
RAILROAD RETIREMENT BOARD



FISCAL YEAR 2021 BUDGET SUBMISSION



UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-1275

BOARD MEMBERS:

ERHARD R. CHORLÉ, CHAIRMAN
JOHN BRAGG, LABOR MEMBER
THOMAS JAYNE, MANAGEMENT MEMBER

The Honorable Russell T. Vought
Acting Director
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, N.W.
Washington, D.C. 20503

Dear Mr. Vought:

Enclosed is our budget request for fiscal year 2021. We are also submitting our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. Resources for the Office of Inspector General are not addressed in this submission. That office will submit a separate request concerning its needs.

The agency's request level in the enclosed budget reflects the direct funding of \$139.046 million and provides funding to maintain 880 full time equivalents (FTEs). The Railroad Retirement Board (RRB) recognizes the ongoing need and responsibility to manage our human capital resources effectively through focused workforce planning and talent management efforts combined with information technology (IT) modernization investment to better support a leaner agency, while achieving the mission. The agency request level would further ongoing IT modernization efforts by providing approximately \$13.85 million, in no year funds. Embracing the President's Management Agenda, the RRB's IT Modernization Program includes re-engineering core business processes and streamlining operations using effective and efficient IT solutions; implementing shared and cloud services; deploying citizen-focused self-service digital solutions; as well as leveraging data as an asset while ensuring its security, confidentiality, integrity, and availability.

In accordance with OMB Fiscal Year 2021 Budget Guidance memorandum dated June 21, 2019, our fiscal year 2021 budget submission also includes a level five percent below the net Non-Defense Discretionary total provided the RRB in the fiscal year 2021 Column of the fiscal year 2020 Budget. This reduced budget level would provide \$112.4 million and support 671 FTEs. Budget projections show that at the \$112.4 million level, the agency would need to evaluate all available options to include attrition, furloughs, buyouts, and reduction in force to reach 671 FTEs provided at this level, which is 209 FTEs less than needed to sustain the agency's mission essential functions. At this funding level, the agency would be critically close to mission failure and forced to halt ongoing efforts to modernize our legacy systems.

The agency baseline plus IT funding investment level of the budget totals \$130.35 million and provides minimal funding for 703 FTEs, but allow us to invest \$13.85 million into ongoing IT modernization initiatives. At this funding level, budget projections also show that the agency would need to evaluate all available options to include attrition, furloughs, buyouts, and reduction in force to reach this FTE level. Continued funding for the RRB's IT modernization program project is crucial for uninterrupted progress toward achieving the President's Management Agenda.

In addition to requests for administrative expenses, this budget submission includes our best actuarial estimate of the expected fiscal year 2021 costs of vested dual benefits, \$13 million, with a 2 percent reserve of \$260,000. The RRB also requests \$1.072 billion for applicable military service credits through December 2017, with interest through September 3, 2019.

Finally, included in the budget submission are five agency legislative proposals. The first would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies. The second would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize student and recent graduate hiring authorities available to other Federal agencies. The third would amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency. The fourth would amend the Social Security Act to provide access for the Railroad Retirement Board to the National Directory of New Hires and waive the customary fees for the RRB. The final would amend the Balanced Budget and Emergency Deficit Control Act of 1985 and the Statutory Pay-As-You-Go Act of 2010 to include the Railroad Unemployment Insurance Trust Fund in the list of accounts which are exempt from sequestration.

As required by Section 1108(c) of Title 31, United States Code, we certify that all statements of obligations furnished to OMB in connection with our requests for proposed appropriations for fiscal year 2021 consist of valid obligations as defined in Section 1501(a) of that title.

Sincerely,

Original signed
Erhard R. Chorlé
Chairman
September 23, 2019

Original signed
John Bragg
Labor Member
September 23, 2019

Original signed
Thomas Jayne
Management Member
September 23, 2019

Enclosure

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BOARD MEMBERS:

ERHARD R. CHORLÉ, CHAIRMAN
JOHN BRAGG, LABOR MEMBER
THOMAS JAYNE, MANAGEMENT MEMBER

The Honorable Michael R. Pence
President of the Senate
S-212 Capitol Building
Washington, D.C. 20510

Dear Mr. President:

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Chairman
September 23, 2019

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John Bragg
Labor Member
September 23, 2019

Original signed
Thomas Jayne
Management Member
September 23, 2019

Enclosure

cc: Honorable Richard Shelby
Chairman, Senate Committee on Appropriations

Honorable Patrick J. Leahy
Vice Chairman, Senate Committee on Appropriations

Honorable Roy Blunt
Chairman, Senate Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

Honorable Patty Murray
Ranking Member, Senate Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

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BOARD MEMBERS:

ERHARD R. CHORLÉ, CHAIRMAN
JOHN BRAGG, LABOR MEMBER
THOMAS JAYNE, MANAGEMENT MEMBER

The Honorable Nancy Pelosi
Speaker of the House of Representatives
H-232 Capitol Building
Washington, D.C. 20515

Dear Madam Speaker:

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Erhard R. Chorlé
Chairman
September 23, 2019

Original signed
John Bragg
Labor Member
September 23, 2019

Original signed
Thomas Jayne
Management Member
September 23, 2019

Enclosure

cc: Honorable Nita Lowey
Chairwoman, House Committee on Appropriations

Honorable Kay Granger
Ranking Member, House Committee on Appropriations

Honorable Rosa DeLauro
Chairwoman, House Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

Honorable Tom Cole
Ranking Member, House Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

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**RAILROAD RETIREMENT BOARD
FISCAL YEAR 2021 BUDGET SUBMISSION**

Table of Contents

APPROPRIATION REQUESTS	<u>Page</u>
Social Security Equivalent Benefit Account.....	1
Railroad Retirement Account	3
Federal Payments to the Railroad Retirement Accounts	5
Dual Benefits Payments Account	9
Limitation on Administration	
Retirement/Survivor Benefit Program	13
Unemployment/Sickness Insurance Program	15
Administrative Appropriation Request for Fiscal Year 2021	18
Budget by Appropriation and Object Class	19
Explanation of Changes Between the Estimated Budget for Fiscal Year 2020, and Budget Levels for Fiscal Year 2021.....	20
Summary of Full-Time Equivalent Employment by Series.....	25
Full-Time Equivalent Employees by Organization	26
Narrative Description of Strategic Goals	27
Appropriation Request by Strategic Goal	30
Retirement/Survivor Benefit Program Summary Processing Workload Table.....	35
Unemployment/Sickness Insurance Program Summary Processing Workload Table.....	36
PERFORMANCE PLAN	
RRB Performance Plan, Fiscal Year 2021.....	37

**RAILROAD RETIREMENT BOARD
FISCAL YEAR 2021 BUDGET SUBMISSION**

Table of Contents

OMB EXHIBITS

Information Technology

Information Technology Resource Statements	63
Analysis of Resources for Information Technology – IT Table	64
Information Technology (IT) Modernization Initiatives.....	65

Proposed Legislation

Proposed Legislative Program	71
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Other

Evidence and Evaluation.....	75
Relationship of Programs to Account Structure.....	76

RAILROAD RETIREMENT BOARD

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

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

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

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

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

Requested appropriation

The table on page 2 identifies the estimated budget authority and outlays for this account for fiscal years 2019 through 2029, based on the Office of Management and Budget's (OMB) FY 2019 Mid-Session Review economic assumptions, revised June 2019. The estimates reflect current law.

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

Analysis of Resources
(in thousands of dollars)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Current services</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Budget authority.....	7,532,000	7,710,000	7,948,000									
Outlays.....	7,335,000	7,561,000	7,827,000									
Budget authority:												
Current services.....	8,121,000	8,289,000	8,443,000	8,443,000	8,587,000	8,732,000	8,879,000	9,034,000	9,122,000			
Outlays:												
Current services.....	8,020,000	8,197,000	8,364,000	8,364,000	8,512,000	8,658,000	8,798,000	8,949,000	9,104,000			

Note: In March 2019, the RRB paid social security equivalent benefits to 432,000 beneficiaries. The RRB estimates that in March 2020 and 2021, the agency will pay these benefits to 428,000 and 423,000 beneficiaries, respectively.

RAILROAD RETIREMENT BOARD

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

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

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

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

P.L. 107-90 also repealed the railroad retirement supplemental annuity tax paid by rail employers and eliminated the separate Railroad Retirement Supplemental Account. While supplemental railroad retirement annuities provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account.

Requested appropriation

The table on page 4 identifies estimated budget authority and outlays for this account for fiscal years 2019 through 2029. The estimates are based on OMB's FY 2019 Mid-Session Review economic assumptions, revised June 2019. The estimates reflect current law.

RAILROAD RETIREMENT BOARD

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

Analysis of Resources
(in thousands of dollars)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Budget authority.....	5,602,000	5,604,000	5,582,000								
Outlays.....	5,602,000	5,604,000	5,582,000								
Budget authority:											
Current services...	5,606,000	5,630,000	5,663,000	5,703,000	5,749,000	5,802,000	5,875,000	5,968,000			
Outlays:											
Current services...	5,606,000	5,630,000	5,663,000	5,703,000	5,749,000	5,802,000	5,875,000	5,968,000			

Notes: The RRB paid tier II benefits to 489,000 beneficiaries in March 2019. The agency expects to pay these benefits to 485,000 beneficiaries in March 2020 and 479,000 beneficiaries in March 2021. The RRB also paid supplemental annuities to 120,000 beneficiaries in March 2019. The agency expects to pay supplemental annuities to 117,000 beneficiaries in March 2020, and 113,000 beneficiaries in March 2021.

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts

Budget Account - 60-0113-0-1-601

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

Military service credits

In accordance with, and pursuant to, Section 15(b) of the Railroad Retirement Act, the RRB also requests appropriations to the Federal Payments to the Railroad Retirement Accounts for reimbursement of costs (including interest, administrative expenses, and an actuarial adjustment) for crediting military service not reimbursed under the financial interchange. Both the railroad retirement system and the social security system are entitled to reimbursement for the cost of military service credits. Depending on the period during which the military service was rendered, the reimbursement may be made on either a benefit or prepaid tax basis.

Reimbursement on a tax basis is accomplished by paying payroll taxes for individuals in military service. No additional reimbursement is due at retirement for military service credits reimbursed on a tax basis. Reimbursement on a benefit basis is accomplished by computing the value of retirement and survivor benefits with and without military service and requesting reimbursement based on this difference.

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

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

In prior years, we have sought concurrence with our methodology for computing the reimbursable amount from the Social Security Administration (SSA), Treasury and OMB. We received responses from SSA and Treasury. SSA has concurred with our methodology while Treasury stated that they had no role in this particular process. Section 15(b) requires that these reimbursements from the general funds be authorized in advance by an appropriation act. The fiscal year 2021 appropriation request includes \$1,072,452,521 for applicable military service credits through December 2017, with interest through September 3, 2019. Excluded are all costs for which the RRB has already received credits.

Interest on uncashed checks

Section 417 of the Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to provide for the reimbursement of principal and interest for unnegotiated railroad retirement benefit checks to the extent that such reimbursements are provided for in advance in appropriation acts. Beginning in fiscal year 1991, the principal amount of uncashed railroad retirement and railroad unemployment insurance checks and checks for administrative expenses, under provisions of the Competitive Equality Banking Act of 1987, are made available by Treasury. Treasury transfers principal amounts directly to the appropriate trust fund or administrative limitation. As a result, the RRB is not required to seek prior appropriation authority for the principal amount of the uncashed check transfers. Interest on uncashed checks, however, must be appropriated in advance. This account is the vehicle through which such appropriations are made. Under current law, the RRB requests \$150,000 for estimated interest related to uncashed checks in fiscal year 2020, which shall remain available through September 30, 2021.

Other transfers

Appropriations are not necessary for other amounts that flow through this account to the appropriate trust fund accounts under authorizing legislation. Amounts expected to be transferred through this account in fiscal year 2021 that do not require appropriation action include \$303 million in income taxes on the social security equivalent portion of tier I benefits, and \$405 million in income taxes on tier II benefits and the non-social security equivalent portion of tier I benefits.

Requested appropriation

The table on page 7 identifies the estimated budget authority and outlays for this account for fiscal years 2019 through 2029. The estimates are based on OMB's FY 2019 Mid-Session Review economic assumptions, revised June 2019. The current services level includes interest amounts on uncashed checks for all years.

RAILROAD RETIREMENT BOARD

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

Analysis of Resources
(in thousands of dollars)

	<u>2019</u>	<u>2020</u>	<u>2021</u> ^{1/}	<u>Current services</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Budget authority.....	731,150	684,150	1,780,603									
Outlays.....	731,150	684,150	1,780,603									
Budget authority:												
Current Services.....	730,150	751,150	774,150	774,150	799,150	922,150	984,150	1,016,150	1,048,150			
Outlays:												
Current services.....	730,150	751,150	774,150	774,150	799,150	922,150	984,150	1,016,150	1,048,150			

^{1/} Fiscal year 2021 budget authority and outlay amounts for current services include \$1,072,452,521 for military service credits through December 2017 with interest through September 3, 2019.

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RAILROAD RETIREMENT BOARD

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

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

Legislative history

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

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

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

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

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

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

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

Requested appropriation

The table on page 11 identifies the estimated budget authority and outlays for the Dual Benefits Payments Account for fiscal years 2019 through 2029.

The Consolidated Appropriations Act, 2019 (P.L. 115-245) provided \$19,000,000 for the payment of vested dual benefits.

The estimate for fiscal year 2020 includes \$16,000,000 for the payment of vested dual benefits, as shown in the table on the following page, plus a 2 percent reserve of \$320,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available to pay benefits.

For fiscal year 2021, the RRB requests an appropriation of \$13,000,000 to pay vested dual benefits, plus a 2 percent reserve of \$260,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits. An estimated \$1,000,000 in income taxes on these benefits will be credited to the Dual Benefits Payments Account.

RAILROAD RETIREMENT BOARD

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

Analysis of Resources
(in thousands of dollars)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Current</u> <u>services</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Budget authority.....	19,000	16,000	13,000		19,000	16,000	13,000					
Outlays.....	19,000	16,000	13,000		19,000	16,000	13,000					
 Budget authority:												
Current services.....	11,000	9,000		8,000	11,000	9,000	8,000	6,000	5,000	4,000	3,000	3,000
 Outlays:												
Current services.....	11,000	9,000		8,000	11,000	9,000	8,000	6,000	5,000	4,000	3,000	3,000

Note: The budget estimates for this account include its share of interest on unnegotiated checks through fiscal year 2020.

The RRB paid vested dual benefits to 9,000 beneficiaries in March 2019. The agency expects to pay these benefits to 8,000 beneficiaries in March 2020 and to 6,000 beneficiaries in March 2021.

OMB A-11 Reference: Section 51.3 (June, 2019)

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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 and transfer to the RRB for the Specialty Medicare Administrative Contractor (SMAC).

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 2021: \$13.0 billion to 537,000 persons in fiscal year 2019, \$13.2 billion to 532,000 persons in fiscal year 2020, and \$13.4 billion to 526,000 persons in fiscal year 2021.

Legislative history

The RRB was created in the 1930s 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 1930s, 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 1930s, 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 survivor(s) 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, 2019, the RRB paid \$37,994,000 in unemployment insurance benefits from the Railroad Unemployment Insurance (RUI) Account, and recovered \$5,326,000, resulting in net payments of \$32,668,000 to a total of 7,865 unemployment insurance claimants. During the same period, the RRB paid \$73,492,000 in sickness insurance benefits from the RUI Account, and recovered \$22,750,000, resulting in net payments of \$50,742,000 to a total of 14,351 sickness insurance claimants. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 6.9% under sequestration for days of unemployment and sickness after September 30, 2016, a reduction of 6.6% for days after September 30, 2017, and 6.2% for days after September 30, 2018.

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.

Additional extended unemployment benefits are also now payable to some railroad workers under the Worker, Homeownership and Business Assistance Act of 2009, as amended. These benefits are funded separately.

Legislative history

The railroad unemployment insurance system was established by legislation enacted in the 1930s. 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 1980s 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 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 2021

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

<u>Budget Level</u>	<u>FTEs</u>	<u>Amount</u> ^{1/} (\$ thousands)
OMB guidance 5% Reduction	671	\$112,400,000
Agency Baseline level + \$13.85M IT ^{2/}	703	\$130,350,000
Agency request level	880	\$152,896,000

^{1/} Dollar amounts do not include reimbursements or transfers.

^{2/} Amount includes fiscal year 2019 enacted appropriation totaling \$113.5 million (pursuant to P.L. 115-245) plus \$3 million associated with the anticipated reduction in Vested Dual Benefits from FY 2020 to FY 2021. Actuarial estimates indicate a \$3 million decrease in Vested Dual Benefits from \$16 to \$13 million, based upon OMB's FY 2019 Mid-Session review, using economic assumptions revised June 2019.

OMB A-11 Reference: Section 51.3 (June, 2019)

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

	FY 2019 (A)	AMOUNT OF CHANGE (B)	FY 2020 Estimate (C)	AMOUNT OF CHANGE (D)	FY 2021 OMB Guidance 5% Reduction (E)	AMOUNT OF CHANGE (F)	FY 2021 AGENCY BASELINE LEVEL +13.85M IT (G)	AMOUNT OF CHANGE (H)	FY 2021 AGENCY REQUEST (I)
TOTAL FTEs (INCLUDING REIMBURSABLE)	800	(82)	718	(47)	671	32	703	177	880
TOTAL RRB DIRECT PROGRAM OBLIGATIONS									
11.1 FULL-TIME PERMANENT	64,632	(8,030)	56,602	(3,183)	53,418	2,994	56,412	16,824	73,236
11.3 OTHER THAN FULL-TIME PERMANENT	788	(26)	763	(32)	731	41	772	53	825
11.5 OTHER PERSONNEL COMPENSATION	1,469	187	1,656	321	1,977	76	2,052	422	2,474
11.9 TOTAL PERSONNEL COMPENSATION	66,889	(7,869)	59,020	(2,894)	56,126	3,111	59,237	17,299	76,535
12.1 PERSONNEL BENEFITS: CIVILIAN	20,887	(1,382)	19,505	(1,636)	17,869	989	18,858	5,248	24,106
13.0 BENEFITS FOR FORMER PERSONNEL	172	103	275	0	275	0	275	0	275
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	994	(68)	937	(97)	839	0	839	0	839
22.0 TRANSPORTATION OF THINGS	13	90	103	(44)	60	0	60	0	60
23.1 RENTAL PAYMENTS TO GSA	3,500	0	3,500	100	3,600	0	3,600	0	3,600
23.3 COMMUNICATIONS, UTILITIES, & MISCELLANEOUS CHARGES	5,617	971	6,588	523	7,112	0	7,112	0	7,112
24.0 PRINTING AND REPRODUCTION	275	28	303	(35)	269	0	269	0	269
25.0 OTHER SERVICES	14,079	5,655	19,733	2,730	22,464	0	22,464	0	22,464
26.0 SUPPLIES AND MATERIALS	675	29	704	(58)	646	0	646	0	646
31.0 EQUIPMENT	398	2,434	2,832	310	3,142	0	3,142	0	3,142
TOTAL RRB DIRECT OBLIGATIONS	113,500	(0)	113,500	(1,100)	112,400	4,100	116,500	22,546	139,046
REIMBURSABLE AND TRANSFER OBLIGATIONS	31,605	(970)	30,635	970	31,605	0	31,605	0	31,605
PLUS: NO-YEAR FUNDING FOR IT INITIATIVES	10,000	3,460	13,460	(13,460)	0	13,850	13,850	0	13,850
TOTAL RRB OBLIGATIONS	155,105	2,490	157,594	(13,590)	144,005	17,950	161,955	22,546	184,501
DIRECT OBLIGATIONS AND NO YEAR	123,500	3,460	126,960	(14,560)	112,400	17,950	130,350	22,546	152,896

- Salary and benefit estimates reflect a 0.0 percent pay increase in January 2020 and 0.0 percent in January 2021.
- FTE cost for 2019 is \$121,675, 2020 FTE cost of \$123,761, and 2021 FTE cost of \$125,308.
- The agency would need to evaluate the cost of all available options to include attrition, buyouts, furloughs, and reduction in force to reach FTE levels lower than 800.
- This budget submission does not reflect anticipated cost of implementation of significant FTE reductions.
- At the OMB Guidance 5% Reduction level, there is no funding for IT/Capital Plan initiatives.
- Column (G): Amount includes the enacted amount of \$113.5 million pursuant to P.L. 115-245; the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019, \$13.85 million IT Investments, plus \$3 million associated with the anticipated reduction in Vested Dual Benefits from FY 2020 to FY 2021. Actuarial estimates indicate a \$3 million decrease in Vested Dual Benefits from \$16 to \$13 million based upon OMB's FY 2019 Mid-Session Review, using economic assumptions revised June 2019.
- Column (I): The agency request level contain \$13,850,000 of No Year funding for IT Initiatives. This is comprised of \$5,000,000 for Legacy Systems Replatform Services; \$6,300,000 for Legacy Systems Modernization Services (LSMS); \$600,000 for Citizen Services Paperless Processing; \$1,200,000 Enterprise Infrastructure Solutions; and \$750,000 for Cybersecurity and Privacy.
- The 2019 CMS Reimbursable and Transfer is made up of \$11,276,610 for Medicare Parts B and C, \$828,390 for Medicare Part D, \$18,836,410 for SMAC Transfer and \$499,820 miscellaneous. The 2020 CMS Reimbursable and Transfer is made up of \$11,276,610 for Medicare Parts B and C, \$828,390 for Medicare Part D, \$18,029,664 for SMAC, and \$499,820 miscellaneous. The 2021 CMS Reimbursable and Transfer is made up of \$11,276,610 for Medicare Parts B and C, \$828,390 for Medicare Part D, \$19,000,000 for SMAC Transfer, and \$499,820 miscellaneous.
- BOC 25.0 does not include SMAC transfer.
- Details may not add to totals due to rounding.

Explanation of Changes Between the Estimated Budget for Fiscal Year 2020, and Budget Levels for Fiscal Year 2021

Limitation of Administration, Direct Obligations (Dollars in Thousands)

<i>Category</i>	<i>FY 2020 Estimate to FY 2021 OMB Guidance 5% Reduction</i>	<i>FY 2021 OMB Guidance 5% Reduction to FY 2021 Agency Baseline Level + \$13.85M IT</i>	<i>FY 2021 Agency Baseline Level + \$13.85M IT to FY 2021 Agency Request</i>
	<i>(1,100)^{1/}</i>	<i>4,100^{2/}</i>	<i>22,546^{3/}</i>
1. Personnel compensation	(2,894)	3,111	17,299
<p>Changes reflect variations in RRB staffing at each of the budget levels.</p> <p>The OMB Guidance 5% Reduction level provides funding for 671 FTEs, 47 FTEs less than projected for fiscal year 2020 (and 129 FTEs less than fiscal year 2019). The agency would need to evaluate the cost of all available options to include attrition, buyouts, furloughs, and reduction in force to reach this FTE level. This budget submission does not reflect anticipated cost of implementation of significant FTE reductions.</p> <p>The Agency Baseline Level + \$13.85M IT provides funding for 703 FTEs, 97 FTE's less then fiscal year 2019 and 15 FTEs less than projected for fiscal year 2020 (provided that action is taken to meet the FTE level of 718 for fiscal year 2020). If the FTE level for FY 2020 of 718 is not met, the agency in FY 2021 would need to evaluate the cost of all available options to include attrition, buyouts, furloughs, and reduction in force to reach this FTE level. This budget submission does not reflect anticipated cost of implementation of significant FTE reductions.</p> <p>The Agency Request Level provides funding for 880 FTEs, 162 FTEs more than projected for fiscal year 2020 (and 80 FTEs more than fiscal year 2019).</p>			
<p>Projected compensation costs reflect an estimated pay increase of 0% in January 2020 and 0% in January 2021, consistent with OMB Circular A-11.</p> <p>At all funding levels, overtime is estimated at \$390,940.</p>			

Explanation of Changes Between the Estimated Budget for Fiscal Year 2020, and Budget Levels for Fiscal Year 2021

Limitation of Administration, Direct Obligations (Dollars in Thousands)

<i>Category</i>	<i>FY 2020 Estimate to FY 2021 OMB Guidance 5% Reduction</i>	<i>FY 2021 OMB Guidance 5% Reduction to FY 2021 Agency Baseline Level + \$13.85M IT</i>	<i>FY 2021 Agency Baseline Level + \$13.85M IT to FY 2021 Agency Request</i>
	<i>(1,100)¹</i>	<i>4,100²</i>	<i>22,546³</i>
2. Civilian personnel benefits	(1,636)	989	5,247
Employee benefits are estimated to total approximately 24.8% of salary costs in 2021, remaining constant.			
At all funding levels, the cost for change-of-station is \$180,000.			
3. Benefits for former personnel	0	0	0
A total of \$275,000 is included at each of the three budget levels for fiscal year 2021 for worker's compensation benefits to be billed by the Department of Labor in fiscal year 2021.			
4. Travel and transportation of persons	(97)	0	0
At all funding levels, travel for fiscal year 2021 is \$839,000, 98 less than fiscal year 2020. The agency should be able to accomplish training, development, and customer out-reach programs at this amount.			
5. Transportation of things	(44)	0	0
At all funding levels, transportation of things is \$60,000 a decrease of \$44,000 from fiscal year 2020.			

Explanation of Changes Between the Estimated Budget for Fiscal Year 2020, and Budget Levels for Fiscal Year 2021

Limitation of Administration, Direct Obligations (Dollars in Thousands)

<i>Category</i>	<i>FY 2020 Estimate to FY 2021 OMB Guidance 5% Reduction</i>	<i>FY 2021 OMB Guidance 5% Reduction to FY 2021 Agency Baseline Level + \$13.85M IT</i>	<i>FY 2021 Agency Baseline Level + \$13.85M IT to FY 2021 Agency Request</i>
	<i>(1,100)^{1/}</i>	<i>4,100^{2/}</i>	<i>22,546^{3/}</i>
6. Rental payments to the General Services Administration (GSA)	100	0	0
At all funding levels, a total of \$3.6 million is requested for GSA rent in fiscal year 2021. This category reflects charges on an actual cost basis that RRB will continue to pay for rent, consistent with RRB's memorandum of understanding with GSA. The total is approximately \$100,000 more than the planned amount for fiscal year 2020.			
7. Communications, utilities, and miscellaneous charges	523	0	0
At all funding levels, communications, utilities, and miscellaneous charges total \$7,112,000, an increase of \$523,000 from fiscal year 2020. Fiscal year 2021 details are shown below. (Amounts have been rounded to thousands.)			
<u>FY 2021 Funding at the OMB Guidance Level</u>			
Miscellaneous charges - \$996	15	0	0
Postage - \$1,723	104	0	0
Utilities - \$612	37	0	0
Communications - \$3,782	367	0	0

Explanation of Changes Between the Estimated Budget for Fiscal Year 2020, and Budget Levels for Fiscal Year 2021

Limitation of Administration, Direct Obligations (Dollars in Thousands)

<i>Category</i>	<i>FY 2020 Estimate to FY 2021 OMB Guidance 5% Reduction</i>	<i>FY 2021 OMB Guidance 5% Reduction to FY 2021 Agency Baseline Level + \$13.85M IT</i>	<i>FY 2021 Agency Baseline Level + \$13.85M IT to FY 2021 Agency Request</i>
	<i>(1,100)¹</i>	<i>4,100²</i>	<i>22,546³</i>
8. Printing and reproduction	(35)	0	0
At all funding levels, printing and reproduction is \$269,000. This category reflects a slight decrease in 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.			
9. Other services	2,730	0	0
At all budget levels, the planned spending is \$22,463,482. Fiscal year 2021 details are shown below. (Amounts have been rounded to thousands.)			
<u>FY 2021 Funding at OMB Guidance Level</u>			
Consulting services - \$521	5	0	0
Government contracts - \$2,707	480	0	0
Other services non-fed ¹ - \$4,505	(2,188)	0	0
Operation & Maintenance of equipment - \$8,336	3,273	0	0
Medical fees - \$1,615	0	0	0
Training - \$674	(24)	0	0
Maintenance of facilities ² - \$4,106	1,184	0	0
¹ At all budget levels, the SMAC reimbursement contract in the amount of \$19,000,000 is not included in the totals. ² Funding for operation & maintenance of facilities in fiscal year 2021 may be partly offset by "no-year" money brought forward from prior fiscal years pursuant to P.L. 107-217.			

Explanation of Changes Between the Estimated Budget for Fiscal Year 2020, and Budget Levels for Fiscal Year 2021

Limitation of Administration, Direct Obligations (Dollars in Thousands)

<i>Category</i>	<i>FY 2020 Estimate to FY 2021 OMB Guidance 5% Reduction</i>	<i>FY 2021 OMB Guidance 5% Reduction to FY 2021 Agency Baseline Level + \$13.85M T</i>	<i>FY 2021 Agency Baseline Level + \$13.85M IT to FY 2021 Agency Request</i>
	<i>(1,100)^{1/}</i>	<i>4,100^{2/}</i>	<i>25,596^{3/}</i>
10. Supplies and materials	(58)	0	0
At all funding levels, supplies and materials total \$646,000. The amount represents a decrease of \$58,000 from fiscal year 2020.			
11. Equipment	310	0	0
At all funding levels, equipment totals \$3,142,000 for fiscal year 2021, an increase of \$310,000 from fiscal year 2020. The funding is for replacement of IT software, parts, devices and other miscellaneous equipment needed by the bureaus and offices.			
Total Increase/Decrease	(1,100)	4,100	25,596

^{1/} See page 19, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column C from the amount in column E.

^{2/} See page 19, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column E from the amount in column G.

^{3/} See page 19, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column G from the amount in column I.

RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment a/

Series	Rank	FY 2019 actual	FY 2020 <u>b/</u> estimate	FY 2021 OMB Guidance 5% Reduction	FY 2021 Agency Baseline Level + \$13.85M IT	FY 2021 Agency Request
Executive	Level III	1	1	1	1	1
	Level IV	2	2	2	2	2
	Subtotal	3	3	3	3	3
Senior Executive Service	ES-00	7	7	7	7	7
	Subtotal	7	7	7	7	7
General Schedule/Management	GS/GM-15	38	36	34	35	39
	GS/GM-14	65	64	60	63	73
	GS/GM-13	96	90	84	88	104
	GS-12	204	185	172	181	218
	GS-11	106	92	86	90	115
	GS-10	128	116	108	113	137
	GS-9	22	21	20	21	46
	GS-8	45	42	39	41	52
	GS-7	31	18	17	18	26
	GS-6	8	6	6	6	7
	GS-5	40	30	28	29	30
	GS-4	7	8	7	80	23
	GS-3	0	0	0	0	0
	GS-2	0	0	0	0	0
	Subtotal	790	708	661	693	870
Combined	Total	800	718	671	703	880

Positions in the Office of Inspector General are excluded.

a/ Amounts for each year include staffing reimbursed by the Centers for Medicare & Medicaid Services.

b/ FTEs reflect estimates in the budget for fiscal year 2020.

RAILROAD RETIREMENT BOARD

Full-Time Equivalent Employees by Organization

Organization	FY 2019 1/	FY 2020 Estimate 2/	FY 2021 OMB Guidance 5% Reduction	FY 2021 Agency Baseline Level + \$13.85M IT	FY 2021 Agency Request
Chairman	3	--	--	--	--
Labor	7	--	--	--	--
Management	5	--	--	--	--
Subtotal, Board	15	--	--	--	--
General Counsel/Law	15	--	--	--	--
Hearings and Appeals	8	--	--	--	--
Legislative Affairs	3	--	--	--	--
Secretary to the Board	2	--	--	--	--
Subtotal, General Counsel	28	--	--	--	--
Office of Equal Opportunity 3/	0	--	--	--	--
Office of Programs	290	--	--	--	--
CFO/Fiscal Operations	53	--	--	--	--
Bureau of Actuary Research	18	--	--	--	--
Office of Administration	61	--	--	--	--
Field Service	220	--	--	--	--
Information Services	115	--	--	--	--
Total	800	718	671	703	880

1/ Amounts are rounded to the nearest FTE and reflect projected use through end of fiscal year PP 12 as of June 8, 2019.

2/ Reflects projected total FTE staffing at FY 2020 Estimate of \$113.5 million for agency operations.

3/ The Office of Equal Opportunity (OEO) now reports directly to the three member Board for programmatic and administrative purposes. Since the change occurred mid-year FY 2019, OEO FTEs that were previously included with Field Service will be separated going forward.

RAILROAD RETIREMENT BOARD

Narrative Description of Strategic Goals

The RRB's budget request for ongoing operations is distributed between three areas that match the goals stated in the agency's Strategic Plan for Fiscal Years 2018–2022:

- Strategic Goal I. Modernize Information Technology (IT) Operations to sustain mission essential services.
- Strategic Goal II. Provide excellent customer service.
- Strategic Goal III. 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 Plan for Fiscal Year 2021. Activities in each area are described in the following sections. The Performance Plan contains additional information concerning performance indicators for each goal.

I. Modernize Information Technology (IT) Operations to Sustain Mission Essential Services.

Regarding the RRB's strategic goal of modernizing information technology (IT) operations, strategic objectives and supporting initiatives in the RRB's Performance Plan for Fiscal Year 2021 include the following:

I-A. Legacy Systems Modernization.

- A-1. Transform Tax and EDM systems from the mainframe to distributed architecture.¹
- A-2. Deliver online retirement forms as citizen centric digital solutions.
- A-3. Transition Mission Essential Programs from the End-of-life Mainframe hardware.
- A-4. Complete the assessment for re-engineering Mission Essential Programs.
- A-5. Complete the migration of agency network and telecommunication services to new services in EIS.

OMB A-11 Reference: Section 51.3 (June, 2019)

¹Tax system transformation is complete. EDM system included in Strategic Objective I-A-4.

II. Provide Excellent Customer Service.

Regarding the RRB's strategic goal of providing excellent customer service, strategic objectives and supporting initiatives in the RRB's Performance Plan for Fiscal Year 2021 include the following:

II-A. Pay benefits timely.

- 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.

II-B. Provide a range of choices in service delivery methods.

- Increase opportunities for our customers to conduct business in a secure manner over the Internet.
- 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.

III. 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, strategic objectives and supporting initiatives in the RRB's Performance Plan for Fiscal Year 2021 include the following:

III-A. Ensure that trust fund assets are protected, collected, recorded and reported appropriately.

- Continue to issue annual audited financial statements.
- Monitor the solvency of the trust funds through a sound program of actuarial valuations and financial projections.
- Correctly estimate the amounts needed for future benefit payments.
- Verify that payroll taxes are fully collected and properly recorded.
- Issue accurate, timely determinations and notices of contribution rates required under the unemployment and sickness insurance program.
- Continue to carry out the RRB's debt management policy.

III-B. Ensure the accuracy and integrity of benefit programs.

- Monitor payment accuracy and the levels of improper payments, and identify problems.
- Provide feedback and take additional preventive actions as appropriate.
- Maintain established matching programs.
- Continue our program integrity reviews.

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

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

III-D. Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.

RAILROAD RETIREMENT BOARD

Appropriation Request by Strategic Goal

The RRB Performance Budget for Fiscal Year 2021 contains a discussion of the administration of the railroad retirement/survivor and unemployment/sickness insurance benefit programs. The tables on the following pages identify the estimated costs of administering these programs in terms of the following strategic goals:

- I. Modernize Information Technology (IT) Operations
- II. Customer service
- III. Stewardship

These goals are consistent with the RRB's Strategic Plan for Fiscal Years 2018–2022.

Projections for the fiscal year 2021 budget reflect three funding levels, as follows:

- The OMB Guidance level 5% Reduction of the budget provides \$112,400,000 for fiscal year 2021. This level would fund 671 FTEs to administer the benefit programs and provides no funding for agency or information technology initiatives. To get to the 671 FTE level, the RRB would have to evaluate all available options to include attrition, buyouts, furloughs, and reduction in force.
- The Agency Baseline level plus \$13.85M IT provides \$130,350,000 ^{1/} for fiscal year 2021. This level would fund 703 FTEs and provide \$13.85M for agency and information technology initiatives. Most funding would be dedicated for Legacy Systems Modernization Services (LSMS). Again, the RRB would have to evaluate all available options to include attrition, buyouts, furloughs, and reduction in force to get to the 703 FTE level.
- The agency request level totals \$152,896,000 for fiscal year 2021. This level would fund 880 FTEs to sustain the agency's mission essential functions and provide \$13.85M for ongoing information technology modernization efforts that directly support the President's Management Agenda.

^{1/} Amount includes fiscal year 2019 enacted appropriation totaling \$113.5 million (pursuant to P.L. 115-245) plus \$3 million associated with the anticipated reduction in Vested Dual Benefits from FY 2020 to FY 2021. Actuarial estimates indicate a \$3 million decrease in Vested Dual Benefits from \$16 to \$3 million, based upon OMB's FY 2019 Mid-Session review, using economic assumptions revised June 2019.

**Strategic Goal – Modernization IT Operations
Budget Account - Limitation on Administration (60-8237-0-7-601)**

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

	<u>2019</u>		<u>2020</u>		<u>2021</u>					
<u>Fiscal Year/Level</u>					FY 2021 Agency Baseline	OMB Guidance 5% Reduction	Level + \$13.85M IT	FY 2021 Agency Request		
Budget authority.....	15,634	25,044	12,579	26,894	26,894	29,449				
Outlays.....	15,634	25,044	12,579	26,894	29,449					
Full-time equivalent employment.....	37	64	67	71	88					
<u>Fiscal Year</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>				
Budget authority:										
OMB Guidance level.....	12,579	12,579	12,579	12,579	12,579	12,579	12,579	12,579	12,579	12,579
Agency Baseline level + 13.85M IT.....	26,894	26,894	26,894	26,894	26,894	26,894	26,894	26,894	26,894	26,894
Request level.....	*	*	*	*	*	*	*	*	*	*
Outlays:										
OMB Guidance level.....	12,579	12,579	12,579	12,579	12,579	12,579	12,579	12,579	12,579	12,579
Agency Baseline level + 13.85M IT.....	26,894	26,894	26,894	26,894	26,894	26,894	26,894	26,894	26,894	26,894
Request level.....	*	*	*	*	*	*	*	*	*	*

* Amounts for these years are to be determined.

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

Analysis of Resources
(in thousands of dollars)

	2021	
	FY 2021 Agency Baseline Level + \$13.85M IT	FY 2021 Agency Request
<u>Fiscal Year/Level</u>	<u>2019</u>	<u>2020</u>
Budget authority.....	82,428	82,027
Outlays.....	82,428	82,027
Full-time equivalent employment.....	616	491

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>Fiscal Year</u>						
Budget authority:						
OMB Guidance level.....	66,000	66,000	66,000	66,000	66,000	66,000
Agency Baseline level + 13.85M IT.....	68,360	68,360	68,360	68,360	68,360	68,360
Request level.....	*	*	*	*	*	*
Outlays:						
OMB Guidance level.....	66,000	66,000	66,000	66,000	66,000	66,000
Agency Baseline level + 13.85M IT.....	68,360	68,360	68,360	68,360	68,360	68,360
Request level.....	*	*	*	*	*	*

* Amounts for these years are to be determined.

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

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>		
<u>Fiscal Year/Level</u>			FY 2021 OMB Guidance 5% Reduction	FY 2021 Agency Baseline Level + \$13.85M IT	FY 2021 Agency Request
Budget authority.....	25,438	19,889	33,821	35,096	42,106
Outlays.....	25,438	19,889	33,821	35,096	42,106
Full-time equivalent employment.....	147	163	148	155	194

Fiscal Year

Budget authority:

OMB Guidance level.....	33,821	33,821	33,821	33,821	33,821
Agency Baseline level + 13.85M IT.....	35,096	35,096	35,096	35,096	35,096
Request level.....	*	*	*	*	*

Outlays:

OMB Guidance level.....	33,821	33,821	33,821	33,821	33,821
Agency Baseline level + 13.85M IT.....	35,096	35,096	35,096	35,096	35,096
Request level.....	*	*	*	*	*

* Amounts for these years are to be determined.

Retirement/Survivor Benefit Program

Summary Processing Workload Table

<u>Fiscal years</u>	<u>Average number of annuitants</u>	<u>New applications</u>	<u>Supplemental annuity applications</u>	<u>Social Security initial awards</u> ¹	<u>Post-payment adjustments</u>	<u>Number of payments</u>	<u>Medicare enrollments</u> ²
2008	562,347	36,909	9,176	6,010	99,525	7,191,744	5,686
2009	554,124	37,248	9,725	8,128	110,534	7,104,066	5,235
2010	549,154	37,384	9,581	12,563	120,102	7,055,426	5,204
2011	544,256	37,231	9,743	9,275	93,425	7,011,155	5,803
2012	540,080	35,856	9,341	9,342	85,206	6,967,676	6,522
2013	534,982	36,041	9,075	3,116	80,786	6,921,034	6,306
2014	530,367	35,368	8,802	3,124	76,440	6,864,029	6,270
2015	526,487	34,234	8,145	3,417	66,316	6,825,427	6,851
2016	522,839	33,019	7,497	3,739	74,056	6,779,413	6,573
2017	518,416	31,479	6,520	4,526	79,221	6,752,770	7,379
2018	513,732	33,879	4,464	3,393	80,201	6,686,481	7,840
2019 (est)	508,800	31,000	5,000	3,000	79,000	6,620,000	7,000
2020 (est)	504,300	29,000	4,000	3,000	79,000	6,560,000	7,000
2021 (est)	498,100	28,000	3,000	3,000	78,000	6,470,000	7,000

1/ Beginning in fiscal year 2013, Social Security initial awards no longer include mechanical adjustments.

2/ Excludes attainments.

Railroad Unemployment/Sickness Insurance Program

Summary Processing Workload Table

Fiscal Years	Railroad employment ^{1/}	Unemployment insurance			Sickness insurance		
		Applications	Claims	Payments	Applications	Claims	Payments
2008	235,000	13,483	79,016	65,388	21,932	140,788	120,498
2009	223,000	39,509	230,476	198,230 ^{2/}	21,466	138,993	118,770
2010	221,000	18,721	210,965	190,152 ^{3/}	21,476	139,653	119,426
2011	229,000	12,756	93,598	83,144 ^{4/}	20,797	136,014	115,705
2012	234,000	12,914	83,120	72,776 ^{5/}	20,240	129,318	110,154
2013	237,000	14,944	96,871	84,365 ^{6/}	19,110	119,364	100,951
2014	242,000	11,982	77,580	64,864 ^{6/}	19,335	120,838	102,020
2015	247,000	14,177	67,643	55,368	19,467	121,271	102,540
2016	231,000	24,371	145,605	120,134	20,219	131,575	111,933
2017	225,000	14,372	96,777	80,748	20,087	132,557	113,163
2018	223,000(est)	11,294	71,119	59,696	18,660	131,320	112,940
2019 (est)	220,000	12,000	70,000	59,000	19,000	127,000	109,000
2020 (est)	216,000	13,000	77,000	65,000	19,000	126,000	108,000
2021 (est)	213,000	13,000	82,000	69,000	19,000	122,000	105,000

^{1/} Average annual railroad employment is based on mid-month counts and presented on a calendar year basis.

^{2/} Includes unemployment insurance claims and payments under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). Benefits had to begin by December 31, 2009.

^{3/} Includes unemployment insurance claims and payments under P.L. 111-5 and the Worker, Homeownership, and Business Assistance Act of 2009 (P.L. 111-92).

^{4/} Includes unemployment insurance claims and payments under P.L. 111-5, P.L. 111-92, and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).

^{5/} Includes unemployment insurance claims and payments under P.L. 111-92, P.L. 111-312, the Temporary Payroll Tax Cut Continuation Act of 2011 (P.L. 112-78), and the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96).

^{6/} Includes unemployment insurance claims and payments under P.L. 111-92, P.L. 111-312, P.L. 112-78, P.L. 112-96, and the American Taxpayer Relief Act of 2012 (P.L. 112-240). Benefits had to begin by December 31, 2013.

PERFORMANCE PLAN



Fiscal Year 2021

Railroad Retirement Board

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

TABLE OF CONTENTS

Introduction 39

Mission Statement 40

Strategic Goal I: Modernize Information Technology Operations to Sustain
Mission Essential Services 41

 Strategic Objective: Legacy Systems Modernization..... 41

Strategic Goal II: Provide Excellent Customer Service 44

 Strategic Objective: Pay benefits timely 44

 Strategic Objective: Provide a range of choices in service delivery methods..... 45

Strategic Goal III: Serve as Responsible Stewards for Our Customers’ Trust Funds
and Agency Resources 46

 Strategic Objective: Ensure that trust fund assets are protected, collected,
 recorded, and reported appropriately..... 46

 Strategic Objective: Ensure the accuracy and integrity of benefit programs 47

 Strategic Objective: Ensure effectiveness, efficiency, and security of operations 47

 Strategic Objective: Effectively carry out responsibilities with respect to the
 National Railroad Retirement Investment Trust..... 51

Initial Performance Plan - FY 2021..... 52

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2021 to support our mission (see mission statement 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 continued 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 2018 - 2022** and can be easily cross-referenced to that plan. 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 2021. 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 support the annual submission of the agency budget to the Office of Management and Budget (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 2021 for each performance goal is provided at the OMB Guidance 5% Reduction Level, the Agency Baseline Level and the Agency Request Level. To provide for ongoing improvement in performance and accountability, we will continue to set programmatic goals which are aggressive, realistic and accurately measured. We will also ensure that planned improvements are transparent and result in meaningful outcomes, and that agency managers are accountable for achieving performance goals.

We will also prepare and submit to the President and the Congress a report on program performance for fiscal year 2021, as part of our Performance and Accountability Report. The report will be reviewed 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 the fiscal year. This performance budget meets the requirements of the GPRA Modernization Act and was prepared by RRB employees.

OMB A-11 Reference: Section 51.3 (June, 2019)

***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.

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Strategic Goal I: *Modernize Information Technology (IT) Operations to sustain mission essential services.* At the OMB Guidance 5% Reduction level, we would plan to allocate \$12,579,000 and 67 full-time equivalent employees (FTE's) to this strategic goal. At the Agency Baseline plus IT level we would plan to allocate \$26,894,000 and 71 FTE's to this strategic goal. At the Agency Request level, we would plan to allocate \$29,449,000 and 88 FTE's to this strategic goal.

Today, our mission essential programs are straining under the burden of being maintained by legacy computer systems built 40 years ago. Our workforce is rapidly aging, with the average employee serving 30 years at retirement. Institutional knowledge diminishes as this workforce retires and it is increasingly difficult to find the legacy skills needed to maintain these systems. To continue providing the excellent service to our beneficiaries, we need to transform these legacy systems through automation and build modern digital services while safeguarding information anywhere, anytime, in all ways throughout the information life cycle. Our strategy to modernize encompasses multiple iterations over various phases in a new environment to minimize impact to the current legacy environment.

I-A. Strategic Objective: Legacy Systems Modernization. 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.

We have established five performance goals that focus on the specifics of achieving this strategic objective.

- *Transform Tax and EDM systems (3 million lines of legacy COBOL) from the mainframe to distributed architecture.*

The Tax system transformation is complete and the EDM system was incorporated into Strategic Objective I-A-4, *Complete the assessment for re-engineering Mission Essential Programs.*

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

- *Deliver online retirement forms (AA-1, AA-3) as citizen centric digital solutions.*

The RRB will continue to implement self-service digital solutions for our customers and end users. The online employee retirement application (Form AA-1) along with the companion spouse retirement application (Form AA-3) will be implemented using strong Identity Proofing and Multi-Factor Authentication

- *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 (Dec 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. The goal is to seek contractor services to re-platform the RRB's legacy mainframe applications, currently written in COBOL/CICS/DB2, to a non-mainframe Server Operating System. We will:

- re-platform all legacy mainframe applications with zero or minimal code change, and the transitioned applications will use Enterprise SQL server databases;
- transition services from third party software to the Server platform, and these include scheduling, printing, security, backup /restore, and reporting services;
- achieve the same or greater level of business functionality and performance with the Server based system than was accomplished through the legacy system;
- ensure, the accuracy of the annuity and benefit calculations performed by the transitioned code will be the same as the legacy system;
- ensure the quality of all printed materials created by the transitioned code will be the same as the legacy system;
- not alter the sequence of jobs comprising the nightly production execution schedule; and
- convert all legacy data i.e. DB2 and VSAM databases to SQL Server database with same referential integrity of the data structures.

- *Complete the assessment for re-engineering Mission Essential Programs*

The RRB will put out a solicitation to seek Subject Matter Expertise in conducting a business process re-engineering of our mission essential services, and deliver a roadmap and blueprint for RRB to leverage shared and cloud services, including the transition from batch oriented processing to interactive transactional processing. This blueprint enables RRB to build the next set of deliverables:

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

- to achieve the legacy transformation, namely shared services in terms of Imaging, Records Management, Prescriptive Analytics, and Audit/Compliance, along with the Private Cloud for storage and resource heavy workloads.
- to leverage the cloud services for Case Management, Customer Management, Desktop-as-a-Service, DevOps, Continuous Monitoring, Website portal, and Railroad Community Self-service solutions.
- *Complete the migration of agency network and telecommunication services to new services in EIS*

As part of modernization, we have an opportunity to consolidate network services, improve architecture and modernize our network infrastructure. With the emerging cloud solutions we optimize our network backbone connectivity to overcome latency issues when our users access Cloud Services. The migration will be completed in separate deliverables.

- The first task is for Web Content delivery services. These services will host the RRB internet namely www.rrb.gov and dependent beneficiary online services.
- The second task will address the agency's Enterprise-wide Voice Communications. Services in the Voice solicitation include Automatic Call Distribution (ACD), Interactive Voice Response (IVR), call conferencing, station-to-station calling (on-network and off-network), National Toll Free Services and other collaboration tools.
- The third task is the RRB's Wide Area Network (WAN) Multiprotocol Label Switching (MPLS) data communications. This will include the Field Offices and other remote location data communications.
- The fourth task will address to the RRB's non-MPLS WAN. This will include the inter-agency and business partner data network connectivity.

The RRB will continuously monitor, measure, and perform value driven services to ensure the predictable outcome of a successful modernization for IT operations to sustain essential services. To achieve this goal we are deploying agile principles such as breaking up multi-yearlong projects into a series of short releases focused on the most critical or Key Performance Indicators to increase the opportunity for success, as well as ensuring frequent standup meetings, or daily scrums, as an effective mean to convey information, and to facilitate quick resolution of identified risks and issues.

Strategic Goal II: *Provide Excellent Customer Service.*

We aim to satisfy our customers' expectations for quality service in terms of service delivery options and levels and manner of performance. At the OMB Guidance 5% Reduction level, we would plan to allocate \$66,000,000 and 456 FTE's to customer service. At the Agency Baseline plus IT level we would plan to allocate \$68,360,000 and 477 full-time equivalent employees (FTE's) to customer service. At the Agency Request level, we would plan to allocate \$81,341,000 and 598 FTE's to customer service. We have established two performance goals that focus on the specifics of achieving this strategic goal.

II-A. Strategic Objective: Pay benefits timely.

The RRB is committed to ensuring that we pay benefits in a timely manner. We have nine objectives in place to track the timeliness of the actions we take in a year regarding both Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs. In addition, we will:

- *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 Customer Service Plan includes customer service timeliness standards for paying benefits. Through March 31, 2019 the overall actual performance was 98.6 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for nearly 99 percent of the 123,820 service transactions for which timeliness was measured.

The inset at the right shows composite results in four combined categories of services.

**Overall Timeliness Performance
Fiscal Year 2019 (through 3/31/2019)**

- Retirement applications: 95.1%
(target: 94.0%)
- Survivor applications: 96.3%
(target: 94.7%)
- Disability applications/payments: 49.7%
(target: 82.6%)
- RUIA applications/claims: 99.8%
(target: 98.1%)

Communications with RRB customers

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 number. 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. In addition, we use an on-line presentation facility called *RRBVision* to provide information and training to the public and rail employers.

II-B. Strategic Objective: 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 our goals in this area, we plan to:

- *Increase opportunities for our customers to conduct business in a secure manner over the Internet.*
- *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.*

To date, a total of 30 automated ERSNet services exist for employers to notify, request or provide a means for correcting and transmitting data electronically to and from the Railroad Retirement Board (RRB). This year no additional services will be added to the ERSNet system. We will focus on improvements and enhancements to the 30 services that are currently available.

The RRB will continue to pursue enhancements in fiscal year 2020 with the development and implementation of the Form G-117a, Designation of Contact Officials. This service will give employers the ability to make timely updates and changes to the responsible officials in their organizations. This will add one more service to the system bringing the total number of available services to 31 in the ERSNet system.

In fiscal year 2021, RRB in-house IT staff will develop on-line ERSNet processes for the Form RL-13g, Notice to Employer of Relinquishment of Rights of Disability Annuitant Who Attained Age 65 and the AESOP, Employee Retirement Estimate File.

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Strategic Goal III: *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 OMB Guidance 5% Reduction level, we would plan to allocate \$33,821,000 and 148 FTE's to stewardship. At the Agency Baseline plus IT level we would plan to allocate \$35,096,000 and 155 full-time equivalent employees FTE's to stewardship. At the Agency Request level, we would plan to allocate \$42,106,000 and 194 FTE's to stewardship.

We have established four performance goals that focus on the specifics of achieving this strategic goal.

III-A. Strategic Objective: *Ensure that trust fund assets are protected, 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, financial projections, benefit payment accuracy, 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 separately under performance goal III-D.

To accomplish this commitment, we will:

- *Continue to issue annual audited financial statements.*
- *Monitor the solvency of the trust funds through a sound program of actuarial valuations and financial projections.*
- *Correctly estimate the amounts needed for future benefit payments.*
- *Verify that payroll taxes are fully collected and properly recorded.*
- *Issue accurate, timely determinations and notices of contribution rates required under the unemployment and sickness insurance program.*
- *Continue to carry out the RRB's debt collection policy.*

In November 2018, we released our Performance and Accountability Report for fiscal year 2018. The RRB's OIG did not express an opinion (disclaimer) on the RRB's 2018 financial statements, which were included in that report. The OIG continues to report material weaknesses in the RRB's financial reporting and control environment. The RRB continues to disagree with the material weakness and the basis the OIG cited for the disclaimer.

III-B. Strategic Objective: Ensure the accuracy and integrity of benefit programs.

The principal indicators of accuracy are the benefit payment 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. To accomplish this goal, we will:

- *Monitor payment accuracy and the levels of improper payments, and identify problems.*
- *Provide feedback and take additional preventive actions as appropriate.*
- *Maintain established matching programs.*
- *Continue our program integrity reviews.*

Under the Improper Payments Information Act (IPIA) of 2002, and the Improper Payments Elimination and Recovery Act (IPERA) of 2010, the RRB reviews and reports on the amount of erroneous payments and engages in activities to reduce them. Since improper payment reporting began, the amounts attributable to the RRB's two benefit programs (the RRA and the RUIA) have been below the definition of "significant" improper payments identified in the law and related guidance issued by OMB.

As part of our fiduciary responsibilities to the rail community, we must ensure that the correct benefit amounts are being paid to the right people. We match our benefit payments against the Social Security Administration's earnings and benefits database, the Centers for Medicare & Medicaid Services' death records, the Office of Personnel Management's benefit records, and State wage reports, exclusively via secure electronic transmissions. 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 identified as improper payments and saved through these initiatives to their cost. Based on the most recent information available, for example, in fiscal year 2017, the RRB invested the equivalent of about 28 full-time employees, at a cost of approximately \$2.8 million, in program integrity efforts. This resulted in over \$9.1 million in recoverables, \$1.1 million in benefits saved, and the referral of 53 cases to the OIG for investigation. This is approximately \$3.70 in savings for each \$1.00 invested in these activities.

III-C. Strategic Objective: Ensure effectiveness, efficiency, and security of operations.

Information Security Program

Information security is a critical consideration for government agencies where maintaining the public's trust is essential. The RRB relies extensively on computerized systems to support its mission operations and store the sensitive information that it collects. The RRB's information security program is established and maintained to reasonably protect systems data and

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

resources against internal failures, human errors, attacks and natural catastrophes that might cause improper disclosure, modification, destruction, or denial of services.

We continued to make progress towards a compliant Information Security program to improve the RRB's security posture. RRB has implemented an Information Security Continuous Monitoring (ISCM) Strategy as outlined in OMB Memorandum 19-02, *Fiscal Year 2018-2019 Guidance on Federal Information Security and Privacy Management Requirements*. This strategy addressed the gaps in the Information Security program. We have partnered with the Department of Homeland Security (DHS) in the Continuous Diagnostic and Mitigation (CDM) program. This partnership with DHS will further improve our Information Security program pertaining to vulnerability assessment, hardware and software management, configuration management, and privileged account management. We have also enrolled in the DHS EINSTEIN-3 Accelerated (E3A) program that ensures all of the Domain Name System (DNS) and Simple Mail Transfer Protocol (SMTP) are monitored by these services.

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. The CDM solution is scheduled to be implemented in December 2018.
- Identity Management – we now 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 deployed managed services for hardware encryption and have upgraded our Cisco ASA firewalls to strengthen information security controls for VPN remote access.
- 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).

Internal Operations

The RRB is committed to effective, efficient and secure internal operations. Many factors and programs contribute to this goal. 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

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

procedures. We consider the findings from these reviews as we plan our information technology initiatives.

In support of the Administration's direction to agencies to assess the effectiveness of current information technology (IT) management practices and address opportunities to improve management of IT resources we added measurements based on the PorfoliStat categories Deliver, Innovate and Protect. The measurements ensure that the agency engages in proactive performance management of its IT.

- *Deliver – Deliver on Budget Percent of IT Projects costs within 10% of budgeted cost*
- *Deliver – Meet Customer Expectations. WWW.RRB.GOV Internet Services (Mainline and Employer Reporting System) Continuous availability experienced by end users.*
- *Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.*
- *Protect – Email Data Loss Prevention. Percentage of externally bound emails and their attachments automatically encrypted that contain personally identifiable or credit card information.*
- *Protect –Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.*

The measurements ensure that the agency engages in proactive performance management of information technology by ensuring effectiveness, efficiency and security of operations. The use of performance measures and management processes allows the RRB to monitor actual versus expected results, while also providing appropriate oversight and quality control. The status of each measure is captured and evaluated monthly by those responsible for overseeing the measure, evaluated quarterly by the Office of the Chief Information Officer to ensure that the activity is meeting the expected measure, and reported annually in the agency's fiscal year performance plan.

In addition to our ongoing activities, during the planning period we will continue to emphasize key areas related to strategic management of human capital, improving program performance and accountability, and systems security.

RRB Plan to Maximize Employee Performance

Like many agencies, the RRB has an aging workforce. Nearly 45 percent of our employees have 20 or more years of service and almost 30 percent of the current workforce will be eligible for retirement by fiscal year 2021. To prepare for the expected turnover, the agency is placing increased emphasis on strategic management of human capital. We have a succession plan in place which includes a workforce analysis that identifies historical data, trends and projected attrition to evaluate and prioritize future needs and vacancies in our workforce. The results from the workforce analysis form the basis for formulating specific strategies, hiring plans and initiatives that support the agency's succession plan. A

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

methodology for measuring skill gaps continues to be developed. Once final, RRB will utilize our Learning Management System (LMS) to implement the methodology. We have developed a job analysis procedure and outputs to identify critical competencies for every agency position. Competencies will be organized using a newly developed competency model framework that identifies RRB core, technical/position, supervisor/leadership, and executive competencies, and proficiency levels for incumbent job performer success. Job analysis and competency model development for individual positions will begin this year with skill gap analysis to commence once complete. This process will allow the RRB to continuously and accurately identify skill gaps at the individual level and take the necessary training and development steps to address skill deficiencies.

The Training and Development Section within the Bureau of Human Resources continues to utilize the results from training needs assessments and surveys to assist in prioritizing the RRB's training needs. We are also making use of technology in this area, utilizing the LMS, an internet-based program which effectively formalizes many aspects of training for all agency employees, while also providing self-assessments to the student and feedback to supervisors on their progress. In addition, our Field Service supervisors/managers have access to the latest webinar technology to facilitate the remote training of new employees, as well as the ongoing training of experienced field staff.

The Workforce Organization Management Section (WOMS) identifies appropriate target markets for our recruitment efforts to ensure we receive applications from a talented and diverse pool of applicants. Through USAJOBS, we have been able to reach candidates from many sectors. In FY 2018, we received about 1700 outside applications. We also utilize different recruitment strategies, like resume mining and targeted advertising, to ensure we are attracting quality candidates.

III-D. Strategic Objective: Effectively carry out responsibilities with respect to 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, quarterly, and annually submitted reports by the NRRIT, and its auditors' reports. In addition, the RRB's Board Members and General Counsel meet twice annually with the Trustees and receive detailed briefings during periodic telephone conferences.

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

To facilitate coordination among the NRRIT and Federal Government organizations, the Department of the Treasury, OMB, NRRIT and RRB have entered into a voluntary memorandum of understanding concerning budgetary, accounting and financial reporting responsibilities. Additionally, the NRRIT and the Government Accountability Office (GAO) have entered into a voluntary memorandum of understanding to facilitate GAO's access to information supporting NRRIT's annual financial statements and related financial statement audits for purposes of conducting GAO's audits of the U.S. government's consolidated financial statements.

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Railroad Retirement Board FY 2021 Initial Performance Plan	2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{2/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
STRATEGIC GOAL I: Modernize Information Technology (IT) Operations to sustain mission essential services								
Strategic Objective: Legacy Systems Modernization								
Goal Leader: Terryne F. Murphy, Chief Information Officer								
I-A-1. Transform TAX and EDM systems (3 million lines of Legacy COBOL) from the mainframe to distributed architecture.	New Performance Goal for FY 2018	New Performance Goal for FY 2018	TAX: 100% EDM: New Strategic direction, see I-A-4	Complete	Complete	Complete	Complete	Complete
I-A-2. Deliver online retirement forms (AA-1, AA-3) as citizen centric digital solutions.	New Performance Goal for FY 2018	New Performance Goal for FY 2018	AA-1: 100% AA-3: 80%	Complete	Complete	Complete	Complete	Complete
I-A-3. Transition Mission Essential Programs from the End-of-Life Mainframe hardware.	New Performance Goal for FY 2019	New Performance Goal for FY 2019	New Performance Goal for FY 2019	0%	100%	100%	100%	100%
I-A-4. Complete the assessment for re-engineering Mission Essential Programs.	New Performance Goal for FY 2019	New Performance Goal for FY 2019	New Performance Goal for FY 2019	0%	100%	100%	100%	100%
I-A-5. Complete the migration of agency network and telecommunication services to new services in EIS.	New Performance Goal for FY 2019	New Performance Goal for FY 2019	New Performance Goal for FY 2019	0%	40%	100%	100%	100%

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Railroad Retirement Board FY 2021 Initial Performance Plan	2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
STRATEGIC GOAL II: Provide Excellent Customer Service								
Strategic Objective: Pay benefits timely.								
Goal Leader for performance goals II-A-1 through II-A-5; II-A-7 and II-A-8: Crystal Coleman, Director of Programs								
Goal Leader for performance goal II-A-6: Daniel Fadden, Director of Field Service								
Goal Leader for performance goal II-A-9: Rachel L. Simmons, Director of Hearings and Appeals								
II-A-1. 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: % ≤ 35 days)	94.0%	95.0%	94.9%	95.1%	94.0%	94.0%	94.0%	94.0%
II-A-2. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	96.3%	95.5%	96.5%	95.3%	94.0%	94.0%	94.0%	94.0%
II-A-3. 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, or date filed (whichever is later). (Measure: % ≤ 60 days)	96.0%	96.9%	96.2%	95.7%	94.0%	94.0%	94.0%	94.0%

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

	2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
Railroad Retirement Board FY 2021 Initial Performance Plan								
II-A-4. 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 RRB's receipt of first notice of the employee's death. (Measure: % ≤ 30 days)	95.1%	96.1%	96.5%	96.1%	94.0%	94.0%	94.0%	94.0%
II-A-5. RRB makes a decision to pay or deny a lump sum death benefit within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	98.0%	97.5%	98.2%	97.1%	97.0%	97.0%	97.0%	97.0%
II-A-6. RRB certifies a payment or releases a letter of denial of UI or SI benefits within 10 days of the date RRB receives the claim. (Measure: % ≤ 10 days)	99.9%	99.9%	99.9%	99.9%	98.5%	97.5%	98.5%	99.0%
II-A-7. 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)	17.4%	14.7%	11.3%	11.0%	Due to ongoing process improvements, RRB is re-baselining this metric. ^{5/}	Due to ongoing process improvements, RRB is re-baselining this metric. ^{5/}	Due to ongoing process improvements, RRB is re-baselining this metric. ^{5/}	Due to ongoing process improvements, RRB is re-baselining this metric. ^{5/}

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

	2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
Railroad Retirement Board FY 2021 Initial Performance Plan								
II-A-8. RRB makes a payment to a disabled applicant within 25 days of the date of decision or earliest payment date, whichever is later. (Measure: % ≤ 25 days)	92.6%	92.5%	91.5%	84.6%	94.0%	93.0%	93.0%	93.0%
II-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	239	217	217	200	220	225	225	225
Strategic Objective: Provide a range of choices in service delivery methods.								
Goal leader: Crystal Coleman, Director of Programs								
II-B-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: Number of services available through electronic media)	19 services available	19 services available	20 services available	20 services available	22 services available	23 services available	23 services available	23 services available

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Railroad Retirement Board FY 2021 Initial Performance Plan		2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
II-B-2. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measures: percentage of employers who use the on-line Employer Reporting System (ERS); number of services available through electronic media)	a) Employers using ERS:	99.0%	99.0%	99.3%	99.7%	99.0%	99.0%	99.0%	99.53%
	b) Internet Services	27 Internet services available	29 Internet services available	30 Internet services available	30 Internet services available	31 Internet services available	32 Internet services available	32 Internet services available	33 Internet services available
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources									
Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately.									
Goal leader: Shawna R. Weekley, Chief Financial Officer									
III-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure: total overpayments recovered in the fiscal year/total overpayments established in the fiscal year.)	90.73%	92.14%	91.70%	86.2% Through 7/31/2019	85.0%	85.00%	85.00%	85.00%	85.00%

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Railroad Retirement Board FY 2021 Initial Performance Plan		2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
Strategic Objective: Ensure the accuracy and integrity of benefit programs.									
Goal leader III-B-1 (a)(b) and III-B 3, 4 and 5: Crystal Coleman, Director of Programs									
Goal leader III-B-2 (a): Daniel Fadden, Director of Field Service									
Goal leader III-B-2(b): Micheal Pawlak, Director of Unemployment Payment Support Division									
III-B-1. Achieve a railroad retirement benefit payment accuracy rate ^{6/} of at least 99%. (Measure: percent accuracy rate)	a. Initial payments	99.69%	98.89%	99.90% through 3/31/18	Not Available	99.50%	99.50%	99.50%	99.50%
	b. Sample post recurring payments	99.70%	99.94%	99.99% through 3/31/18	Not Available	99.50%	99.50%	99.50%	99.50%
III-B-2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate ^{6/} of at least 99%. (Measure: percent accuracy rate)	a. Unemployment	99.36%	97.24%	96.09%	96.96% through 12/31/18	96.50%	95.00%	96.00%	97.50%
	b. Sickness	99.94%	99.08%	100.00%	95.25% through 12/31/18	97.50%	95.00%	96.00%	97.50%
III-B-3. Overall Initial Disability Determination Accuracy (Measure: % of Case Accuracy)		94.40%	94.40%	Not Available	Not Available	95.00%	94.00%	95.00%	95.50%

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

	2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
Railroad Retirement Board FY 2021 Initial Performance Plan								
III-B-4. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: Beginning FY14, below 1.5%)	0.60%	0.44%	N/A ^{2/}	N/A ^{2/}	N/A ^{2/}	1.00%	1.00%	1.00%
III-B-5. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure recoverable and savings per dollar spent.)	\$4.18: \$1.00	\$3.70: \$1.00	Not Available	Not Available	\$3.85: \$1.00	\$3.70: \$1.00	\$3.70: \$1.00	\$3.70: \$1.00
Strategic Objective: Ensure effectiveness, efficiency, and security of operations.								
Goal leader: Terryne F. Murphy, Chief Information Officer								
III-C-1. Complete modernization of RRB processing systems in accordance with long-range planning goals. (Measure: Meet target dates for the project. Yes/No)	No. The modernization of the Tax Database will now be incorporated in the multiyear Mainframe Applications Reengineering project.	Project complete.	Project complete.	Project complete.	Project complete.	Project complete.	Project complete.	Project complete.

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Railroad Retirement Board FY 2021 Initial Performance Plan	2016 Actual \$111.225M	2017 Actual \$113.5M	2018 Actual \$123.5M ^{3/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
III-C-2. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost.	100%	100%	85%	100%	85%	85%	85%	85%
III-C-3. Deliver – Meet Customer Expectations. WWW.RRB.GOV Internet Services (Mainline and employer Reporting System) Continuous availability experienced by end users	98.72%	99.2%	98.92%	97.64%	95%	95%	95%	95%
	9.38 hours	6.52 hours	7.77 hours	6.42 hours	7 hours	7 hours	7 hours	7 hours
III-C-4. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.	New Performance Goal for FY 2017	No	Completed applying HTTPS-only standard to www.rtb.gov	Implement cloud-based enterprise test lab. No.	Implement cloud-based enterprise test lab. Yes	Implement cloud-based applications.	Implement cloud-based applications.	Implement cloud-based applications.
III-C-5. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives	New Performance Goal for FY 2017	50%	99.93%	89.5%	98.5%	98.5%	98.5%	98.5%

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

		2017 Actual \$113.5M	2018 Actual \$123.5M ^{2/}	2019 Actual ^{1/} \$123.5M ^{3/}	2020 Estimate ^{2/} \$126.96M ^{4/}	2021 OMB Guidance 5% Reduction \$112.4M	2021 Agency Baseline Level + \$13.85M IT \$130.35M	2021 Agency Request \$152.896M
Railroad Retirement Board FY 2021 Initial Performance Plan								
III-C-6. Protect – Email Data Loss Prevention. Percentage of externally bound emails and their attachments automatically encrypted that contain personally identifiable or credit card information	New Performance Goal for FY 2017	99.82%	99.93%	99.84%	99%	99%	99%	99%
III-C-7. Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.	New Performance Goal for FY 2017	74%	77%	83%	Unprivileged Network Users ≥85% Privileged Network Users 100%	Unprivileged Network Users ≥85% Privileged Network Users 100%	Unprivileged Network Users ≥85% Privileged Network Users 100%	Unprivileged Network Users ≥85% Privileged Network Users 100%
Strategic objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.								
Goal leader: Ana M. Kocur, General Counsel								
III-D-1. Timely review information reported by the National Railroad Retirement Investment Trust to carry out RRB’s oversight responsibility under section 15(j) (5) (F) of the Railroad Retirement Act. Reports are to be reviewed within 30 days of receipt. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Railroad Retirement Board - Fiscal Year 2021 Initial Performance Plan

Footnotes:

- 1/ Actual results represents status as of March 31, 2019, unless otherwise noted.
- 2/ Planned amounts reflect the fiscal year 2020 performance targets shown in the RRB's Congressional Justification of Budget Estimates, released March 18, 2019.
- 3/ Amount includes \$113,500,000 for Limitation on Administration account and \$10,000,000 for Information Technology Modernization.
- 4/ Amount includes \$113,500,000 for Limitation on Administration account and \$10,000,000 for Information Technology Modernization.
- 5/ Disability Benefits Division (DBD) is re-baselining the customer service standard. The last known process assessment was conducted in 2010, which noted the 2009 performance fell short of the customer service goal by 7.5%. In May 2016, a Gantt analysis identified that the disability process takes 245 days for a decision. Based on increased staffing and revising business processes, DBD is determining a more appropriate goal.
- 6/ The payment accuracy rate is the percentage of dollars paid correctly as a result of adjudication actions performed.
- 7/ OMB granted reporting relief for the RRA improper payment program in July 2018. Therefore, goals and reporting of RRA improper payments is not applicable for FY 2018, FY 2019, and FY 2020. Reporting for this program will resume in FY 2021.

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INFORMATION TECHNOLOGY RESOURCE STATEMENTS

Message from the Chief Information Officer (CIO):

1. The CIO collaborated with all component CIOs, the Executive Committee and the Chief Financial Officer on the IT Budget Submissions, and confirmed that this budget submission includes reasonable estimates of IT resources based upon known information.
2. The CIO reviewed and had input in approving the IT Modernization Investment Initiatives included in this budget submission.

**TERRYNE
MURPHY**

Terryne F. Murphy
Chief Information Officer

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Message from the Chief Financial Officer (CFO) and the Chief Information Officer (CIO):

The CFO and the CIO attest that the CIO reviewed planned IT support for the IT Modernization Initiatives and provided input related to any significant increases or decreases in IT resources reflected in this budget submission.

**SHAWNA
WEEKLEY**
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Shawna Weekley
Chief Financial Officer

**TERRYNE
MURPHY**
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Terryne F. Murphy
Chief Information Officer

OMB A-11 Reference: Section 51.3 (a) thru (c) (June, 2019)

**ANALYSIS OF RESOURCES FOR INFORMATION TECHNOLOGY
IT TABLE**

TAFS/Account Code 8237	# FTE		# FTE		# FTE	
	2019	2019	2020	2020	2021	2021**
Personnel	111	\$16,698,342	98	\$12,128,578	135	\$18,541,400
Other		6,192,067		8,918,339		13,776,151
Total	111	\$22,890,409	98	\$8,918,339	135	\$32,317,551

TAFS/Account Code 8237IT*	# FTE		# FTE		# FTE	
	2018/2019	2018/2019*	2020	2020	2021	2021
Personnel	4	\$609,123	0	\$0	0	\$0
Other		19,390,877		13,460,000		13,850,000
Total	4	\$20,000,000	0	\$13,460,000	0	\$13,850,000

TOTAL IT RESOURCES
ALL FUNDS

TAFS/Account Codes 8237/8237IT*	# FTE		# FTE		# FTE	
	2018/2019	2018/2019	2020	2020	2021	2021
Personnel	115	\$17,307,465	98	\$12,128,578	135	\$18,541,400
Other		25,582,944		22,378,339		27,626,151
Total	115	\$42,890,409	98	\$22,378,339	135	\$46,167,551

* Amounts reflect funding as provided in the Public Law 115-141, Consolidated Appropriations Act, 2018 (\$10 million) and as provided in the Public Law 115-245, the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (\$10 million). Amounts represent planned expenditures and not actual costs incurred.

** FY 2021 amounts reflect the Agency Request Level.

Note: Amounts reflected in the IT Table represent allocations and expenditures for the Bureau of Information Services only.

FY 2021 BUDGET REQUEST:

INFORMATION TECHNOLOGY (IT) MODERNIZATION INITIATIVES

Information Technology Investments	Public Laws 115-141 (2018) 115-245 (2019) No Year ^{a/b/}	Committed /Obligated ^{b/}	FY 2020 ^{c/} Request	FY 2021 ^{d/} Request
Legacy Systems Replatform Services (LSRS)/Data Strategy	4,900,000	4,413,797	1,500,000	5,000,000
Legacy Systems Modernization Services (LSMS)	6,152,701	3,362,441	9,732,350	6,300,000
Cybersecurity and Privacy ^{e/}	1,072,000	643,000	500,000	750,000
Enterprise Infrastructure Solutions (EIS)/End User Computing	3,601,926	3,742,140	200,000	1,200,000
Citizen Services, Paperless Processing	1,910,897	0	712,650	600,000
Financial Management Integrated System (FMIS) Upgrade	1,862,476	1,854,446	0	0
Records Management System	500,000	500,000	815,000	0
TOTAL	\$20,000,000	\$14,343,646	\$13,460,000	\$13,850,000

^{a/} Amounts reflect funding as provided in the Public Law 115-141, Consolidated Appropriations Act, 2018 (\$10 million) and as provided in the Public Law 115-245, the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (\$10 million). Amounts represent planned expenditures and not actual costs incurred.

^{b/} Amounts reflects actual commitments, obligations and/or expenditures as of September 6, 2019.

^{c/} Amounts reflect additional funding needed above the FY 2020 OMB Guidance Level of \$2,725,000. The request level for FY 2020 of \$13,460,000 agrees to the House mark (H.R. 2740) and represents is \$1,598,200 above \$11,861,800 requested within the FY 2020 Budget Submission.

^{d/} Amounts reflect funding at the agency request level.

^{e/} Amounts directly support the LSMS project.

FY 2021 BUDGET REQUEST:

INFORMATION TECHNOLOGY (IT) MODERNIZATION INITIATIVES

FY 2021 PRIORITY #1 – Legacy Systems Replatform Services (LSRS) and Data Strategy

Agency Request Level	OMB Guidance with 5% Reduction
\$5,000,000	\$0

Transition of our legacy mainframe applications to a cloud based system using replatform technology continues to be RRB’s top priority. Of the \$20 million previously appropriated, RRB has obligated \$4.4 million for this purpose. Successful transition to the new operating environment will eliminate the operational risk of aging mainframe hardware and the loss of institutional knowledge to support the mainframe systems. The “Discovery and Assessment” phase or Phase 1 of the LSRS project began in February 2019 was completed June 5, 2019. Phase 2 of the project, namely the “Lift and Shift” for the proof of concept using one of the major systems (i.e. can the data be successfully “lifted and shifted” to the cloud environment) concluded with the “go” decision on September 6, 2019.

The project will move forward; however, given the lessons learned during phase 2 of the project, the May 2020 target date for shifting all of RRB’s legacy systems to the cloud environment may be optimistic. Additionally, the agency realized its need for significant enhancement to its systems’ management strategy in order to realize and sustain the anticipated business value of the modernization. Finally, the proof of concept, while successful, shed light on the agency’s need to revisit its data strategy to support and sustain a successful modernization of mission critical operations.

Assuming additional monies would be received in FY 2020, estimated costs of \$5 million for FY 2021 will cover potential schedule slips due to expanded testing requirements, and unforeseen transition costs associated with operating dual environments leading to continued use of the NITC disaster recovery “warm” site.

FY 2021 PRIORITY #2 – Legacy Systems Modernization Services (LSMS)

Agency Request Level	OMB Guidance with 5% Reduction
\$6,300,000	\$0

Upon receipt of sufficient budgetary resources, through our Legacy Systems Modernization Services (LSMS) initiatives we plan to reengineer RRB’s legacy systems and related business processes. Of the \$20 million previously provided, the RRB has spent \$3.2 toward this effort. In this light, RRB issued a contract on April 4, 2019 for the business process Reengineering Assessment initiative. The As-Is assessment phase of the project was successfully completed in July 2019 and the To-Be state deliverable was provided to RRB in August 2019. Currently, the contractor is on schedule to deliver the final roadmap (transition plan) including the architecture blueprint in October 2019.

FY 2021 BUDGET REQUEST:

INFORMATION TECHNOLOGY (IT) MODERNIZATION INITIATIVES

We anticipate that the contractor’s resulting blueprint report will outline the effort and resources needed to re-engineer critical legacy mainframe applications to sustain agency operations, improve customer services, and enable a “future ready” cloud-based RRB workforce. This will require collaborative partnership between mission and service delivery offices within RRB. Accordingly, this request includes \$6.3 million for RRB establish the organization and structure as well as to develop the technical environment for application rationalization and streamline business processes. Beyond the immediate need to modernization RRB’ legacy systems the overarching goal is to leverage data as a strategic asset to improve our service delivery for all of our customers. The RRB’s interpretation and acceptance of the blueprint will determine future funding requirements to implement; therefore, this budget estimate remains likely to change.

FY 2021 PRIORITY #3 - Cybersecurity and Privacy

Agency Request Level	OMB Guidance with 5% Reduction
\$750,000	\$0

The request of \$750,000 will enable the RRB to improve our overall security posture and subsequently the agency’s FISMA metrics in the new environment. Part of the approach includes supplementing the agency’s continuous monitoring strategy. Specifically, we formed a partnership with the Department of Homeland Security (DHS) and enrolled in the Continuous Diagnostic Mitigation (CDM) program. We expect to enhance these services and other capabilities to sustain a strong security posture for the agency.

FY 2021 PRIORITY #4 – Enterprise Infrastructure Solutions (EIS)

Agency Request Level	OMB Guidance with 5% Reduction
\$1,200,000	\$0

Of the \$20 million previously received the RRB has obligated \$3.7 million toward this effort, which included task orders associated with Content Delivery Services (Web Hosting), Point-to-Point Azure Connection, and Internet Branch Exchange Services. The requested \$1.2 million will enable the RRB in the modernization of critical infrastructure components and enterprise applications/office automation. This investment will improve customer service and support effective and efficient internal business processes.

FY 2021 BUDGET REQUEST:
INFORMATION TECHNOLOGY (IT) MODERNIZATION INITIATIVES

FY 2021 PRIORITY #5 – Citizen Services, Paperless Processing

Agency Request Level	OMB Guidance with 5% Reduction
\$600,000	\$0

The RRB’s Paperless Processing initiative proposes to establish an electronic imaging system, which will eliminate a significant portion of its paper-based processing. RRB will also migrate to paperless disability program 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.

This modernization effort is dependent upon the RRB’s interpretation and acceptance of the blueprint associated the re-engineering assessment; as such, the RRB has not made any significant progress as it has with other projects.

PROGRESS UPDATE:

INFORMATION TECHNOLOGY (IT) MODERNIZATION INITIATIVES

Public Law 115-141 (2018) and Public Law 115-245 (2019) each provided \$10M, which the RRB designated for mission critical information technology (IT) investments. The RRB tracks the \$20M separate from normal agency operating funds in our financial management system in order to properly account for and track the \$20M. The following is a high-level status of each project:

Project	Funds Allocated	Funds Committed/ Obligated	Status (as of early September 2019)
Legacy Systems Replatform Services (LSRS)	\$4,900,000	\$4,413,797	<ul style="list-style-type: none"> • Phase 1: <i>Assessment and Discovery</i> completed as of June 5, 2019. • Phase 2: <i>Lift and Shift</i> proof of concept completed on September 6, 2019 with receipt of “go” decision. • <u>Next Steps</u>: Given knowledge gained through proof of concept, enhance systems’ management strategy and re-visit data strategy.
Legacy Systems Modernization Services (LSMS)	\$6,152,701	\$3,362,441	<ul style="list-style-type: none"> • As-is assessment phase completed July 2019 • To-be state/Blueprint completed August 2019 • Transition plan (roadmap for achieving Blueprint) on schedule for completion September 2019 • <u>Next Steps</u>: RRB interpretation and acceptance of the Blueprint to determine the next steps and the ultimate funding needs.
Enterprise Infrastructure Solutions (EIS)	\$3,601,926	\$3,742,140	<ul style="list-style-type: none"> • Task orders issued for: Content Delivery Services (Web Hosting); Point-to-Point Circuit #1 (AC1); and Internet Branch Exchange Services. • <u>Next Steps</u>: Evaluate proposals for EIS WAN solicitations and issue solicitation for the EIS enterprise-wide VOIP and unified communications.
Citizen Services, Paperless Processing	\$1,910,897	0	<ul style="list-style-type: none"> • <u>Next Steps</u>: Consider the results/recommendations associated with the Blueprint to develop the requirements and the Statement of Objectives (SOO) for a future contract.
Cybersecurity and Privacy	\$1,072,000	\$643,000	<ul style="list-style-type: none"> • Procured the CyberArk solution, Web Applications Database Firewall, Forescout License Upgrades, Micro Focus WebInspect Software. • <u>Next Steps</u>: Issue RFP for User Based Analytics, Web Browser Isolation, Deception Technology and Data Loss Prevention (DLP) enhancements.
FMIS Upgrade	\$1,862,000	\$1,854,446	<ul style="list-style-type: none"> • Contract awarded April 2019 to upgrade from v7.0.3 to v7.6. • Project is on schedule to go live March 2020. • <u>Next Steps</u>: Complete simultaneous efforts on the data conversion, integration/customizations and system testing phases of the project. Then complete user acceptance testing and training.
Records Management System	\$500,000	\$500,000	<ul style="list-style-type: none"> • <u>Next Steps</u>: review proposals and award contract

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RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2021

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

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

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

2. **Amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize student and recent graduate hiring authorities available to other Federal agencies.**

The Railroad Retirement Board (RRB) is not permitted to use the excepted service hiring authorities established by the Office of Personnel Management (OPM) for student and recent graduate hiring due to language in the Railroad Retirement Act's establishing legislation. If the language proposed below is included in the Appropriations Bill, it would allow the RRB to use current OPM student and recent graduate hiring authorities to support succession planning efforts.

Provided, that notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire students attending qualifying educational institutions or individuals who have recently completed qualifying educational programs using current excepted hiring authorities established by the Office of Personnel Management.

3. **Amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency.**

Section 13 of the Railroad Retirement Act and Section 9 of the Railroad Unemployment Insurance Act contain misdemeanor charges for individuals committing fraud against the Railroad Retirement Board.

The Railroad Retirement Board proposes to amend the Railroad Retirement and Railroad Unemployment Insurance Acts to include a felony charge for individuals committing fraud against the Agency.

Under this proposal, both the Railroad Retirement Act and the Railroad Unemployment Insurance Act would be amended to include a felony charge similar to violations under 42 U.S.C. § 408, 18 U.S.C. § 1001, or 18 U.S.C. § 287.

RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2021

4. **Amend the Social Security Act to provide access for the Railroad Retirement Board to the National Directory of New Hires and to waive the customary fees for the RRB.**

In 1996, Congress created the NDNH database as part of the Personal Responsibility and Work Opportunity Reconciliation Act. Its primary goal was to help state child support agencies enforce support orders across state lines. Congress subsequently amended the Social Security Act to provide access to NDNH information for several secondary purposes: to verify eligibility for state and federal needs-based benefit programs, reduce improper payments, and collect federal debts.

The NDNH is a national repository of wage and employment data administered by the Office of Child Support Enforcement (OSCE). Access to NDNH data would allow RRB to gather more current data through a matching program and shared databases with a single source of information.

The RRB requires statutory authority to enable access to the directory. In addition to the statutory requirement, there is a cost factor. While there are potential cost savings that could be achieved with the elimination of multiple matching agreements, federal law provides that a state or federal agency that receives NDNH information must reimburse OCSE for the costs associated with obtaining, verifying, and maintaining the data. There is also a new user start-up fee. Reimbursement agreements are negotiated each fiscal year to establish the amount and manner of reimbursement based on access, frequency of matches and any user-specific costs related to performing the match.

The RRB pays benefits under both the Railroad Retirement and Railroad Unemployment Insurance Acts that are based in part on a claimant's earnings. The RRB currently conducts wage matches with all 50 States to detect improper payments. The FY 2017 Budget submission and FY 2018 Congressional Justification proposed, and now the FY 2021 Budget submission proposes access to NDNH for RRB in order to conduct wage matches, establish eligibility for disability benefits in a more efficient manner, and detect potential improper payment of benefits under the Railroad Retirement and Railroad Unemployment Insurance Acts.

Finally, it should be noted that in a report titled "Actions Needed to Improve the Effectiveness and Oversight of Continuing Disability Reviews," published February 21, 2018, the Government Accountability Office recommended the following:

"Congress should consider giving RRB access to the National Directory of New Hires, a national database of wage and employment information that would enable it to identify potential overpayments sooner."

RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2021

5. **Amend the Balanced Budget and Emergency Deficit Control Act of 1985 and the Statutory Pay-As-You-Go Act of 2010 to include the Railroad Unemployment Insurance Trust Fund in the list of accounts which are exempt from sequestration.**

Unemployment and short-term sickness benefits for covered railroad workers payable under the Railroad Unemployment Insurance Act (RUIA) are currently subject to sequestration. However, these unemployment and sickness benefits are fully funded by railroad employer contributions in the same manner as state unemployment compensation systems under the Federal Unemployment Tax Act (26 U.S.C 3301 et seq.) and do not require appropriations from general revenues. The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) as amended (P.L. 99-177) exempts from sequestration any amount paid as regular unemployment compensation by a state from its account in the Unemployment Trust Fund, any advance made to a state from the Federal Unemployment Trust Fund, and any payment made from the Federal Employees Compensation Account for unemployment benefits to former federal employees and former military service members. This leaves unemployment benefits payable to railroad workers as the only type of unemployment benefit subject to reduction as a result of sequestration under the BBEDCA or the Statutory Pay-As-You-Go Act of 2010 (P.L. 111-139).

This proposal would amend the (BBEDCA) to exempt from sequestration unemployment benefits paid under the Railroad Unemployment Insurance Act (RUIA) [45 U.S.C. § 351 et seq.]. Section 255(a) of the BBEDCA currently exempts Tier I railroad retirement benefits from sequester; section 255(g)(1)(A) exempts the Dual Benefits Payments Accounts and Federal Payments to the Railroad Retirement Accounts; and section 255(g)(1)(B) exempts the National Railroad Retirement Investment Trust and the Railroad Industry Pension Fund. All other benefits administered by the Railroad Retirement board on behalf of covered railroad workers (disability, spouse and survivor) are exempt from sequestration by BBEDCA section 255. It is therefore appropriate to exempt the RUIA Trust Fund from reduction or sequestration under the BBEDCA or the Statutory Pay-As-You-Go Act of 2010.

Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is hereby amended in subsection (g)(1)(A), by inserting “Railroad Unemployment Insurance Trust Fund (60-8051-0-603.)” after the Radiation Exposure Compensation Trust Fund (15-8116-0-1-054).

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RAILROAD RETIREMENT BOARD

Evidence and Evaluation

In accordance with OMB Circular A-11, Section 51.9, the following discussion serves to document the agency's progress thus far towards meeting requirements of the Foundations for Evidence-Based Policymaking Act of 2018 ("Evidence Act") (Public Law 115-435), including development and use of a learning agenda (evidence-building plan), annual evaluation plan, and capacity assessment. Further, this discussion will reference evidence-building proposals accounted for in their budget request.

It is important to note that the Railroad Retirement Board is a non-CFO Act agency. In that regard, the RRB is only required to address, and discuss herein, certain elements as detailed in OMB Memorandum M-19-23, *Phase 1 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance*. As such, certain sections of the "Evidence Template" are not required for RRB or other non-CFO Act agencies and therefore are not addressed herein.

As it relates to the Evidence Act, the RRB has established a Chief Data Officer, who will operate under the Chief Information Officer's purview. However, due to the recent transition of RRB's Bureau of Information Services to a new Chief Information Officer (CIO), the agency has not yet named members to the Data Governance Body or developed the charter. Currently, appropriate members of the agency's Executive Committee will support the Chief Information and Data Officers.

The funding requests for the RRB's IT Modernization Investment Initiatives program as a whole will support the emphasis of the Evidence Act. Specifically the Legacy Systems Replatform Services and Data Strategy, Legacy Systems Modernization Services, and Records Management are key projects to improve the agency's data and evidence-building activities.

RAILROAD RETIREMENT BOARD
Relationship of Programs to Account Structure
(in thousands of dollars)

	2021 Estimates	
	Budget Authority	Outlays
60-0111-0-1-601 Dual Benefits Payments Account.....	13,000	13,000
60-0113-0-1-601 Federal Payments to the Railroad Retirement Accounts.....	1,780,603	1,780,603
60-8010-0-7-601 Social Security Equivalent Benefit Account.....	7,948,000	7,826,500
60-8011-0-7-601 Railroad Retirement Account.....	5,582,400	5,576,900
60-8118-0-7-601 National Railroad Retirement Investment Trust.....	1,645,000	1,645,000
60-8237-0-7-601 Limitation on Administration		
OMB Guidance 5% Reduction level.....	112,400	112,400
Agency Baseline level + \$13.85M IT ^{1/}	130,350	130,350
Agency Request level.....	152,896	152,896

Summary	2021 Estimates	
	Budget Authority	Outlays
Federal funds ^{2/}	1,085,453	1,085,453
Trust funds ^{3/}	15,193,400	15,066,400
Deductions for offsetting receipts:		
Intrafund transactions (Advances) ^{4/}	(4,384,500)	(4,384,500)
Intrafund transactions (NRRIT transfers) ^{4/}	(1,645,000)	(1,645,000)
Proprietary receipts from the public ^{5/}	(397,000)	(397,000)
Interfund transactions ^{6/}	(1,780,603)	(1,780,603)
TOTAL	8,071,750	7,944,750

^{1/} Amount includes fiscal year 2019 enacted appropriation totaling \$123.5 million (pursuant to P. L. 115-245) plus \$2 million associated with the anticipated reduction in Vested Dual Benefits from FY 2020 to FY 2021. Actuarial estimates indicate a \$1 million decrease in Vested Dual Benefits from \$16 to \$13 million, based upon OMB's FY 2019 Mid-Session review, using economic assumptions revised June 2019.

^{2/} Represents budget authority and outlays for the Dual Benefits Payments Account and the Federal Payments to the Railroad Retirement Accounts.

^{3/} Represents budget authority and outlays for the Social Security Equivalent Benefit Account, the Railroad Retirement Account, and the National Railroad Retirement Investment Trust (NRRIT). Excludes the Limitation on Administration.

^{4/} Represents the estimated advances RRB plans to borrow from Treasury in anticipation of the annual financial interchange transfer from the Social Security Administration's Old Age and Survivors Insurance and Disability Insurance (OASDI) Funds of \$4,384,500,000 and a transfer of \$1,645,000,000 from the NRRIT to the Railroad Retirement Account.

^{5/} Estimate of interest and dividends on non-Federal securities earned by the NRRIT.

^{6/} Represents budget authority and outlays for the Federal Payments to the Railroad Retirement Accounts.