members including the selection of a carrier to process Medicare Part B (Supplemental Medical Insurance) claims. In fiscal year 2017, the carrier paid more than \$850 million to providers and beneficiaries for Part B services.

As an independent agency in the Executive branch of the Federal Government, the RRB is administered by three Board Members appointed by the President with the advice and consent of the Senate. The Labor Member is appointed from the recommendations of railroad labor organizations, the Management Member is appointed from the recommendations of railroad employers, and the third, the Chairman is appointed to represent the Public interest without recommendation by either employers or employees from the rail industry. The Board Members serve staggered 5-year terms. The President also appoints an Inspector General for the RRB to provide independent oversight of the agency and its programs. The RRB currently employs approximately 827 employees who work in its Chicago headquarters and 53 field offices around the country. The agency's administrative budget has historically approximated one percent of total benefit payments, and totaled nearly \$113.5 million in fiscal year 2017.

While the railroad retirement system has remained separate from the social security system, both systems are closely coordinated with regard to earnings credits, benefit payments, and taxes. In addition to SSA, the RRB works closely with several other Federal and state agencies on benefit administration, such as CMS, state employment security departments and the Department of Labor. Other agencies with which the RRB interacts on a routine basis include OMB, Treasury,

the Office of Personnel Management (OPM) and the General Services Administration (GSA). The RRB and the Board Members also provide assistance, information and testimony to the Congress and its agencies, such as the Government Accountability Office, on a regular basis.

In addition to current and future customers and other governmental entities, the RRB's stakeholders include organizations that represent rail labor, retirees and rail employers. Examples are various rail labor unions, the National Association of Retired and Veteran Railway Employees and the Association of American Railroads. We also interact with contractors who assist the agency in performing its mission and work closely with the NRRIT, which manages trust fund investments. The RRB also has internal stakeholders that include our dedicated employees and their representatives, such as the American Federation of Government Employees as the exclusive bargaining agent, and the Federal Managers Association.

## Strategic Priorities

We have three comprehensive strategic priorities for this planning period: IT Modernization, Customer Service and Trust Fund Stewardship.

Today, our mission essential programs are straining under the burden of being maintained by legacy computer systems built 40 years ago. To continue providing the excellent service to our beneficiaries, our IT Modernization efforts are being leveraged to transform these legacy systems and build modern digital services while safeguarding information anywhere, anytime, in all ways throughout the information life cycle. As part of modernization, we have an opportunity to consolidate network services, to re-architect and modernize our network infrastructure. With the emerging cloud solutions, we optimize our network backbone connectivity to overcome latency issues when our users will access modern Cloud Services. With ever increasing IT security and privacy risks, we make our systems and processes more robust with advanced privacy and security controls. This IT Modernization is an iterative and incremental approach to show success, communicate these successes across the agency to gain support, and build confidence to accomplish the remaining larger critical tasks.

Our Customer Service priority is focused on meeting our customers' expectations for timely personal service. These expectations are based on past experience and performance, as reflected in several independent customer satisfaction surveys over the past decade. Our challenge in meeting this priority will be to make the most of our limited resources, implementing new technology and utilizing staff in cost-effective ways. Another challenge will be the rising expectations of our customers, reflected in increased demands for new and improved services, especially online self-service options. We will continue to strive to meet these expectations in this planning period.

Our Trust Fund Stewardship priority has several different aspects, including accurate benefit payments, a focus on financial solvency for our programs for the future and maintaining a high level of program integrity.



To ensure the accuracy of our benefit payments, we will continue to identify areas where potential errors may occur and pursue automation initiatives that will minimize erroneous payments.

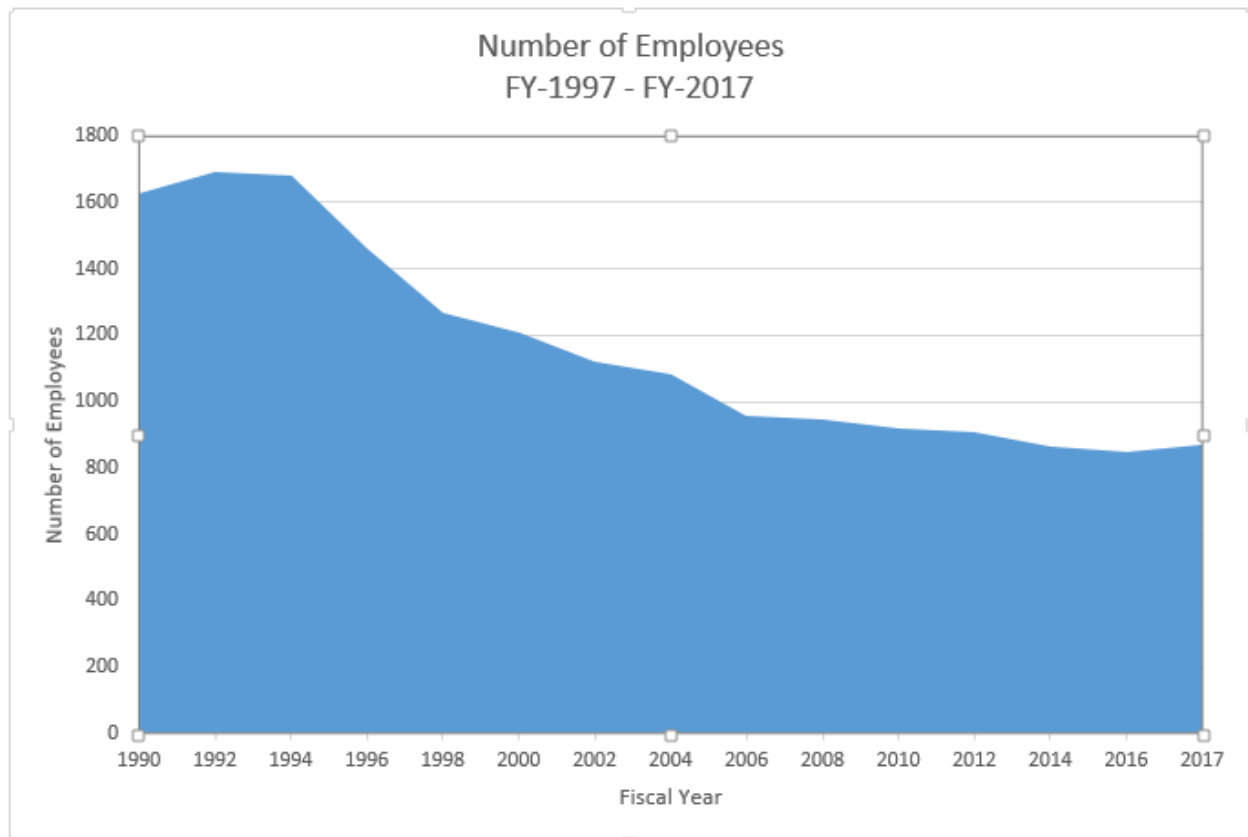
Future solvency was a major objective of legislative changes to the RRA in 2001. Those amendments, contained in the Railroad Retirement and Survivors' Improvement Act, created the NRRIT, a non-governmental entity that is charged with managing investment of the railroad retirement trust funds in a wide variety of financial instruments. Although this responsibility was shifted from the RRB, the agency still has the responsibility of monitoring the activities of the NRRIT and working with the NRRIT to ensure the availability of funds for benefit payments.

Program integrity involves managing our budgetary resources in a prudent, responsible way to ensure that customers receive those benefits to which they are legally entitled. To do this, we conduct automated reviews of our customers' benefit information to identify errors or inconsistencies, and maintain computer matching agreements with other agencies and entities that report information on, or pay benefits to, our customers. We have implemented a number of Program Integrity improvements to prevent and detect the fraudulent payment of benefits. We also safeguard our trust funds through such administrative activities as using competitive procurements whenever possible, increasing energy efficiency in our headquarters building, developing in-house training programs to better equip our employees to handle a variety of challenges and using online video to present both internal and external training. We also work closely with our Office of Inspector General (OIG) to have our financial statements audited every year. All of these activities will continue during this planning period.

A key factor in meeting our strategic priorities is the RRB's administrative funding level. Budgetary resources have been tight in recent years, and are expected to remain so during the planning period. To deal with this challenge, the agency has made creative use of technology and other more economic innovations, not only to maintain service levels, but to improve agency performance wherever possible.

The following figure demonstrates how the RRB has done more with less in recent years. The general trend over the last 20 years has seen an increase in the ratio of customers served to agency employees. The major reasons the RRB has been able to maintain high performance levels with increasingly scarce resources are our extremely capable and dedicated employees,

coupled with expanded use of technology. However, the continued loss of personnel through retirements, and ongoing budget constraints, has created a serious challenge for the future.



# Strategic Goals

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## ***Strategic Goal 1 – Modernize Information Technology (IT) Operations to Sustain Mission Essential Services***

### **Legacy Systems Modernization**

The RRB will continue the effort to re-engineer critical legacy mainframe applications to sustain agency operations, improve customer services and enable a “future ready” RRB workforce.

Using an incremental and iterative approach, we will transform high risk enterprise systems with a digital first perspective. Following a phased implementation, RRB staff will be equipped with modern tools and technologies to do their jobs in the most efficient and effective manner leading to sustained customer satisfaction in the railroad community we serve. We use automated code conversion tools, as well as automated test and data validation tools, to transform the current 12 million lines of legacy mainframe-based COBOL and PC / Web programming code.

The primary focus is to complete the transformation to the new platform before the agency has to make a significant investment to maintain and update the existing mainframe-based environment and before the aging workforce retires in large numbers taking with them the institutional knowledge. The reengineering effort is being accomplished in multiple phases.

#### *1) Legacy Systems Migration Services (Like-to-Like Transformation)*

Using Artificial Intelligence (AI) based automated code transformation software, we will transform our Taxation and EDM systems (*3 million lines of legacy COBOL*) from the mainframe to open standards using Microsoft distributed architecture. These systems built using COBOL/CICS/DB2 legacy technology will be transformed into the distributed architecture, namely Microsoft C#/.NET/SQL Server. This transformation (*like-to-like*) is essentially without re-engineering, with the primary focus to mitigate the risk of losing legacy programming skills to attrition.

#### *2) Legacy Systems Re-platform Services*

Using re-platform software, we will transition Mission Essential Programs (*9 million lines of legacy COBOL*) from the End-of-Life mainframe hardware. The RRB is faced with the risks

of the end-of-life for mainframe (December 2018), along with the attrition of the mainframe systems engineers. Our market research indicates that the legacy re-platform solution can be achieved in 15 to 18 months timeframe. The goal is to re-platform the legacy mainframe applications, currently developed using COBOL/CICS/DB2, to a Microsoft Server Operating System. We will:

- a. re-platform all legacy mainframe applications and databases with zero or minimal code change;
- b. transition all services from mainframe third party software to the Server platform, such as scheduling, printing, security, backup /restore, and reporting services;
- c. achieve the same or greater level of business functionality and performance with the Server based system than was accomplished through the legacy system;

The accuracy of the annuity and benefit calculations performed by the transitioned code will be the same as the legacy system. In addition, the quality of all printed materials created by the transitioned code will not degrade, while the sequence of jobs comprising the nightly production execution schedule will not be altered.

### *3) Complete an assessment for re-engineering Mission Essential Programs*

The RRB will seek external Subject Matter Experts to conduct a business process re-engineering of our mission essential services, and to deliver a roadmap and blueprint for RRB to leverage shared and cloud-based services. This would also include the transition from batch oriented processing to interactive transactional processing. This blueprint enables RRB to build the next set of systems for mission essential services, including:

- a) shared services in terms of Imaging, Records Management, Prescriptive Analytics, and Audit/Compliance, along with the Private Cloud for storage and resource heavy workloads; and
- b) leveraged cloud-based services for Case Management, Customer Management, Desktop-as-a-Service, DevOps, Continuous Monitoring, Website portal, and Railroad Community Self-service solutions.

### *4) Deliver the next generation of systems for mission essential services*

This final phase of IT Modernization involved the execution of the blueprint delivered in the previous phase (3). The RRB will rebuild the services that cannot be outsourced, such as benefit processing and payment systems, as RRB core digital services. Closely tied to these core services are dependent services which are hosted in the RRB data center for high performance and include a robust Imaging System, Records Management, Audit/Compliance and Predictive Analytics. All other remaining services from the blueprint are hosted in the cloud such as:

- Case Management – an end-to-end case workflow configured for RRB use to process retirement, survivor, disability, unemployment and sickness claims;
- Customer Management – an end-to-end customer relationship lifecycle which is powered by data and intelligence, to better understand our railroad citizen centric needs and to engage our customers more effectively;
- Desktops and DevOps – an elastic cloud service that provides the right capacity on demand to build enterprise applications, as well as for our staff to have the up-to-date computing device to get their job done;
- Website Portal and RRB.Gov – a fully scalable website to keep the railroad community well informed, as well as a gateway to push out social media content to where our community groups collaborate;
- Continuous Monitoring – in partnership with DHS, the RRB leverages the Continuous Monitoring as a Service (CMaaS), which is an extension of our current Security Operations Center (SOC), to protect the security of our IT data; and
- Rail Employer Apps – a powerful portal hosted in conjunction with our website, which meets the demand of the railroad employer and labor union needs, as well as engages the railroad annuitants.

## **Citizen Service**

The RRB will continue to implement self-service digital solutions to our customers and end users. We will enable secure self-service access to personal account statements and individualized information about the status of claims and benefits, as well as allowing access to industry standard features such as the online benefit estimates. These enhancements will assist railroad workers and their families in the completion and tracking of online applications as well

as claims, payments, and other documentation. We are partnering with GSA's 18-F Group (Login.Gov) to ensure a secured, unified login platform, as well as resolve the challenges of both Identity Proofing and Multi-Factor Authentication for all current and future web-based applications offered to our customers. An online employee retirement application (Form AA-1) is scheduled to be launched in Fiscal Year 2018, while development of a companion online spouse retirement application (Form AA-3) is underway.

### **Enterprise Infrastructure Solutions (EIS)**

The General Services Administration (GSA) has established a single new program, Enterprise Infrastructure Solutions (EIS), to replace all of the existing contract vehicles for telecommunications. EIS is planned to serve as a flexible, solution-oriented vehicle that will allow agencies to define, acquire and manage agency enterprise technology, serving their individual mission needs over its 15 year contract life. The EIS contract is the main component of GSA's telecommunications portfolio. It is replacing GSA's current Networx Universal and Enterprise contracts, as well as GSA Regional Local Service Agreements for government telecommunications and infrastructure solutions. Much of the transition will migrate existing technology to similar or enhanced technology where applicable. The RRB will pursue technological enhancements and efficiencies factoring in return on investment, capital expense, and human capital effort.

### **Electronic Records Utilization and Paperless Processing**

The RRB proposes to establish an electronic imaging and records system which will eliminate a significant portion of its paper-based processing. RRB will also migrate to paperless disability claim processing as a future automation goal. Automating manual processes is critical for increasing employee efficiency and effectiveness in a benefits-paying environment. In addition, migration to an electronic method of processing disability claims would provide a means for real-time detection and prevention of disability fraud by facilitating greater data modeling to reduce fraud, waste and abuse while also enabling the use of data mining techniques that will assist auditors and investigators. Through the identification and prioritization of potential enhancements to the current system including electronic export of e-mails, third party documents

and faxes, as well as streamlining the process of scanning a folder to imaging, or importing electronic documents received from outside sources to RRB's system.

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## ***Strategic Goal 2 – The RRB Will Provide Excellent Customer Service.***

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Our primary means of providing excellent customer service is embodied in our mission statement to pay benefits in a correct, timely manner. However, in addition to this focus on performance, we also aim to satisfy our customers' expectations for high-quality service by providing a variety of delivery options and personalized attention. This includes expanded use of online, web-based services and a nationwide toll-free telephone number for inquiries and services. The RRB has developed the following objectives to meet this crucial goal.

- **Pay Benefits Timely**

We measure the success of our efforts to make **timely** payments by looking at a variety of information, with a focus on average processing times. The RRB publishes a Customer Service Plan that outlines a number of timeliness goals covering initial retirement, survivor and disability decisions and payments, as well as unemployment and sickness insurance applications and claims. In turn, the agency's Annual Performance Plan sets yearly targets for the percentage of customers who will receive service in the time frames specified by the Customer Service Plan. We revise these targets on an annual basis, taking into account projected workloads and available resources.

Progress on these performance targets is tracked on a continuous basis, with the results reported to our customers and stakeholders annually. This includes press releases, inclusion in our Performance and Accountability Report, budget documents, and posting on the agency's website ([www.rrb.gov](http://www.rrb.gov)).

In addition to highlighting the timeliness goals mentioned above, the RRB's Customer Service Plan also centers on our fundamental principles of public service: standards, openness, accessibility, accountability and feedback. It is published nationally and posted in each RRB office in order to communicate these standards to our customers and to

reinforce them with our employees. We also publish and post the results of our Customer Service goals on an annual basis.

### *Customer Responsibilities*

The RRB communicates with our customers about actions they can take to ensure that they receive payments in a correct, timely manner when eligible for benefits. For example, some benefits are subject to reduction based on payments from another party, income thresholds and life changes (*i.e., marriage, divorce, death, and children becoming adults*). We provide our customers with periodic reminders that contain clear guidance on their responsibilities to provide accurate, complete information and notify us of changes in status. Timely updates will allow customers to receive the maximum benefits to which they are legally entitled while helping the RRB avoid erroneous payments.

One occurrence that can delay receipt of payments is lost or stolen checks sent through the mail. While this does not happen on a widespread basis, such events not only cause financial hardship for our beneficiaries, but additional costs to the RRB and other agencies of the government in terms of investigating and resolving claims. As a result, we will continue to work with Treasury to promote direct deposit as this is a safe, secure and less costly method of delivering benefit payments. The agency currently pays almost 96 percent of all benefits in this manner.

### *Employer Responsibilities*

Information provided by rail employers is the basis for the benefits paid to employees and retirees. For this reason, during the planning period, we will continue to secure timely, accurate and efficient reports of railroad service and compensation. We will work with employers to improve modernization efforts that expand and enhance the use of available electronic reporting methods. We will continue to work closely with employers to ensure that they are aware of their responsibilities and given the support needed to carry them out.



- **Provide a Range of Choices in Service Delivery Methods**

To meet our customers' needs and expectations, we must provide services in ways that are accessible and convenient to all customers, including the elderly and those with impairments. Past surveys have shown that the telephone was the preferred means of obtaining service in most cases. At the same time, we have expanded the number of service delivery choices available through the Internet for those who prefer self-service online. As a complementary objective, we will take advantage of technological developments that will not only satisfy our customers but improve our internal processes as well.

Nationwide toll-free service, which was implemented during fiscal year 2009, is a key component of our plan because it provides us with the ability to dynamically route phone calls among our offices based on logical business rules and customer needs. This service provides our customers with faster response times and allows agency management to more effectively balance and share workloads among offices. During this planning period, we will work to expand the functionality and services offered through the toll-free number (877-772-5772 or 877-RRB-5RRB). These enhancements will be geared to improve customer call delivery times and making more self-service options available in a secure manner through the interactive voice response feature now offered through the toll-free system.

We will also develop additional self-service options via the Internet, including the ability to send and transmit benefit-related data in a secure manner. This will include services for current or potential beneficiaries, as well as railroad employers. The RRB will continue to make improvements to its Employer Reporting System (ERS) to increase the amount of information relative to railroad compensation, employment and service that employers can exchange with the agency through the Internet. ERS enhancements will streamline the process by consolidating or reducing the number of forms to be submitted and providing links to allow employers to receive certain bills and recover payments through Treasury's Pay.gov website.

Our level of performance under this objective will be measured by the number of new service delivery options and access points we offer during the planning period, formal surveys and informal feedback, and utilization of online services.

### *Paperless Processing*

The RRB will continue to expand paperless processing to increase efficiency and productivity. Our document imaging system has improved agency processing by making information more accessible and improving the ability of managers to assign and monitor work in a more effective manner. After first implementing this system at headquarters, the RRB expanded this technology to its nationwide network of field offices that provides front-line customer service. We are currently evaluating the use of imaging to optimize our disability program to improve efficiency and service.

The RRB will also continue to improve its automated systems to reduce referrals that require time-consuming and labor-intensive manual handling.

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### ***Strategic Goal 3 – Serve as Responsible Stewards for Our Customers’ Trust Funds and Agency Resources.***

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The RRB is committed to fulfilling its fiduciary responsibilities, not only to the railroad community, but as a member of the larger Federal Government community. We will run the agency in an efficient, effective manner, treat our employees with the respect they deserve, and ensure that funds appropriated for agency operations are spent for their intended purposes. We will also take appropriate action to safeguard the funds used for benefit payments. The following objectives will chart our success toward this broad goal.

- **Ensure that Trust Fund Assets are Protected, Collected, Recorded and Reported Appropriately**

The RRB is committed to prudent financial practices and reporting. To accomplish this commitment, we will continue to issue audited financial statements, monitor the solvency of the trust funds through a sound program of actuarial valuations and financial projections and correctly estimate amounts needed for future benefit payments.

In instances where erroneous payments do occur, the RRB will apply its debt collection and management policies in a fair and equitable manner. The agency will carefully review individual cases, upon waiver requests, to determine any amounts eligible for waiver. Debts not subject to waiver will be collected, either directly or through referral to Treasury.

- **Ensure the Accuracy and Integrity of Benefit Programs**

The RRB is committed to paying the right benefits to the right people. We have measures in place to track the accuracy of processing actions under both the RRA and the RUIA. The principal indicator of **accuracy** is the benefit payment accuracy rate in each program, which measures the percentage of dollars paid out correctly. Our long-term performance goal is to strive to meet or exceed 99 percent payment accuracy in the payments we initiate in a given year. To accomplish these goals, we will monitor the accuracy of award actions through automated programs and specialized reviews of a statistically significant sample of cases. These efforts look at performance trends and identify problem areas. In turn, we use this information to provide constructive feedback for process improvements, enhance performance appraisal/management and identify possible automation initiatives or training needs.

Under the Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010, and further amended by the Improper Payments Elimination and Recovery Improvement Act of 2012, the RRB reviews and reports on the amount of improper payments and engages in activities to reduce and recover them. Both the RRA and RUIA programs do not have improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.A.9.Step 1. The Statutory thresholds are:

- Improper payments which exceed \$10 million *and* 1.5% of total outlays  
or
- Improper payments which exceed \$100 million regardless of percentage of total outlays.

To fulfill our commitment to the rail community and continue to ensure the correct amount of benefits are being paid to the right people, in the right amount at the right time, we electronically match our benefits against:

- SSA's earnings and benefits database and death-reports file,
- CMS's utilization and death records, and
- State Wage Match Report.

We will continue these matching and monitoring programs, as well as our program integrity reviews whereby individual cases are reviewed on a periodic basis, such as obtaining information on medical improvement in disability cases, and contacting annuitants whenever discrepancies are identified through these matching programs or other sources of information. We measure the efficiency of our program integrity activities through a review and comparison of the savings they produce and the cost of administering them. We also refer cases to the RRB's OIG, which can recommend civil or criminal prosecution upon completion of its investigation.

- **Ensure Effectiveness, Efficiency and Security of Operations**

The RRB is committed to effective, efficient and secure internal operations. The agency has a long-range plan for complete modernization of RRB processing systems to support this commitment. Many factors and programs contribute to this goal. We use a management control review process for critical agency programs to provide reasonable assurance of their effectiveness, efficiency and security, with corrective action taken to address any identified weaknesses. In addition we perform a variety of quality assurance activities to ensure that our benefit programs comply with established policies, standards and procedures.

An increasingly important consideration for the agency is to safeguard our customers' privacy and enable them to conduct business with the RRB in a secure environment. We continually make notable progress in strengthening and improving computer security by following the Federal Information System Management Act (FISMA) guidelines for identifying and resolving risks associated with our agency information systems. We will continue to develop risk assessments, perform management control reviews, and conduct

periodic vulnerability assessments on informational assets, and enhance staff training on IT security, while deploying advanced security technologies to protect against physical and cyber-security threats.

The RRB has also taken steps to comply with a security directive that requires enhanced identity verification of Federal employees, including use of a more sophisticated identification card containing a chip with biometric data (i.e., fingerprints) that will be common to all Federal agencies. The RRB's shared-services agreement with GSA provides an enterprise-wide compliant Personal Identity Verification credential solution with integration into the agency's physical and logical access control systems.

- **Effectively Carry Out Responsibilities with Respect to the NRRIT**

The NRRIT was created by the Railroad Retirement and Survivors' Improvement Act of 2001 to oversee investment of the railroad retirement trust funds. While the RRB no longer manages investment of trust fund monies, it continues to have responsibilities in ensuring that the NRRIT, and its seven-member Board of Trustees, complies with the provisions of the RRA as amended by the Railroad Retirement and Survivors' Improvement Act of 2001. We fulfill these obligations through periodic meetings between the RRB's three-member Board and the NRRIT's trustees, more frequent meetings between the agency's General Counsel, Chief Financial Officer and NRRIT officials, and review of monthly and annual reports submitted by the NRRIT, including the audit reports on the NRRIT annual financial statements. The RRB has authority to bring civil action should these reviews indicate any violation of the RRA or non-compliance with any of the provisions of the law. We also post information about the NRRIT and its activities on the agency website for the benefit of our customers and stakeholders.

## **Management Strategies**

In addition to these ongoing programs and strategic goals, we have developed complementary plans in the areas of information technology investments, human capital planning, information security, financial management and procurement. These areas are strategically important in that

they provide vital support to achieving our stated objectives and strategic goals. Recognizing this interrelationship, these initiatives include measurable objectives and outcomes that are also reported and tracked as part of our Annual Performance Plan and related documents, as well as periodic reports required by statute, regulation or executive guidance.

- **Effectively Manage Information Technology**

Information technology not only provides the underlying support for the agency's current day-to-day operations, but it also is a strategic means of improving the cost-effectiveness of our operations in the future. In that sense, information technology is a critical aspect of our goal to safeguard our customers' trust funds and agency resources. Expanded use of automation has improved efficiencies and plays an important role in increasing speed of processing and accuracy. We are continually striving for better ways to plan and control our information technology investments and initiatives to ensure that they perform as expected, provide a meaningful return, and are delivered on time and within budget.

In recent years, the Agency has taken steps to provide increased value to the agency's business, through automated systems and improvements in technology. We continue to leverage advances in technology to improve the collection, storage, retrieval, security and dissemination of information. We further improve efficiency of agency operations by streamlining business operations and adhering to governance policies at the headquarters and the field offices.

The Agency has also applied the Cut/Keep/Reinvest strategy to provide value added solutions to the railroad retirement community. The strategy is to conduct rigorous evaluations to identify what works, under what conditions, and at what cost. At the same time, we note what does not work and what should stop. The Agency will **Cut** waste wherever it is found by eliminating duplication, overlap and inefficiency. The Agency will **Keep** essential programs to fulfill the mission of the agency and those that generate high customer satisfaction in the user community. Lastly, the Agency will **Reinvest** the savings from these efforts to modernize, streamline and strengthen the delivery of our value added solutions which can decrease program costs, as well as boost customer satisfaction in the railroad community. In addition, the Agency will also reinvest in our workforce to gain and maintain the skills needed to support the modernization.

- **Effectively Manage Human Capital**

The agency's dedicated, experienced employees have been the foundation for our outstanding track record in customer service and satisfaction. However, we recognize that there is an ongoing need and responsibility to effectively manage our human capital resources. This is particularly important given the number of RRB employees who have recently retired and those who are eligible for retirement over the next four years. We have been working closely with OPM, as well as OMB, to develop long-range plans that will position the agency for continued success in administering our programs.

In particular, the RRB has been focusing on strategic management of human capital. The RRB has developed a comprehensive plan which outlines the agency's human capital policies, programs and practices as they support this Strategic Plan. This includes a detailed analysis of the demographic features of the RRB workforce and the skills needed to fulfill our mission. It also establishes a framework of actions over the planning period that will assist the RRB in recruiting, retaining and developing talented employees. This includes a Hiring Reform Action Plan designed to simplify and streamline the hiring process. Key challenges facing the agency include an aging workforce, employee attrition and the increasing complexity of information technology needs.

As of October 2017, approximately 50 percent of RRB employees had 20 or more years of service and more than 31 percent of the RRB's workforce was projected to be eligible for retirement by Fiscal Year 2019. Each agency component has completed workforce planning documents that identify the current staffing levels, projected attrition and planned hiring in the coming fiscal years, subject to available funding. They have also completed an analysis that identifies potential areas of skills and knowledge gaps that should be addressed through training, mentoring or outside hires, including use of reemployed annuitants. We have placed added emphasis on filling entry-level positions, focusing on front-line service employees in the field offices and claims examiners in headquarters to the extent possible due to budgetary constraints. These new employees, together with those expected to be hired over the next several years, will be key to effectively administering the RRB's programs and continuing to provide outstanding service over the long term.

During the planning period, we will foster a leadership environment that inspires, motivates and guides employees toward our strategic goals, allows them to link their responsibilities with the agency's strategic vision, and results in a high-performing, stable workforce that has the competencies needed to fulfill our mission and reflects the diversity of all segments of American society. As part of these efforts, we will request funds in the agency's budget submissions to fill key positions, provide training and ensure that employees are able to link their daily activities to relevant goals in the agency's Strategic Plan.

In addition to the area of talent management, which deals with skills gaps in the agency workforce and effective recruitment/retention of new employees, the RRB's plans in this area will address leadership/knowledge management and development of a results-oriented performance culture. The RRB will also establish accountability for human capital management by systematically monitoring and evaluating the effectiveness of policies and practices in this area.

- **Enhance Information Security**

The Agency is committed to protecting our annuitants' information from unauthorized use or disclosure and continue to improve our information security capabilities to mitigate identified risks. We continue to enhance our information security policies, procedures, and practices to mitigate the risk of ever increasing cybersecurity threats. Our partnership with the Department of Homeland Security (DHS) in the Continuous Diagnostic and Mitigation (CDM) program will further improve our information security program pertaining to vulnerability assessment, hardware and software management, configuration management, and privileged account management. We continue to manage the risk of the critical infrastructure considering asset management, remote access, identity management, and network protection. Specifically:

Asset Management

- We have enrolled in the DHS CDM Continuous Monitoring as a Service (CMaaS) to provide better visibility of current hardware and software and to automatically detect unauthorized hardware and software.



### Identity Management

- We have a multi-factor authentication solution in place and as part of CMaaS, we will be implementing credential management for general users and privileged access management for system administrators.

### Remote Access

- We have deployed managed services for hardware encryption and have upgraded our network firewalls to strengthen information security controls for remote access using Virtual Private Network (VPN).

### Network Protection

- As part of CMaaS, we will further improve the Defense in Depth configuration in place, namely the Intrusion Prevention System (IPS), Network Access Control (NAC), and the Security Information and Event Management (SIEM).

- **Enhance Financial Reporting**

The agency continues to take steps to improve processes related to preparation of the financial statements, issuance of payments, internal controls and quality assurance. These actions will address items identified by the OIG's audit of the financial statements as well as ensure continued compliance with the Federal Managers' Financial Integrity Act, OMB circulars and related requirements. Current initiatives by agency financial staff include steps to improve the reconciliation of benefit-payment subsystems to the general ledger and significant revisions accounting policy and procedures in light of the migration of the agency's core financial management system to a shared services provider cloud-based environment, among others.

- **Effectively Use Competition in Contracting**

We will also strive to maintain a first-class acquisition system that makes maximum use of competitive procedures, uses past performance as an evaluation factor in awarding contracts, and ensures that contractors meet all delivery requirements and schedules for

goods and services. This will help ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, value, delivery and reliability by promoting full and open competition to the maximum practical extent when procuring goods and services, awarding purchase orders only to responsible contractors, and closely managing solicitations and their resulting contracts. Related to human capital planning, the RRB will also continue to have knowledgeable acquisition specialists and contracting officers' representatives. The RRB has improved its competitive acquisition process by using a fully automated acquisition subsystem within the RRB's Financial Management Integrated System (FMIS).

## Program Evaluations

The RRB considered the results of numerous program evaluations in preparing its strategic plan and will use program evaluations to revise it in the future. The most important of these are summarized below.

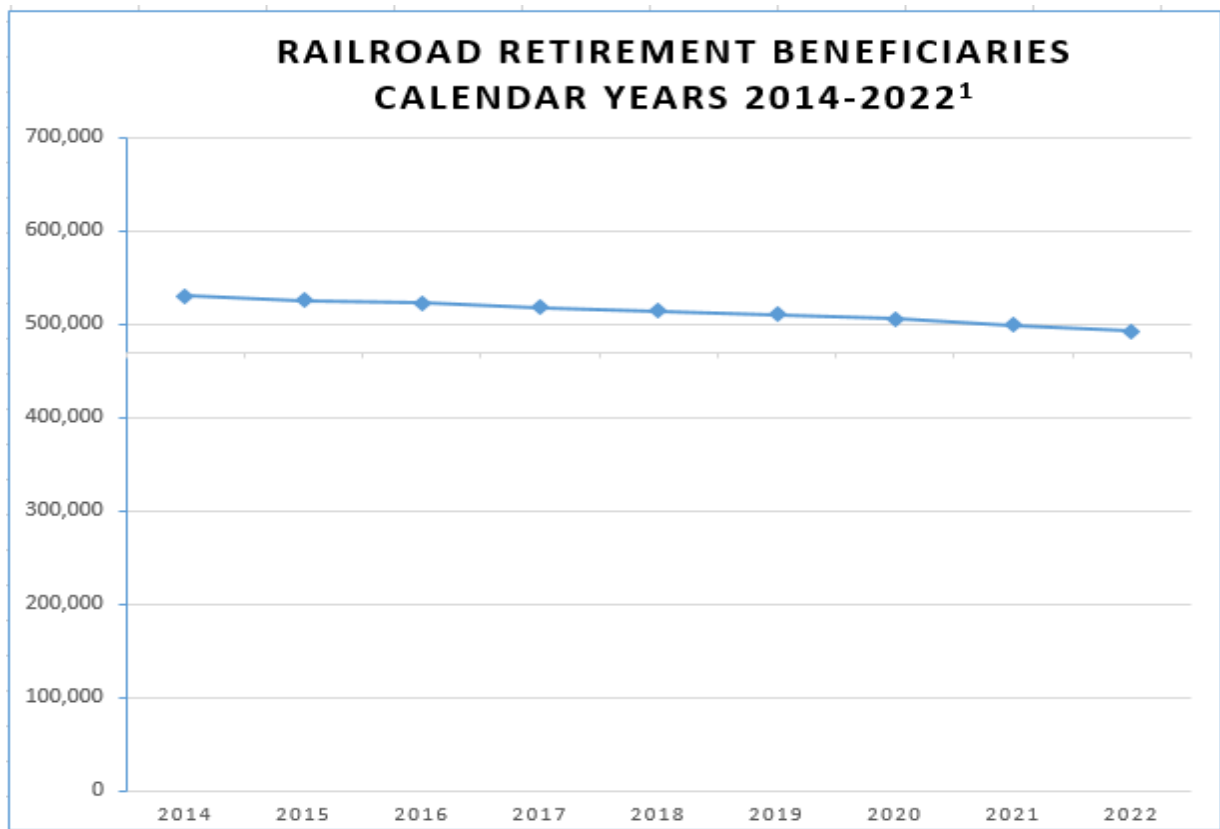
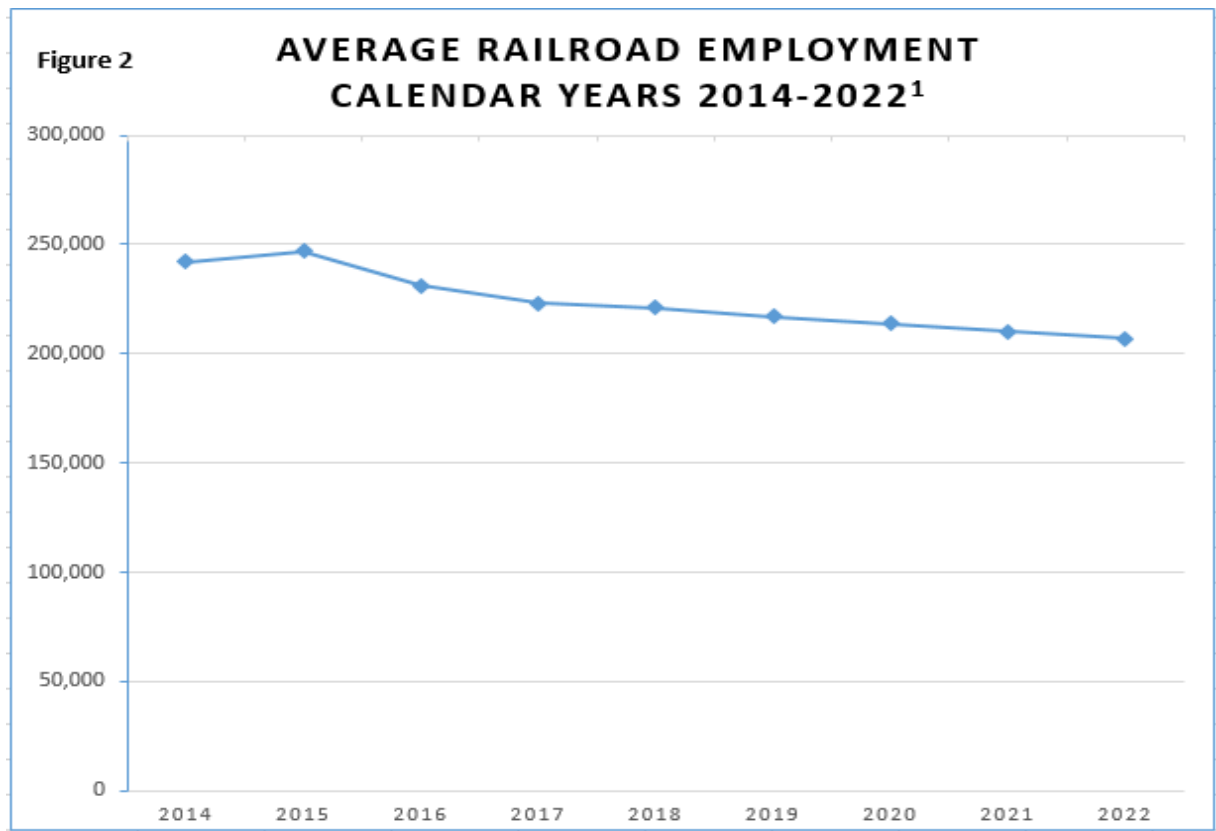
Program Evaluation	Methodology/Scope	Issues Addressed	Schedule
Federal Managers' Financial Integrity Act reports and risk assessments	Analytical/RRB administration.	Adequacy of internal controls.	Annual
Actuarial Valuation	Actuarial/75-year financial projection.	Railroad Retirement Act (RRA) revenue/ expense projections.	Triennial
Actuarial Status Report of Railroad Retirement System	Actuarial/25-year financial projection.	RRA revenue/expense projections.	Annual
Actuarial Status Report of Railroad Unemployment Insurance System	Actuarial/11-year financial projection.	Railroad Unemployment Insurance Act (RUIA) revenue/expense projections.	Annual
Customer service performance reports	Analytical/RRA and RUIA benefit programs.	Customer service/ timeliness of benefits.	Annual
Quality assurance reports	Statistical sampling of RRA, RUIA benefits.	Accuracy.	Annual
A variety of client satisfaction surveys and feedback	Statistical evaluations (e.g., ACSI); comment cards/meetings with groups of RRB beneficiaries.	Client satisfaction with RRB services/need to change standards or update customer service plan.	Periodic
Financial Statement audit	Office of Inspector General audit of agency financial statements.	Accuracy of financial statements.	Annual
RRB Office of Inspector General audits	Audits/agency-wide.	Effectiveness/efficiency of agency operations.	Periodic
Program Integrity Report	Compilation of program integrity results.	Effectiveness of various matching/monitoring activities related to benefit payments.	Annual

<b>Program Evaluation</b>	<b>Methodology/Scope</b>	<b>Issues Addressed</b>	<b>Schedule</b>
Performance Budget monitoring	Longitudinal study/key agency performance goals.	Customer service, stewardship, procurement, human resource and information technology issues.	Semi-annual
Variety of special studies	Special studies/benefit program administration.	Quality, timeliness, efficiency and effectiveness of processes within benefit program administration.	Periodic (on demand)
Enterprise Architecture assessment	Analytical/samples and audits.	Effectiveness of existing architecture.	Annual
Computer security and privacy assessment	Internal and/or external assessments, audits, and evaluations.	Adequacy of internal and external controls impacting computer access, vulnerabilities and overall security.	Annual, quarterly updates
Report on electronic government (E-Gov) activities	Evaluate the implementation status of the E-Gov Act.	Agency-specific E-Gov initiatives and agency information available on the Internet.	Annual
Improper payments evaluation	Analytical assessment of RRA and RUIA payments.	Determination of the level of improper payments and amounts recovered and assessment under the Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010, and further amended by the Improper Payments Elimination and Recovery Improvement Act of 2012.	Annual
Occupational disability program	Assessment by the agency's Occupational Disability Advisory Committee; in-depth data reviews conducted to identify any potential program vulnerabilities.	Accuracy and validity of the disability decision-making process.	Periodic/ongoing

## **Planning Assumptions**

An organization cannot plan for all contingencies, but must base its vision within the framework of given assumptions. The following assumptions were used in formulating this strategic plan.

1. The mission of the RRB will not change during this planning period.
2. The RRB will continue as an independent agency in the executive branch of the Federal Government.
3. The benefit programs will not experience any funding crises during this period.
4. The public will expect continued excellent service.
5. Budgetary resources will remain tight during the planning period.
6. Technological improvements will be necessary for the RRB to meet customer expectations and operate within its budget.
7. The primary service delivery will be through a structure of field offices.
8. Over the long term, claims processing workloads will decline along with the total number of beneficiaries (see Figure 2).
9. Maintenance workloads will decline, but reductions will be partly offset by increased initiatives in quality assurance and program integrity.
10. A large number of experienced employees will retire during the planning period, resulting in a significant loss of business expertise.
11. Legislative amendments will continue to be made, and may affect both processing and maintenance workloads.



<sup>1</sup> Includes Actuarial projections for Calendar Years 2018-2022

## Key External Factors

The RRB recognizes that there are several key external factors which could affect the achievement of our strategic goals and objectives. These include the factors shown below, along with an assessment of their probability and impacts.

Factor	Strategic Goal(s)	Likelihood	Potential Impact/ Response
Significant reductions in our administrative budget.	Customer Service; Stewardship	Possible.	The Annual Performance Plan will reflect the impact of funding reductions on these goals. To date, the RRB has managed to improve some aspects of operations within budget constraints, using various streamlining initiatives and automation of manual work processes.
Sudden, unanticipated and significant declines in railroad employment levels.	Customer Service; Stewardship	Possible. Payroll taxes are the primary source of financing for railroad retirement benefits. If economic conditions change significantly, rail industry employers may be required to substantially reduce staffing. Currently, we anticipate such action only under a pessimistic employment scenario.	In the past, declines in railroad employment have resulted in legislation to ensure the solvency of the railroad retirement system. A similar need for legislative changes may arise if there were a dramatic, sudden, unexpected decline in railroad employment. The impact could be mitigated if alternate sources of financing are identified.
Major program-related legislative changes.	Customer Service; Stewardship	Possible.	The impact of any legislative changes on the strategic goals would have to be fully assessed.

<b>Factor</b>	<b>Strategic Goal(s)</b>	<b>Likelihood</b>	<b>Potential Impact/ Response</b>
Major mission-related or structural legislative changes.	Customer Service; Stewardship	Unlikely. There have been several proposals to change the structure of the agency, but none have been introduced into the Congress for several years.	Legislative changes dealing with the agency's fundamental mission are not anticipated, and their impact would have to be fully assessed if and when proposals are made.
Lack of interagency cooperation or support for key operations (e.g., SSA's wage and data exchange, and the Internal Revenue Service's tax collections).	Customer Service; Stewardship	Unlikely. As other agencies find themselves operating with fewer resources, there is a possibility that their reductions would impact our services.	The RRB depends heavily on interagency cooperation and support to carry out many of our functions and services. We will continue to maintain contacts with key agencies to ensure active coordination and support.
Loss of public confidence in the railroad retirement system and the ability of the agency to provide necessary services.	Stewardship	Unlikely. The continued confidence of both railroad employers and employees and the beneficiary population is a critical factor. As customer satisfaction remains high, a loss of public confidence is unlikely, provided administrative funding is not significantly reduced.	We will continue to monitor the solvency of the funds, and look for ways to ensure administrative efficiencies to keep costs low. We will also continue to monitor our customers' level of satisfaction.

In developing this plan, we recognized that there are a number of potential strategic issues that may arise during the coming years which relate to various external factors. These include, but are not limited to, changes in basic program design, alternative sources of financing, transferring functions to other agencies, establishing performance-based organizations, and privatization. Issues of this nature could cause fundamental changes in the RRB's programs, operations, structure, and/or financing, and thereby directly impact this plan.



## Conclusion

This Strategic Plan expresses the agency's continued commitment to provide the best possible customer service and prudent stewardship for the rail community.

We are proud to present this plan, yet it is only that – a plan. The plan will not achieve success unless we widely communicate these strategic goals and incorporate them into the day-to-day business activities of the agency, with links to our employees' performance plans, our annual performance plans, and other plans such as our Human Capital Plan, Succession Plans, and Strategic Information Resources Management Plan.

In order to ensure achievement of strategic goals, the RRB sets annual performance goals, based on its strategic goals and designed to make continual, measurable progress on our objectives during each budget year. This planning process is in compliance with the Government Performance and Results Act, the Government Performance and Results Modernization Act and OMB guidance that require each agency to develop annual performance plans, which are submitted along with the agency's budget requests. We will monitor our performance throughout the year and make adjustments as needed to achieve the desired results.

The RRB expects that this Strategic Plan will guide us as we continue our long and distinguished tradition of excellence in service to our customers. The RRB has a proven track record of carrying out its plans and achieving results. For this reason, we believe that this Strategic Plan, along with sufficient resources, will help us to achieve the results our customers need and deserve.

We will monitor this Strategic Plan on a regular basis and update it as needed. At a minimum, we will continue to update this plan every 4 years to cover a new planning period. This plan is available on our website at [www.rrb.gov](http://www.rrb.gov).

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