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

BOARD MEMBERS:

MICHAEL S. SCHWARTZ, CHAIRMAN
WALTER A. BARROWS, LABOR MEMBER
JEROME F. KEVER, MANAGEMENT MEMBER

The Honorable John A. Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

In compliance with the Office of Management and Budget (OMB) Circular No. A-11, enclosed is our Congressional Justification of Budget Estimates for Fiscal Year 2015, which includes our Performance Plan for the year. This budget complies with OMB guidance and is in accordance with the President's proposals. The President's proposed budget provides for $112,150,000 for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2015.

The Railroad Retirement Board is an independent agency in the executive branch of the Federal Government. The RRB's primary function is to administer comprehensive retirement/survivor and unemployment/sickness insurance benefit programs for the nation's railroad workers and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts. In connection with the retirement program, the RRB has administrative responsibilities under the Social Security Act for certain benefit payments and railroad workers' Medicare coverage. It also assists in the administration of the Internal Revenue Code.

We estimate that the proposed funding will provide for a staffing level of 860 full-time equivalent staff years (FTEs). The proposed budget would also provide $2,500,000 for the Program Accounts Receivable System (PARS) conversion, an information technology initiative to convert a legacy system to the RRB's new shared service provider, Financial Management Integrated System (FMIS).

In addition to the requests for administrative expenses, the President's budget includes $34,000,000 to fund the continuing phase-out costs for vested dual benefits. An additional amount, not to exceed $680,000, would also become available if projected dual benefit payments for the year exceed the amount available for payments.

Also, presented in the budget is a request for $150,000 for interest related to uncashed railroad retirement checks. The $150,000 is being requested for a 2-year period, and would be available through September 30, 2016. All of the amounts presented in this letter exclude funding for the RRB's Office of Inspector General, which submits separate budget and performance information.

Finally, legislation for the Limitation on Administration that clarifies the authority of the RRB to hire attorneys through competitive civil service is provided.

Thank you for your support of this proposed budget.

Sincerely,

Original Signed
Michael S. Schwartz
Walter A. Barrow
Jerome F. Kever
March 5, 2014

Enclosure

cc: The Honorable, Sylvia Mathews Burwell, Director
Office of Management and Budget

Printed on recycled paper

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

BOARD MEMBERS:

MICHAEL S. SCHWARTZ, CHAIRMAN
WALTER A. BARROWS, LABOR MEMBER
JEROME F. KEVER, MANAGEMENT MEMBER

The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

In compliance with the Office of Management and Budget (OMB) Circular No. A-11, enclosed is our Congressional Justification of Budget Estimates for Fiscal Year 2015, which includes our Performance Plan for the year. This budget complies with OMB guidance and is in accordance with the President's proposals. The President's proposed budget provides for $112,150,000 for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2015.

The Railroad Retirement Board is an independent agency in the executive branch of the Federal Government. The RRB's primary function is to administer comprehensive retirement/survivor and unemployment/sickness insurance benefit programs for the nation's railroad workers and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts. In connection with the retirement program, the RRB has administrative responsibilities under the Social Security Act for certain benefit payments and railroad workers' Medicare coverage. It also assists in the administration of the Internal Revenue Code.

We estimate that the proposed funding will provide for a staffing level of 860 full-time equivalent staff years (FTEs). The proposed budget would also provide $2,500,000 for the Program Accounts Receivable System (PARS) conversion, an information technology initiative to convert a legacy system to the RRB's new shared service provider, Financial Management Integrated System (FMIS).

In addition to the requests for administrative expenses, the President's budget includes $34,000,000 to fund the continuing phase-out costs for vested dual benefits. An additional amount, not to exceed $680,000, would also become available if projected dual benefit payments for the year exceed the amount available for payments.

Also, presented in the budget is a request for $150,000 for interest related to uncashed railroad retirement checks. The $150,000 is being requested for a 2-year period, and would be available through September 30, 2016. All of the amounts presented in this letter exclude funding for the RRB's Office of Inspector General, which submits separate budget and performance information.

Finally, legislation for the Limitation on Administration that clarifies the authority of the RRB to hire attorneys through competitive civil service is provided.

Thank you for your support of this proposed budget.

Sincerely,

Original Signed
Michael S. Schwartz
Walter A. Barrow
Jerome F. Kever
March 5, 2014

Enclosure

cc: The Honorable, Sylvia Mathews Burwell, Director
Office of Management and Budget

Printed on recycled paper

JUSTIFICATION OF BUDGET ESTIMATES
FISCAL YEAR 2015

TABLE OF CONTENTS

	Page Number
AGENCY OVERVIEW	
Summary of Appropriation Estimates for Fiscal Years 2014 and 2015	1
Programs Administered by the Railroad Retirement Board	2
Financing of Railroad Retirement Benefits	3
Financing Provisions of the Railroad Retirement and Survivors' Improvement Act of 2001	4
Financing of Unemployment and Sickness Insurance Benefits	5
Description of Appropriation Requests	6
The Board Members	7
Railroad Retirement Board Organization Chart	8
LIMITATION ON ADMINISTRATION	
Proposed Appropriation Language	9
Explanation of Proposed Appropriation Language	10
Authorizing Legislation	11
Budget Authority by Object Classification	12
Summary of Changes	13
Budget Authority by Strategic Goal	14
Staffing History	15
Funding for Major Contracts	16
Budget Authority by Fund	19
Financing	20
Sources and Uses of Funds	21
Amounts Available for Obligation	22
Appropriations History Table	23
Retirement/Survivor Benefit Program Summary Processing Workload Table	24
Unemployment/Sickness Insurance Program Summary Processing Workload Table	25

TABLE OF CONTENTS

	Page Number
PERFORMANCE PLAN	
Fiscal Year 2015 Performance Plan	26
DUAL BENEFITS PAYMENTS ACCOUNT	
Proposed Appropriation Language	46
Explanation of Proposed Appropriation Language	47
Authorizing Legislation	48
Appropriations History Table	49
Funding Sources	50
Amounts Available for Obligation	51
Explanation of 2015 Request	52
FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS	
Proposed Appropriation Language	54
Explanation of Proposed Appropriation Language	55
Authorizing Legislation	56
Appropriations History Table	56
Amounts Available for Obligation	57
Explanation of 2015 Request	57
INFORMATION TECHNOLOGY INITIATIVES	
Information Technology Strategy and Benefits	58
OTHER INFORMATION	
Summary of Full-time Equivalent Employment	60
Average ES and GS/GM Salaries and Benefits, and GS/GM Grades	61
Employee Relocation Expenses	62
Appropriations Act Provision – Limitation on Administration	63

RAILROAD RETIREMENT BOARD

SUMMARY OF APPROPRIATION ESTIMATES FOR FISCAL YEARS 2014 and 2015

Account	Fiscal Year 2014 FTEs	Fiscal Year 2014 Amount		Fiscal Year 2015 FTEs	Fiscal Year 2015 Amount		Page
Limitation on Administration	860	$110,300,000	a/	860	$112,150,000		9
Dual Benefits Payments Account	—	$39,000,000	a/	—	$34,000,000	b/	47
Federal Payments to the Railroad Retirement Accounts	—	$ 150,000	a/	—	$ 150,000	c/	55
Limitation on the Office of Inspector General	49	$8,272,000	a/	51	$8,750,000	d/	—

a/ The full-year 2014 appropriations for these accounts were enacted under the Consolidated Appropriations Act, 2014 (P.L. 113-76).

b/ The appropriation language provides for $34,000,000 to fund vested dual benefits from general revenues of which $ 2,000,000 is expected from income taxes on vested dual benefits. An additional 2 percent reserve ($680,000) will become available only if the product of recipients and the average benefit received exceeds the amount available to pay vested dual benefits.

c/ This amount reflects our latest estimate for interest related to uncashed railroad retirement checks and will remain available through September 30, 2016.

d/ This limitation is for the Railroad Retirement Board's Office of Inspector General, which submits a separate budget justification document and annual performance plan.

AGENCY OVERVIEW

The Railroad Retirement Board (RRB) is an independent agency in the executive branch of the Federal Government. The RRB's primary function is to administer comprehensive retirement/survivor and unemployment/sickness insurance benefit programs for the nation's railroad workers and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts. In connection with the retirement program, the RRB has administrative responsibilities under the Social Security Act for certain benefit payments and railroad workers' Medicare coverage. It also assists in the administration of the Internal Revenue Code.

The RRB is headed by three Board Members appointed by the President of the United States with the advice and consent of the Senate. By law, one member is appointed upon recommendations made by railroad labor organizations and one upon recommendations of railroad employers. The third member, the Chairman, represents the public interest. The Board Members' terms of office are 5 years and expire in different years. The President also appoints an independent statutory Inspector General for the RRB (who functions outside the control of the Board Members, but who reports directly to the Chairman for administrative purposes) who is to prevent and detect waste, fraud, and abuse in RRB programs and operations.

During fiscal year 2013, the RRB paid $11.7 billion, net of recoveries and offsetting collections, in retirement and survivor benefits. Railroad unemployment and sickness insurance benefits totaled $84.5 million, net of recoveries and offsetting collections. The RRB has also estimated, since inception, recoveries of $1.15 million in benefit overpayments for temporary extended unemployment benefits under the American Recovery and Reinvestment Act of 2009, and paid $7.5 million, net of recoveries, under the Worker, Homeownership and Business Assistance Act of 2009, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. About 568,000 beneficiaries received retirement and survivor benefits; about 11,000 railroad workers received unemployment insurance benefits; and about 16,000 received sickness insurance benefits. In fiscal year 2013, the RRB also paid benefits on behalf of the Social Security Administration amounting to $1.4 billion to about 114,000 beneficiaries.

Programs Administered by the RRB

Railroad Retirement Act

Under the Railroad Retirement Act, the RRB makes monthly benefit payments to qualified railroad employees who retire because of age or disability, to eligible spouses of such employees, and to survivors of deceased employees. Total and permanent disability annuities are payable to employees unable to work at any job, and occupational disability annuities are payable to career railroad employees unable to work at their regular railroad jobs. Supplemental annuities are payable to career railroad employees with service prior to October 1981. There are also provisions for lump-sum payments.

The Railroad Retirement and Survivors' Improvement Act of 2001 (P.L. 107-90), enacted on December 21, 2001, made a number of major changes to the Railroad Retirement Act. The legislation provided for full early retirement eligibility at age 60 for railroad employees with 30 or more years of service; eliminated the maximum provision that had previously capped some employee and spouse railroad retirement benefits; reduced the basic eligibility requirement for an employee annuity from 10 to 5 years if performed after 1995; and provided increased benefits for some widow(er)s. The Act also authorized the National Railroad Retirement Investment Trust to manage and invest the assets of the railroad retirement system in the same array of investment alternatives available to private sector pension plans.

The RRB also administers certain vested dual benefits financed by annual appropriations from general funds. As of September 30, 2013, nearly 20,700 beneficiaries received vested dual benefits.

Railroad Unemployment Insurance Act

Under the Railroad Unemployment Insurance Act, the RRB pays unemployment insurance benefits to railroad workers who are unemployed but ready, willing, and able to work, and sickness insurance benefits to railroad workers who are unable to work because of illness, injury, or pregnancy. The RRB also assists unemployed railroad workers in securing employment.

Financing of Railroad Retirement Benefits

The primary source of income for the railroad retirement/survivor benefit program is payroll taxes paid by covered employers and their employees. 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 benefit levels.

Other sources of income currently include Federal income taxes on railroad retirement annuities, appropriations from general funds of the Department of the Treasury (Treasury) provided to phase-out vested dual benefits, interest on investments, and the financial interchange with the social security trust funds. The financial interchange places 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. In effect, through the financial interchange, the portion of railroad retirement annuities that is equivalent to social security benefits is reinsured through the social security system, thereby extending social security protection to railroad workers. The Social Security Equivalent Benefit Account is charged with railroad retirement benefit payments equivalent to social security benefits, and credited with taxes and transfers associated with those benefits.

Vested dual benefits are funded by annual appropriations from general funds of the Treasury and paid from a separate account, the Dual Benefits Payments Account. Since October 1, 1988, revenue from income taxes on these benefits has also been credited to the Dual Benefits

Payments Account. If the appropriation in a fiscal year does not cover total benefits, individual payments must be reduced by proration.

Amounts needed to administer these programs are authorized by the Congress in annual appropriation acts. In addition, the Centers for Medicare and Medicaid Services and others reimburse the RRB for certain activities. Beginning in fiscal year 2013, a contractor provides Specialty Medicare Administrative Contractor (SMAC) Services to the RRB and Railroad Medicare beneficiaries and their medical series providers, nationwide, for Part B Medical Services. In fiscal year 2015, it is estimated that the RRB will be reimbursed about $30.1 million for such costs. The estimate includes $19.5 million for SMAC.

Financing Provisions of the Railroad Retirement and Survivors' Improvement Act of 2001

Investment changes. The Railroad Retirement and Survivors' Improvement Act of 2001 (RRSIA) provides for the transfer of railroad retirement funds from the Railroad Retirement Accounts to the National Railroad Retirement Investment Trust, whose Board of Trustees is empowered to invest Trust assets in nongovernmental assets, such as equities and debt, as well as in governmental securities. The Railroad Retirement Board also receives transfers from the Trust, as needed, to pay railroad retirement and survivor benefits.

The Trust is not an agency or instrumentality of the Federal Government. Its Board of Trustees is comprised of seven members: three members selected by rail labor to represent the interests of labor; three members selected by rail management to represent management interests; and one independent member selected by a majority of the other six members. The Trustees are appointed only from persons who have experience and expertise in the management of financial investments and pension plans. The Trustees are subject to reporting and fiduciary standards similar to those under the Employee Retirement Income Security Act.

The RRB transferred $1.502 billion, $19.188 billion, and $586 million to the Trust in fiscal years 2002, 2003, and 2004, respectively. The Trust has invested the transferred funds and the results of these investments are reported to the RRB and posted periodically on the RRB's website. The net asset value of Trust-managed assets on September 30, 2013, was approximately $25 billion. From its inception through December 2013, the Trust transferred $15.4 billion to the RRB to pay railroad benefits, including $1.6 billion in fiscal year 2013.

Payroll taxes. Under the RRSIA, tier II taxes on both employers and employees are based on the ratio of certain asset balances to the sum of benefits and administrative expenses (the average account benefits ratio). Depending on the average account benefits ratio, tier II taxes for employers can range between 8.2 percent and 22.1 percent, while the tier II tax rate for employees can be between 0 percent and 4.9 percent. The calendar year 2014 tier II tax rates are 12.6 percent and 4.4 percent for rail employers and employees, respectively. The maximum amount of earnings subject to tier II taxes is $87,000 in 2014.

The RRSIA does not affect tier I social security equivalent tax rates, which are the same as for social security covered employers and employees. The tier I payroll tax rate for the year 2014 on covered rail employees and employers is 7.65 percent for employees.

For withholding and reporting purposes, the employer tax rate is divided into 6.2 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate is $117,000 in 2014, but there is no maximum on earnings subject to the Medicare tax rate.

Supplemental annuities. The RRSIA also repealed the railroad retirement supplemental annuity tax paid by covered 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 from the Railroad Retirement Account.

Financing of Unemployment and Sickness Insurance Benefits

The railroad unemployment and sickness insurance program is financed by payroll taxes paid by covered employers. The Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (Public Law 100-647) amended the Railroad Unemployment Insurance Act to provide for an experience-rated employer contribution system responsive to fluctuations in railroad employment and benefit usage.

For calendar year 2014, the minimum employer contribution rate is 0.65 percent. New employers in 2014 will pay a tax of 4.53 percent, which represents the average rate paid by all employers in the period 2010 - 2012. For 79 percent of covered employers, the unemployment insurance rate assessed will be 0.65 percent in 2014, while 9 percent of employers will pay the maximum of 12 percent.

The 2014 rate is applied to the first $1,440 earned monthly by each employee. In accordance with Public Law 100-647, the wage base is indexed each year to approximately two-thirds of the cumulative growth in average national wages since 1984. An employer's overall rate under the system cannot exceed 12 percent, or 12.5 percent if the maximum surcharge described below is in effect. These rates include a component to cover costs shared by all employers and 0.65 percent of the employers' taxable payroll is permanently appropriated to the RRB for administrative expenses. In addition, a surcharge is added to employers' unemployment contributions for any calendar year when the balance in the Railroad Unemployment Insurance Account on the previous June 30 is less than a certain amount. Depending on the account balance, the surcharge rate may be 1.5, 2.5, or 3.5 percent of the wage base.

Description of Appropriation Requests

Limitation on Administration

This is the single administrative account for the RRB, which provides funding for the administration of both the railroad retirement/survivor and the unemployment/sickness insurance benefit programs. Amounts needed for this limitation are derived from the Railroad Retirement Account, the Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Administration Fund.

Dual Benefits Payments Account

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.

Federal Payments to the Railroad Retirement Accounts

This account was established in conjunction with the implementation of the Railroad Retirement Solvency Act of 1983. Section 417 of the act amended the Railroad Retirement Act to provide for the reimbursement of unnegotiated benefit checks to the extent that such reimbursements are provided for, in advance, in appropriations acts. This account is the vehicle through which such appropriations are made.

Under provisions of the Competitive Equality Banking Act of 1987, funds for the principal amount of uncashed checks are appropriated to the Treasury and then transferred directly to the appropriate RRB accounts. As a result, in fiscal year 1991, the RRB began receiving credits to this account for only the interest portion of the uncashed check transfers. This account also acts as a conduit for transferring income taxes on benefits to the other railroad retirement accounts.

Limitation on the Office of the Inspector General

This appropriation request, which is described in a separate justification document, is for the Office of the Inspector General. The 1988 amendments to the Inspector General Act of 1978 (Public Law 100-504) included the RRB as an "establishment" covered by the Inspector General Act and specified the Chairman of the RRB as the head of the establishment for purposes of the act. Previously, the Railroad Retirement Solvency Act of 1983 had amended the Railroad Retirement Act of 1974 to provide for an Office of Inspector General at the RRB.

The Board Members

Incumbent's name/ (Title)	Term expiration date	RRB compensation rate effective January 2014	Professional affiliations
Michael S. Schwartz (Chairman)	08-28-12	$165,300	None
Jerome F. Kever (Management Member)	08-28-08	$155,500	American Institute of Certified Public Accountants
Walter A. Barrows (Labor Member)	08-28-14	$155,500	Brotherhood of Railroad Signalmen Federal Managers' Association American Federation of Government Employees

U.S. RAILROAD RETIREMENT BOARD

THE BOARD
Chairman, Michael S. Schwartz
Labor Member, Walter A. Barrows
Management Member, Jerome F. Kever

OFFICE OF INSPECTOR GENERAL
Martin J. Dickman

OFFICE OF EQUAL OPPORTUNITY
Lynn E. Cousins

CHIEF ACTUARY *
BUREAU OF THE ACTUARY
Frank J. Buzzi

EXECUTIVE COMMITTEE

SENIOR EXECUTIVE OFFICER	MEMBER	MEMBER	MEMBER	MEMBER	MEMBER
George V. Govan	Karl T. Blank	Keith B. Earley	Martha M. Barringer	Daniel J. Fadden	Ram Murthy

CHIEF FINANCIAL OFFICER
BUREAU OF FISCAL OPERATIONS
George V. Govan

OFFICE OF GENERAL COUNSEL
Karl T. Blank

- **OFFICE OF LEGISLATIVE AFFAIRS** — Margaret S. Lindsley
- **BUREAU OF HEARINGS AND APPEALS** — Rachel L. Simmons
- **SECRETARY TO THE BOARD** — Martha P. Rico

OFFICE OF ADMINISTRATION
Keith B. Earley

- **ACQUISITION MANAGEMENT** — Paul T. Ahern
- **BUILDING AND SUPPORT OPERATIONS** — Scott Rush
- **BUREAU OF HUMAN RESOURCES** — Marguerite V. Daniels
- **PUBLIC AFFAIRS** — Michael P. Freeman

OFFICE OF PROGRAMS
Martha M. Barringer

- **POLICY AND SYSTEMS** — Ronald Russo
- **PROGRAM EVALUATION AND MANAGEMENT SERVICES** — Janet M. Hallman
- **RETIREMENT BENEFITS** — Cecilia A. Freeman
- **SURVIVOR BENEFITS** — Valerie F. Allen
- **DISABILITY BENEFITS** — John Coleman
- **UNEMPLOYMENT AND PROGRAMS SUPPORT** — Micheal T. Pawlak

BUREAU OF FIELD SERVICE
Daniel J. Fadden

CHIEF INFORMATION OFFICER
BUREAU OF INFORMATION SERVICES
Ram Murthy

------ The Inspector General reports administratively to the Chairman.

- - - - - The Director of Equal Opportunity reports administratively to the Director of Administration and programmatically to the Board.

* **Non-voting member of the Executive Committee**

February 2014

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board ("Board") for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, $112,150,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund.

(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act. 2014.)

Explanation of Proposed Appropriation Language

Appropriation language	Explanation
For necessary expenses for the Railroad Retirement Board ("Board") for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, $112,150,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund.	This budget request is for funds to administer the railroad retirement/survivor and unemployment/sickness insurance benefit programs under a single administrative account. The Limitation on Administration Account draws on the following trust fund accounts for funding: Railroad Retirement Account, Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Administration Fund.

Authorizing Legislation

Legislation	2014 Authorized	2014 Current estimate	2015 Authorized	2015 Appropriation request
Authorizing legislation -- Railroad Retirement Act: Section 15(a), first two sentences of section, and Section 15A(c)(1)	Indefinite	$110,300,000 a/	Indefinite	$112,150,000
Authorizing legislation -- Railroad Unemployment Insurance Act: Section 11(a)				

a/ A full- year 2014 appropriation for this account was enacted under the Consolidated Appropriations Act, 2014 (P.L. 113-76).

Section 15(a) of the Railroad Retirement Act:

> "The Railroad Retirement Account established by section 15(a) of the Railroad Retirement Act of 1937 shall continue to be maintained in the Treasury of the United States. There is hereby appropriated to such Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, to provide for the payment of benefits to be made from such Account in accordance with the provisions of section 7(c)(1) of this Act, and to provide for expenses necessary for the Board in the administration of all provisions of this Act, an amount equal to amounts covered into the Treasury (minus refunds) during each fiscal year under the Railroad Retirement Tax Act."

Section 15 A(c)(1) of the Railroad Retirement Act:

> "Except as otherwise provided in this section, amounts in the Social Security Equivalent Benefit Account shall be available only for purposes of paying social security equivalent benefits under this Act and to provide for the administrative expenses of the Board allocable to social security equivalent benefits."

Section 11(a) of the Railroad Unemployment Insurance Act:

> "The Secretary of the Treasury shall maintain in the unemployment trust fund established pursuant to section 904 of the Social Security Act an account to be known as the railroad unemployment insurance administration fund. This unemployment insurance administration fund shall consist of (i) such part of all contributions collected pursuant to section 8 of this Act as equals 0.65 per centum of the total compensation on which such contributions are based; (ii) all amounts advanced to the fund by the Secretary of the Treasury pursuant to this section; (iii) all amounts appropriated by subsection (b) of this section; and (iv) such additional amounts as Congress may appropriate for expenses necessary or incidental to administering this Act. Such additional amounts are hereby authorized to be appropriated."

ADMINISTRATIVE EXPENSES a/
Budget Authority By Object Classification

Limitation on Administration Direct obligations by object class	Fiscal year 2013 actual amounts($) b/c/	Fiscal year 2014 estimated amounts($) c/d/	Fiscal year 2015 estimated amounts($) c/	Change (increases and decreases)
Personnel compensation:				
Full-time permanent	62,355,000	64,166,000	66,281,000	2,115,000
Positions other than permanent	938,000	811,000	834,000	23,000
Other personnel compensation	1,264,000	921,000	862,000	-59,000
Total personnel compensation	64,557,000	65,898,000	67,977,000	2,079,000
Personnel benefits: civilian	17,831,000	18,651,000	19,284,000	633,000
Benefits for former personnel	375,000	262,000	186,000	-76,000
Travel and transportation of persons	612,000	845,000	700,000	-145,000
Transportation of things	29,000	48,000	60,000	12,000
Rental payments to GSA	3,217,000 e/	3,300,000 e/	3,258,000	-42,000
Communications, utilities, and miscellaneous charges	4,148,000	4,636,000	4,557,000	-79,000
Printing and reproduction	254,000	369,000	302,000	-67,000
Consulting services	423,000	543,000	499,000	-44,000
Other services	12,783,000	14,095,000	14,499,000 f/	404,000
Supplies and materials	619,000	694,000	660,000	-34,000
Equipment	3,883,000	959,000	168,000	-791,000
Total, direct obligations	108,731,000	110,300,000	112,150,000	1,850,000
Unobligated balance	3,000	0	0	0
Total budget authority	108,734,000	110,300,000	112,150,000	1,850,000

a/ In a separate justification document, the Office of Inspector General is requesting $8,750,000 for administrative expenses in fiscal year 2015.

b/ The amounts included for 2013 reflect the annualized level provided by the Consolidated and Further Continuing Appropriations Act, 2013, (P.L. 113-6).

c/ The Limitation on Administration excludes $22.6 million in fiscal year 2013 that the RRB received in reimbursements from the Centers for Medicare and Medicaid Services (CMS) and others. Amounts for fiscal years 2014 and 2015 exclude $30.1 million and $30.1 million respectively that the RRB expects to be reimbursed in each fiscal year from CMS and others.

d/ Reflects funding provided under (P.L. 113-76), the Consolidated Appropriations Act, 2014 (H.R. 3547).

e/ Reflects the payment of actual costs to the General Services Administration (GSA) for the rental of space.

f/ This amount includes $550,000 for security provided by the Federal Protective Service.

Note: Amounts shown in the table are rounded to the nearest thousand.

SUMMARY OF CHANGES [a/]

	Appropriation total
FY 2015 estimate	$112,150,000[b/]
FY 2014 level	110,300,000
Net change	$ 1,850,000

		2014 Current (Base)		2015 Change from Base	
		FTEs	Budget Authority	FTEs	Budget Authority
Increases:					
Built-in:					
1. Net change related to full-time and part-time salaries:					
Adjustments to average salary estimates	$351,000				
January 2015 pay raise	1,300,000				
Grade/step increases	487,000				
Other compensation (awards and overtime)	(59,000)				
Subtotal, built-in salary and FTE increases		860	$65,898,000	--	$2,079,000
2. Net change related to personnel benefits:					
Adjustment to previous estimates	$101,000				
January 2015 pay raise	374,000				
Grade/step increases	140,000				
Other changes (health insurance, etc.)	18,000				
Subtotal, built-in changes to benefits		--	18,651,000	--	633,000
Subtotal, built-in compensation increases				--	$2,712,000
Program:					
1. Transportation of things		--	48,000	--	12,000
2. Other Services		--	14,095,000	--	404,000
Subtotal, program increases					$416,000
Decreases:					
Program:					
1 Benefits to former personnel		--	262,000	--	(76,000)
2. Travel and transportation		--	845,000	--	(145,000)
3. Rental payments to GSA		--	3,300,000	--	(42,000)
4. Communications, utilities, and miscellaneous charges		--	4,636,000	--	(79,000)
5. Printing and reproduction		--	369,000	--	(67,000)
6. Consulting services		--	543,000	--	(44,000)
7. Equipment		--	959,000	--	(791,000)
8. Supplies and materials		--	694,000	--	(34,000)
Total decreases					($1,278,000)
Net change				--	**$1,850,000**

a/ Corresponds to page 12 - Administrative Expenses.
b/ Amount shown for fiscal year 2014 reflects the annualized level provided by the Consolidated Appropriations Act, 2014 (P.L. 113-76).

Note: Dollar amounts are rounded to the nearest thousand.

ADMINISTRATIVE EXPENSES

Budget Authority by Strategic Goal

Limitation on Administration	Fiscal year 2013 Actual				Fiscal year 2014 Estimate				Fiscal year 2015 Estimate			
Program by strategic goal	FTEs	%	Amounts ($)	%	FTEs	%	Amounts ($)	%	FTEs	%	Amounts ($)	%
Strategic goal:												
1. Customer service	712	80	83,232,471	77	676	79	79,164,548	72	642	75	80,238,009	72
2. Stewardship	173	20	25,416,793	23	184	21	31,135,452	28	218	25	31,911,991	28
Total, direct program obligations	885		108,731,463		860		110,300,000		860		112,150,000	
Unobligated balance			3,001				0				0	
Total budget authority	885		108,734,464		860		110,300,000		860		112,150,000	

The Railroad Retirement Board's Strategic Plan includes these strategic goals.

1. Provide excellent customer service.
2. Serve as responsible stewards for our customers' trust funds and agency resources.

STAFFING HISTORY

Actual Full-time Equivalent Employment

Fiscal year	Total FTEs		Change from previous year	Percent change from previous year	Cumulative FTE Reduction	Cumulative percent change since fiscal year 1993
1993	1,698	b/	---	---	---	---
1994	1,615	b/	-83	-4.9%	83	-4.9%
1995	1,483	b/	-132	-8.2%	215	-12.7%
1996	1,401	b/	-82	-5.5%	297	-17.5%
1997	1,297		-104	-7.4%	401	-23.6%
1998	1,227		-70	-5.4%	471	-27.7%
1999	1,196		-31	-2.5%	502	-29.6%
2000	1,136		-60	-5.0%	562	-33.1%
2001	1,101		-35	-3.1%	597	-35.2%
2002	1,099		-2	-0.2%	599	-35.3%
2003	1,079		-20	-1.8%	619	-36.5%
2004	1,048		-31	-2.9%	650	-38.3%
2005	957		-91	-8.7%	741	-43.6%
2006	940		-17	-1.8%	758	-44.6%
2007	927		-13	-1.4%	771	-45.4%
2008	918		-9	-1.0%	780	-45.9%
2009	897		-21	-2.3%	801	-47.2%
2010	908		11	1.2%	790	-46.5%
2011	903		-5	-0.6%	795	-46.8%
2012	884		-19	-2.1%	814	-47.9%
2013	885		1	0.1%	813	-47.9%
2014	860	c/	-25	-2.8%	838	-49.4%
2015	860	d/	0	0.0%	838	-49.4%

a/ Excludes staffing for the Office of the Inspector General

b/ Includes Special Management Improvement Fund FTEs for fiscal year 1993-1996 of 80, 58, 30, and

c/ Reflects an adjusted projection as of mid-February 2014

d/ Reflects the estimated staffing level in the President's proposed budget for fiscal year 2015.

Funding for Major Contracts

This chart shows contracts of $10,000 and over that are planned for fiscal year 2015 in the following categories: consulting services, government contracts, medical fees, maintenance of facilities, and contractual services.

Title and description	Estimated FY 2015 funding ($)
Information technology	
• Program Accounts Receivable System (PARS) Conversion. Funding for the migration of the RRB's legacy accounts receivable function to the Financial Management Integration System (FMIS).	2,500,000
• Help Desk Contract. Funding for help desk staff to augment RRB staff.	357,000
• License agreement. Funds are required to maintain the RRB's Microsoft Enterprise License Agreement.	350,000
• Certification and accreditation. Funding provides for contractual services to assist with certification and accreditation of systems.	87,500
• IT operations support and memberships. Requested funding includes contractual services for Pay.gov, Tivoli storage, IBM operations support services and Gartner membership.	238,700
• Disaster recovery. Funding will be used to provide for coverage of the data communications equipment, computer systems and various upgrades.	357,500
Support of benefit program activities	
• Medical fees. Funding is required for medical services and hospital transcripts used to make disability determinations.	1,286,000
• Consultative medical services. Funding will be used for medical evidence reviews concerning benefit and claim matters and preparation of advisory medical opinions.	448,500
• Field service training. Contract funding will be used for training claims representatives and supervisors.	66,100

Funding for Major Contracts

Title and description	Estimated FY 2015 funding ($)
• Customer satisfaction index. Contractor assistance will be used for administering the American Customer Satisfaction Index survey.	41,000
• Social Security death matches. Funding provides for costs associated with monthly Social Security death match processing.	13,000 a/
Financial management	
• Payments to Treasury. Funding is required for fees by the Department of the Treasury for issuing checks and making electronic funds transfers on the RRB's behalf, as well as postage costs incurred for RRB mailings released by the Treasury.	300,000 a/
Administrative support	
• File management services. Fees will be paid to the National Archives and Records Administration for services by the Federal Records Center (FRC) to maintain the RRB claim files. This cost includes $24,000 for shuttle service to transport files between RRB headquarters and the FRC.	284,000 a/
• Photocopiers. Funding is required to continue contractual services for photocopiers in the RRB's headquarters building, including high speed copiers that are used to prepare program related booklets, pamphlets, and other informational material.	351,000
• E-Payroll and human resources services. Funding is required for contracted E-Payroll and electronic human resources services provided by GSA.	311,000 a/
• Field office support services. Funding is required for field office alterations, miscellaneous and administrative support services, and health unit maintenance agreements.	34,000 a/
• Personnel identification system. Funding is required to obtain updated personnel identification cards that meet the Homeland Security Presidential Directive for secure identification for agency employees and contractors. The requested funding also includes leasing a credentialing station at the headquarters building.	55,000 a/

Funding for Major Contracts

Title and description	Estimated FY 2015 funding ($)
• Shipping and receiving. Funds are required to continue shipping and receiving services.	48,000
• Employee assistance program. The RRB provides professional assistance for employees with personal problems that adversely affect work performance.	38,000
• Videoconferencing and transcription services. Funding will provide for videoconferencing services needed for hearing appeals.	50,000
• Recruitment and hiring services. Funding will be used to pay OPM for recruitment and hiring services, background investigations, as well as flexible spending accounts.	169,000 a/
• Public Debt. Payments will be made to the Bureau of Public Debt for three changes of station and monthly administrative fees.	39,000 a/
Facility management services	
• Building maintenance and repairs. Funding is required for facility maintenance, elevator maintenance, repairs to the RRB headquarters building, and related services.	1,063,700
• Federal Protective Service costs. Funding is required for protective services, billed by the Department of Homeland Security, Federal Protective Service.	550,000 a/
• Janitorial services. Funding is needed for janitorial services for the RRB headquarters building.	636,300
• Building security. Funding is required for guard service for the RRB headquarters building.	540,000
Agency total	10,214,300

a/ Contractual services provided by Federal Government agencies comprise $1,755,000 of the agency

BUDGET AUTHORITY BY FUND

	Fiscal year 2013 actual amounts	Fiscal year 2014	Fiscal year 2015 estimated	Change, FY 2014 to FY 2015
Railroad Retirement Program				
Direct Program:				
Railroad Retirement Account	$66,413,698	$64,528,148	$65,197,066	$668,918
Social Security Equivalent Benefit Account	28,521,962	30,791,162	31,736,095	944,933
Total, direct railroad retirement program obligations	$94,935,660	$95,319,310	$96,933,161	$1,613,851
Railroad Unemployment and Sickness Insurance Program				
Direct Program:				
Railroad Unemployment Insurance Administration Fund	$13,798,804	$14,980,690	15,216,839	236,149
Total, direct railroad retirement, unemployment and sickness insurance obligations	108,731,463	110,300,000	112,150,000	1,850,000
Unobligated balance	3,001	---	---	---
Total, direct railroad retirement, unemployment and sickness insurance budget authority	**$108,734,464**	**$110,300,000**	**$112,150,000**	**$1,850,000**

LIMITATION ON ADMINISTRATION

Financing

Financing	Fiscal year 2013 actual	Fiscal year 2014 estimate	Fiscal year 2015 estimate
Total, direct program obligations	$108,731,463	$110,300,000	112,500,000
Unobligated balance	3,001	---	---
Limitation	$108,734,464	$110,300,000	$112,500,000
Relation of direct program obligations to outlays			
Obligations incurred, net	$108,734,464	$110,300,000	112,500,000
Obligated balance, start of year	0	12,643,000	12,643,000
Obligated balance, end of year	(12,643,000)	(12,643,000)	(12,643,000)
Outlays from limitation	$96,091,464	$110,300,000	$112,500,000

Note: Funds to administer the Railroad Retirement Act and the Railroad Unemployment Insurance Act are combined into a single administrative account. Funds to administer the Railroad Retirement Act are transferred from the Railroad Retirement Account and the Social Security Equivalent Benefit Account to the Limitation on Administration. Funds required to administer the Railroad Unemployment Insurance Act are transferred from the Railroad Unemployment Insurance Administration Fund to the Limitation on Administration.

The financial operations of the Limitation on Administration can also be expressed in a sources and uses of funds table as shown below.

Sources and Uses of Funds

	Fiscal year 2013 actual	Fiscal year 2014 estimate	Fiscal year 2015 estimate
Direct program sources			
Available from benefit trust funds by Congressional appropriation	$108,734,464	$110,300,000	$112,150,000
Direct program uses			
Administrative expenses	$108,731,463	$110,300,000	$112,150,000
Unobligated balance	3,001	---	---
Total uses:	**$108,734,464**	**$110,300,000**	**$112,150,000**

LIMITATION ON ADMINISTRATION

Amounts Available for Obligation

	Fiscal year 2013 actual	Fiscal year 2014	Fiscal year 2015 estimate
Appropriation	$108,731,463	$110,300,000	$112,500,000
Unobligated balance	3,001	0	0
Total direct obligations a/	**$108,734,464**	**$110,300,000**	**$112,500,000**

a/ The RRB also received reimbursements totaling $22.6 million in fiscal year 2013 and expects to receive $30.1 million in fiscal year 2014, and $30.1 million fiscal year 2015 for reimbursable activities.

APPROPRIATIONS HISTORY TABLE

Year	Budget estimate to the Congress	House allowance	Senate allowance	Appropriation/ continuing resolution	
2006	$102,543,040	$102,543,000	$102,543,000	$101,517,570	a/
2007	103,517,570	103,518,000	103,518,000	103,693,878	b/
2008	103,517,570	103,694,000	103,694,000	101,882,466	c/
2009	105,463,000	105,463,000	105,463,000	105,463,000	d/
2010	109,073,000	109,073,000	109,073,000	109,073,000	e/
2011	110,573,000	---	---	108,854,854	f/
2012	112,239,000	---	---	108,649,264	g/
2013	111,149,000	---	---	108,734,464	h
2014	110,953,000	---	---	110,300,000	i/
2015	112,150,000				

a/ Amount reflects the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149), which provided $102,543,000, less a rescission of 1 percent ($1,025,430) in accordance with P.L. 109-148.

b/ Reflects the appropriation of $103,018,000 made available by P.L. 110-5, the full-year continuing resolution for fiscal year 2007, plus $675,878 reimbursement for half the January 2007 pay raise provided by Section 111 of P.L. 110-5.

c/ Reflects the appropriation received under the Consolidated Appropriations Act, 2008 (P.L. 110-161), less a rescission of $1,811,534.

d/ Amount reflects funding made available by the Omnibus Appropriations Act, 2009 (P.L. 111-8).

e/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2010 (P.L. 111-117).

f/ Reflects the appropriation of $109,073,000, less a rescission of $218,146 under the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

g/ Reflects the appropriation of $108,855,000, less a rescission of $205,736 under the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2012 (P.L. 112-74).

h/ Reflects the appropriation of $111,149,000, less a rescission of $222,298, and a sequester of $2,192,238, under the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

i/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2014 (P.L. 113-76).

Retirement/Survivor Benefit Program
Summary Processing Workload Table

Fiscal years	Average number of annuitants	New applications	Supplemental annuity applications	Social Security initial awards	Reactivated applications	Number of payments	Medicare enrollments [1]
2003	626,319	37,495	8,997	6,191	43,034	7,960,902	4,684

Fiscal years [2]	Average number of annuitants	New applications	Supplemental annuity applications [3]	Social Security initial awards [4]	Post-payment adjustments [5]	Number of payments	Medicare enrollments [1]
2004	610,020	36,707	7,871	6,126	90,302	7,766,557	5,426
2005	595,484	37,510	7,129	6,329	98,312	7,592,204	5,030
2006	582,995	35,617	7,794	6,065	94,108	7,426,518	4,838
2007 [6]	571,271	37,134	9,345	5,965	113,489	7,349,904	5,188
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 (est)	532,400	36,000	9,000	3,000	80,000	6,880,000	6,000
2015 (est)	529,300	35,000	8,000	3,000	80,000	6,850,000	6,000

1/ Excludes attainments.

2/ Beginning in fiscal year 2004, we revised our production reporting system to enhance the methodology used and improve the accuracy of the resulting workload counts.

3/ Beginning in fiscal year 2004, supplemental annuity post-activity is included in post-payment adjustments.

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

5/ Beginning in fiscal year 2004, includes award adjustments and payment-related corrections to supplemental annuities and social security benefits in addition to retirement and survivor award adjustments. Also, includes overpayment and underpayment calculations and other record maintenance activities that could affect the status of previous or future payments.

6/ Post-payment adjustments reflect 21,358 receipts due to the processing of special adjustments for annuity increases resulting from changes in retirement service and earnings credits reported by railroad employers over a period of several years.

Railroad Unemployment/Sickness Insurance Program
Summary Processing Workload Table

Fiscal Years	Railroad employment [1/]	Unemployment insurance			Sickness insurance		
		Applications	Claims	Payments	Applications	Claims	Payments
2003	225,000	17,843	113,172	93,422	27,333	183,594	159,088
2004	227,000	13,419	89,367	74,790	25,737	173,515	150,033
2005	232,000	11,701	71,654	60,057	24,795	161,062	138,610
2006	236,000	11,186	64,697	53,781	25,866	155,525	133,519
2007	237,000	13,002	71,156	58,385	22,996	148,607	127,372
2008	235,000	13,483	79,016	65,388	21,932	140,788	120,498
2009	223,000	39,509	230,476 [2/]	198,230 [2/]	21,466	138,993	118,770
2010	221,000	18,721	210,965 [3/]	190,152 [3/]	21,476	139,653	119,426
2011	229,000	12,756	93,598 [4/]	83,144 [4/]	20,797	136,014	115,705
2012	234,000	12,914	83,120 [5/]	72,776 [5/]	20,240	129,318	110,154
2013	236,000 (est)	14,944	96,871 [6/]	84,365 [6/]	19,110	119,364	100,951
2014 (est)	234,000	14,000	90,000	78,000	19,000	124,000	105,000
2015 (est)	230,000	15,000	84,000	73,000	20,000	129,000	109,000

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).

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 (PL. 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).

PERFORMANCE PLAN

Fiscal Year 2015

Railroad Retirement Board

TABLE OF CONTENTS

Introduction 28

Mission Statement 29

Strategic Goal I: Provide Excellent Customer Service 30

Strategic Objective: Pay benefits timely 30

Strategic Objective: Provide a range of choices in service delivery methods 31

Strategic Goal II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources 32

Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately 32

Strategic Objective: Ensure the accuracy and integrity of benefit programs 32

Strategic Objective: Ensure effectiveness, efficiency, and security of operations 33

Strategic Objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust 36

Information Security Program 36

Exhibit 1: Initial Performance Plan - FY 2015 39

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2015 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 2014 - 2018** 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 2015. 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 2015 for each performance goal at the President's proposed budget level of $112,150,000 is provided in Exhibit 1. 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 2015, 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.

RAILROAD RETIREMENT BOARD
MISSION STATEMENT

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

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

Strategic Goal I: ***Provide Excellent Customer Service.*** We aim to satisfy our customers' expectations for quality service in terms of service delivery options and levels and manner of performance. At the enacted level of the fiscal year 2015 budget, we plan to allocate $80,238,009 and 642 full-time equivalent employees (FTEs) to this goal. We have established two performance goals that focus on the specifics of achieving this strategic goal.

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 September 30, 2013, the overall actual performance was 99.3 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for over 99 percent of the nearly 298,587 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 2013 (through 9/30/2013)

- Retirement applications: 95.9% (target: 95.4%)
- Survivor applications: 96.5% (target: 95.9%)
- Disability applications/payments: 85.1% (target: 84.0%)
- RUIA applications/claims: 99.9% (target: 99.8%)

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.

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 the ERSNet project has developed and implemented a total of 21 automated services for employers to notify, request information or provide a means for correcting and transmitting data electronically to and from the Railroad Retirement Board. During the last implementation in FY 2013, we added two services by completing Form G-88a.2, which requests annuity eligibility information from employers; and Form G-88a.1, which requests verification of last date on the payroll.

In fiscal year 2014, we will develop Form G-88p which is required for the payment of supplemental annuities. We also plan to develop an automated referral process to notify employers of the agency's right to reimbursement of benefits paid under sections 12(o) and 2(f) of the RUIA. These processes will automate the Forms ID-30 series for (12o) Lien Notices; the ID-3U, (2f) Lien Notices; the ID-3S, Request for Lien Information Report of Settlement; and the SI-5f, Tracer Notice.

Beginning in fiscal year 2015, we plan to develop Form BA-9, Report of Separation Allowance or Severance Pay, which will convert the final employer reporting form into another on-line service. We will continue our development of enhancements to implement advanced system accessibility so employers who file reports for multiple companies can access the ERSNet system with one multi-user account. Additionally, we will investigate options for knowledge based authentication for ERSNet system users; file upload capability for current Forms BA-4 and BA-6 reports; and on-screen instructions for the current forms and services available in ERSNet.

Strategic Goal II: ***Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.*** The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the President's proposed budget level, we plan to allocate $31,911,991 and 218 full-time equivalent employees (FTEs) to this goal. We have established four performance goals that focus on the specifics of achieving this strategic goal.

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 under performance goal II-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 management policy.*

In December 2013, we released our Performance and Accountability Report for fiscal year 2013. The RRB's OIG did not express an opinion (disclaimer) on the RRB's 2013 financial statements, which were included in that report. The OIG reported material weaknesses in the RRB's information security-risk management framework and information security-configuration management. The previously reported material weakness for budgetary reporting is now being reported as a significant deficiency. Significant efforts are underway to strengthen controls in these areas.

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, usually via computer tapes. We also administer other benefit monitoring programs to identify and prevent erroneous payments, and refer some cases to the RRB's OIG for investigation. After investigation, the Inspector General may pursue more aggressive actions, which include civil and criminal prosecution.

We measure the effectiveness of the program integrity efforts each year by comparing the dollars identified as improper payments and saved through these initiatives to their cost. For example, in fiscal year 2013, the RRB invested the equivalent of about 28 full-time employees, at a cost of approximately $2.6 million, in program integrity efforts. This resulted in $12 million in recoverables, $857,435 in benefits saved, and the referral of 32 cases to the OIG for investigation. This is approximately $4.90 in savings for each $1.00 invested in these activities.

Strategic Objective: Ensure effectiveness, efficiency and security of operations. How we do our business is a critical component of good stewardship. The RRB is committed to effective, efficient and secure internal operations. Many factors and programs contribute to this goal. We use our management control review process as a means of reviewing critical agency processes in order to provide reasonable assurance of the effectiveness and efficiency of our programs and operations. If material weaknesses are detected, we take corrective action. In addition, we perform a variety of quality assurance activities to ensure that our benefit programs comply with established policies, standards and procedures. We consider the findings from these reviews as we plan our information technology initiatives. To achieve our goals for efficient, effective and secure operations, we will:

- *Continue to develop an effective human capital planning program.*
- *Monitor and improve program performance and accountability.*
- *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.*

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, data optimization and systems modernization, particularly as they relate to our succession planning activities.

Strategic Management of Human Capital – Like many agencies, the RRB has an aging workforce. About 63 percent of our employees have 20 or more years of service and over 28 percent of the current workforce will be eligible for retirement by fiscal year 2015. To prepare for the expected turnover, the agency is placing increased emphasis on strategic management of human capital. Each organization has completed workforce planning documents that identify the current staffing levels, projected attrition and planned hiring through fiscal year 2015, subject to available funding. Each executive also completed a gap analysis for his/her organization that identified potential areas of skills and knowledge gaps that will need to be addressed, identified areas where additional training may be necessary or where mentoring may be desirable to prepare employees for more senior positions, and identified areas of new skills that may need to be addressed through outside hires.

Recently, the agency has been able to utilize the re-employment of retirees to allow retirees under the Civil Service Retirement System and the Federal Employees Retirement System to be temporarily rehired without losing entitlement to their retirement annuities under Section 1122(a) of Public Law 111-84, which amended sections 8344 and 8468 of Title 5 of the United States Code. The agency has been able to rehire several annuitants on a temporary basis to assist in areas that have knowledge gaps due to attrition.

The RRB is also devoting more attention and resources to training and has provided meaningful training programs for our employees. We have offered courses in the areas of performance management, and managerial and supervisory development, and we recently provided negotiation training and "train the trainer" sessions for employees. We also make use of technology in this area, utilizing our on-line presentation facility, *RRBVision,* which allows employees to view training, including a video component, in an online format. In addition, all field managers now have real time access to the latest webinar technology to facilitate the remote training of new employees, as well as the ongoing training of experienced field staff. Lastly, we are planning the purchase and implementation of a new computer-based software package – Learning Management System (LMS), which effectively formalizes all aspects of training for all agency employees, while also providing self-assessments to the student and feedback to supervisors on their progress. These initiatives are particularly useful to employees and managers in the agency's field offices.

Improving Performance and Accountability –The RRB will take steps to ensure that:

- Programmatic goals continue to be aggressive, realistic and accurately measured,
- Program improvement plans result in meaningful outcome improvements,
- Managers are accountable for achieving goals and improvement plans, and
- Program performance plans and outcomes are transparent.

Data Optimization and Systems Modernization – In 2009, we successfully concluded a major project to develop an optimized database and synchronize it with legacy tables. Since then, with the assistance of a contractor we conducted a data management practice assessment, which provided input to the agency's data governance planning. We have developed plans for improving the database as the legacy tables are decommissioned and applications address the new database. We have also developed plans for security access and change management.

We are also continuing with Phase 1 of our Systems Modernization Project Plan. Phase I of the plan has two goals; the first is to convert all existing processing to access the master database tables instead of the legacy tables, and the second is to eliminate the legacy tables as soon as they are no longer needed. In September 2010, the Medicare Online Information (MOLI) database was converted to access the master data tables, and seven legacy tables were retired. Further enhancements to Medicare processing systems will be implemented later in the project. In addition to the conversion of the MOLI database, the System Modernization Team implemented data modeling and data stewardship programs for master data, updated naming standards, identified and standardized critical table designs, created audit columns on every master table, eliminated data synchronization and increased the use of business intelligence.

After Medicare, RUIA systems were converted to use the master database tables. The RUIA Payment Control System and Master Claims Records Online System were completed in October 2012, retiring 26 legacy tables. Following RUIA, the Employment Data Maintenance (EDM) and Contact Official databases were modernized. Development work on EDM began in June 2012 and the converted systems were implemented in January 2013. 23 Legacy EDM tables were retired.

The Bureau of Information Services and the Office of Programs are now continuing to work to convert the Payment Rate and Entitlement History (PREH) systems to access the master database. Conversion of PREH is the lynchpin of Phase I of the Systems Modernization Project Plan: PREH is the most complicated component of the master database tables and impacts the highest number of application systems and programs. Database design work for the PREH master data tables was completed in December 2013, and development work on the application systems is planned to be finished by December 2014.

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.

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

To ensure mission continuity, plans and procedures exist to maintain continuity of operations after a calamity for information systems that support the operations and assets of the RRB. The RRB's Continuity of Operations plan consists of a number of components, including an Occupant Emergency Plan, a Business Continuity Plan, a Crisis Management Communication Plan, and technically specific plans for mainframe, local area network (LAN), data communications, and desktop recovery. The agency regularly conducts semi-annual off-site disaster recovery exercises. System programmers restore the systems and applications of the agency from back-ups retrieved from an alternate data storage facility. Program libraries are re-created and production databases established. Finally, business analysts verify that the systems recovered correctly.

Federal agencies are required to provide annual computer security awareness training for employees and contractors. Security awareness efforts are designed to change behavior or reinforce good security practices by focusing attention on security. We continue to develop new approaches for refreshing the awareness initiative by providing updated and innovative presentations for the agency staff. We have a full training program that combines a security

awareness presentation with additional role-based training appropriate to the RRB's information technology environment. Every employee and contractor with computer network access participates in this annual event. Individuals who do not use a computer receive physical security awareness information. In addition to the awareness presentation, computer analysts, software developers and network/system engineers also receive specialized technical education necessary to maintain their skills and enhance proficiency. The formal awareness-training program is supplemented by a weekly Security News feature story, prominently headlined on the Intranet's home page, reminding people to protect their computers and information throughout the year. Every year, the RRB awareness program has been able to report exemplary levels of participation.

RRB kicked off its basic awareness training in April of 2013 using a web based basic awareness program offered by SANS (an industry leader in security training) called "Securing the Human." Employees and contractors were required to complete 9 assigned training topics such as how to identify social engineering, how to perform safe browsing, and more. Additionally, employees with increased security responsibilities in performing the security authorization and continuous monitoring of their respective information systems were required to complete (ISC) 2 ™ Certified Authorization Professional (CAP) ® Certification Prep Course available on the virtual training environment provided at www.fedvte-fsi.gov. This training will enhance their understanding in systems security analysis, computer network defense, and vulnerability assessment and management. Other staff with increased security responsibilities will also be required to complete specific training for their respective roles and responsibilities later in the year.

Faced with an increasingly dangerous threat environment, the RRB relies on a sophisticated hardware and software defense that utilizes carefully monitored and maintained firewall technology, anti-virus software and intrusion detection systems to prevent viruses, worms, spam and malicious content from infiltrating the network, as well as to ensure that critical data and sensitive information are not compromised. To buttress these proactive threat management resources in the event of a successful malware attack, the agency has implemented a robust incident response capability. Utilizing the capabilities of a special forensic analysis workstation, the RRB Computer Emergency Response Team has the ability to conduct forensic collection and analysis of electronic evidence from almost any type of digital media in use today. The RRB has also established an Agency Core Response Group to determine if there is a reasonable expectation that an incident may be a data breach with the potential for identity theft, and notifies the Board members who will make the final decisions regarding breach notification.

The Security Authorization process is integral to the information security programs of Federal agencies. Performing the security authorization process helps provide an understanding of the risks and other factors that could adversely affect the agency's mission for all of the agency information systems. The RRB developed a Security Authorization strategy for fiscal year 2013 that is in line with the National Institute for Standards and Technology (NIST) Risk

Management Framework (RMF) strategy. The agency employs a continuous monitoring strategy to increase the effectiveness of our current information security program, performing annual risk assessments, as well as testing all security controls applicable to the information system.

Integrating security into the System Development Life Cycle (SDLC) in the RRB Information System program is essential. To ensure that all RRB applications are developed securely, standards need to be identified using industry standards identified by security professionals. The RRB has implemented a secure RRB SDLC procedure, implementing standards from guidelines such as:

- Microsoft Security Development Lifecycle,
- Open Web Application Security Project (OWASP) Guide to Building Secure Web Applications, and
- The OWASP secure coding practices.

Railroad Retirement Board FY 2015 Final Performance Plan	**2010 Actual ($109.1m)**	**2011 Actual ($108.9m)**	**2012 Actual ($108.6m)**	**2013 Actual [1] ($108.7m)**	**2014 Enacted ($110.3m)**	**2015 President's Proposed ($112.15m)**
STRATEGIC GOAL I: Provide Excellent Customer Service						
Strategic Objective: Pay benefits timely. Leader for performance goals I-A-1 through I-A-8: Martha M. Barringer, Director of Programs Leader for performance goal I-A-9: Rachel L. Simmons, Director of Hearings and Appeals						
I-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)	96.16%	96.0%	96.3%	95.6%	95.0%	95.0%
1-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)	96.9%	97.9%	97.9%	97.0%	95.0% [2]	95.0%
I-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)	96.1%	96.3%	94.8%	96.1%	94.0%	93.0%

Railroad Retirement Board FY 2015 Final Performance Plan	**2010 Actual ($109.1m)**	**2011 Actual ($108.9m)**	**2012 Actual ($108.6m)**	**2013 Actual [1/] ($108.7m)**	**2014 Enacted ($110.3m)**	**2015 President's Proposed ($112.15m)**
I-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)	95.3%	95.8%	95.6%	95.4%	95.2%	93.5%
I-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)	98.3%	98.3%	98.4%	98.8%	98.0%	97.3%
I-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%	99.8%	98.5%
I-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)	68.9%	67.5%	74.9%	72.5%	70.0%	70.0%
I-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)	96.2%	96.0%	96.8%	95.1%	94.0% [2/]	94.0%

Railroad Retirement Board FY 2015 Final Performance Plan	**2010 Actual ($109.1m)**	**2011 Actual ($108.9m)**	**2012 Actual ($108.6m)**	**2013 Actual [1/] ($108.7m)**	**2014 Enacted ($110.3m)**	**2015 President's Proposed ($112.15m)**
I-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	252	300	336	316	320	325
Strategic Objective: Provide a range of choices in service delivery methods. Goal leader: Martha M. Barringer, Director of Programs						
I-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)	18 services available	19 services available	19 services available	19 services available	19 services available	20 services available
I-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:	81.2%	84.0%	85.0%	87.0%	85.0%	85.0%
I-B-2. — b) Internet services:	10 Internet services available	17 Internet services available	19 Internet services available	21 Internet services available	26 Internet services available	27 Internet services available
STRATEGIC GOAL II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources						

Railroad Retirement Board FY 2015 Final Performance Plan		**2010 Actual ($109.1m)**	**2011 Actual ($108.9m)**	**2012 Actual ($108.6m)**	**2013 Actual [1/] ($108.7m)**	**2014 Enacted ($110.3m)**	**2015 President's Proposed ($112.15m)**
Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately. Goal leader: George V. Govan, Chief Financial Officer							
II-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure for fiscal years through 2011: funds collected vs. total debts outstanding. Measure for fiscal years 2012 and following: total overpayments recovered in the fiscal year / total overpayments established in the fiscal year.)		59.0%	54.0%	97.7%	97.7%	85.0%	85.0%
Strategic Objective: Ensure the accuracy and integrity of benefit programs. Goal leader: Martha M. Barringer, Director of Programs							
II-B-1. Achieve a railroad retirement benefit payment accuracy rate [3/] of at least 99%.	a) Initial payments:	99.58%	99.79%	99.75%	99.72% [4/]	99.75%	99.60%
(Measure: percent accuracy rate)	b) Sample post recurring payments:	Deferred [5/]	Deferred [5/]	99.97%	99.80% [4/]	99.75%	99.60%

Railroad Retirement Board FY 2015 Final Performance Plan	**2010 Actual ($109.1m)**	**2011 Actual ($108.9m)**	**2012 Actual ($108.6m)**	**2013 Actual [1/] ($108.7m)**	**2014 Enacted ($110.3m)**	**2015 President's Proposed ($112.15m)**
II-B-2. Achieve a railroad unemployment/ sickness insurance benefit payment accuracy rate [5/] of at least 99%. (Measure: percent accuracy rate) — a) Unemployment	100%	100%	99.83%	98.99%	99.60%	99.20%
II-B-2. Achieve a railroad unemployment/ sickness insurance benefit payment accuracy rate [5/] of at least 99%. (Measure: percent accuracy rate) — b) Sickness	99.94%	99.71%	99.37%	99.42%	99.80%	98.10%
II-B-3. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: prior to FY14, below 2.5%; beginning FY14, below 1.5%)	New indicator for fiscal year 2012	New indicator for fiscal year 2012	0.59%	0.54%	0.59%	0.64%
II-B-4. Achieve a return of at least $3.60 for each dollar spent on program integrity activities. (Measure for fiscal years through 2011: recoveries and savings per dollar spent. Measure for fiscal years 2012 and following: recoverables and savings per dollar spent.)	$5.51: $1.00	$5.46: $1.00	$4.55: $1.00	$4.90: $1.00	$4.50: $1.00	$4.25: $1.00

Railroad Retirement Board FY 2015 Final Performance Plan	**2010 Actual ($109.1m)**	**2011 Actual ($108.9m)**	**2012 Actual ($108.6m)**	**2013 Actual [1/] ($108.7m)**	**2014 Enacted ($110.3m)**	**2015 President's Proposed ($112.15m)**
Strategic Objective: Ensure effectiveness, efficiency, and security of operations. Goal leader: Ram Murthy, Chief Information Officer						
II-C-1. Complete modernization of RRB processing systems in accordance with long-range planning goals. (Measure: Meet target dates for the project. Yes/No)	Yes. The Medicare database was converted on 09/26/10.	Yes. We finished the RUIA database conversion.	Yes. The RUIA conversion was completed in October 2012. We began conversion work on the Employment Data Maintenance (EDM) database.	Yes. The conversion of the EDM database was completed in January 2013. The design phase of the Payment Rate and Entitlement History (PREH) database was completed in December 2013.	Yes. The target date for the conversion of the PREH database is December 2014.	Yes. The target date for the conversion of the Tax Database would be completed by December 2015.
Strategic objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust. Goal leader: Karl T. Blank, General Counsel						
II-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)	New indicator for fiscal year 2012	New indicator for fiscal year 2012	Yes	Yes	Yes	Yes

Footnotes are following:

1/ Actual results represent status as of September 30, 2013, unless otherwise noted.

2/ Targets were adjusted for goals 1-A-2 and 1-A-8 due to the impact of the October 2013 agency shutdown and the increased workloads associated with Long Island Railroad annuitants under Board Orders 13-33 and 13-55.

3/ The payment accuracy rate is the percentage of dollars paid correctly as a result of adjudication actions performed.

4/ Actual result represents status as of March 31, 2013.

5/ The quality review of post recurring payments was deferred in fiscal year 2010 because the accuracy rates historically had been very high, and the findings minimal. The return on measuring this area every year had diminished over time. Review was deferred again in fiscal year 2011 to allow staff to complete work on a special quality assurance case review started in fiscal year 2010.

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $34,000,000, which shall include amounts becoming available in fiscal year 2015 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: Provided, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2014.)

Explanation of Proposed Appropriation Language

Appropriation language	Explanation
For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $34,000,000, *which shall include amounts becoming available in fiscal year* 2015 *pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: Provided, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.*	The proposed appropriation language provides $34,000,000 to the Dual Benefits Payments Account for payment of vested dual benefits. Of the $34,000,000, it is estimated that $2 million will be derived from income tax revenues as provided by Section 224(c)(1)(B) of Public Law 98-76. Also, an additional reserve amount not to exceed $680,000 ($34,000,000 X 2%) will be made available only if the product of recipients and the average benefit received exceeds the amount available. The monies provided to the Dual Benefits Payments Account are to be made available to the account on a monthly basis in 12 approximately equal amounts.

Authorizing Legislation

Legislation	2014 Authorized	2014 Current estimate	2015 Authorized	2015 Appropriation request
Railroad Retirement Act of 1974 as amended: Sections 15(d)(1), 7(c)(1), and 15(i)(2)				
Dual Benefits Payments	Indefinite	$39,000,000	Indefinite	$34,000,000

Section 15(d)(1):

> "There is hereby created an account in the Treasury of the United States to be known as the Dual Benefits Payments Account. There is hereby authorized to be appropriated to such account for each fiscal year beginning with the fiscal year ending September 30, 1982, such sums as are necessary to pay during such fiscal year the amounts of annuities estimated by the Board to be paid under sections 3(h), 4(e), and 4(h) of this Act and under sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445."

Section 7(c)(1):

> "In any fiscal year, the total amounts paid under such sections shall not exceed the total sums appropriated to the Dual Benefits Payments Account for that fiscal year."

Section 15(i)(2):

> "The Secretary of the Treasury shall, on a monthly basis, credit each account established in the Treasury for the payment of benefits under this Act for the proportionate amount of benefit checks (including interest thereon) drawn on each such Account more than six months previously but not presented for payment and not previously credited to such Account, to the extent provided in advance in appropriation Acts."

Appropriations History Table

Dual Benefits Payments Account a/

Year	Budget estimate to the Congress	House allowance	Senate allowance	Appropriation/ continuing resolution	
2006	97,000,000	97,000,000	97,000,000	96,030,000	b/
2007	88,000,000	88,000,000	88,000,000	88,000,000	
2008	79,000,000	79,000,000	79,000,000	79,000,000	c/
2009	72,000,000	72,000,000	72,000,000	72,000,000	
2010	64,000,000	64,000,000	64,000,000	64,000,000	
2011	57,000,000	---	---	56,886,000	d/
2012	51,000,000	---	---	50,914,950	e/
2013	45,000,000	---	---	50,914,950	f/
2014	39,000,000	---	---	39,000,000	g/
2015	34,000,000				

a/ For all amounts on the following table, the appropriation language provides that an additional amount, not to exceed 2 percent of the appropriation amount, shall become available under certain conditions to provide for full payment of vested dual benefits. The appropriation language also specifies that the amount made available will be credited to the account on a monthly basis in 12 approximately equal amounts.

b/ Amount reflects an appropriation of $97,000,000 provided by the Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149), less a rescission of $970,000 in accordance with P.L. 109-148. Pursuant to P.L. 109-234, an additional $970,000 was allocated from the contingency reserve to ensure full payment of vested dual benefits.

c/ Amount reflects an appropriation of $79,000,000 provided by the Consolidated Appropriations Act, 2008 (P.L. 110-161), less a rescission of $1,380,130 in accordance with P.L. 110-161. Additional funding was allocated from the contingency reserve to restore the funding level to $79,000,000 and ensure full payment of vested dual benefits.

d/ Amount reflects the level of funding provided by the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). This amount reflects an appropriation of $57,000,000 less a rescission of $114,000.

e/ Amount reflects an appropriation of $51,000,000, less a rescission of $85,050 provided by the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2012 (P.L. 112-74).

f/ Amount reflects an appropriation of $50,914,950 provided by the Consolidated and Further Continuing Appropriation Act, 2013 (P.L. 113-6).

g/ Amount reflects an appropriation of $39,000,000 provided by the Consolidated Appropriation Act, 2014 (P.L. 113-76).

Funding Sources

The proposed appropriation language calls for funding from the following source.

Funding sources	Budget authority a/
General revenue	$34,000,000
[Of the $34,000,000 to be funded from general revenue, $2,000,000 is expected from income taxes on vested dual benefits.]	

a/ The proposed appropriation language provides that "... an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits ...."

Dual Benefits Payments Account

Amounts Available for Obligation

	Fiscal year 2013 Actual	Fiscal year 2014	Fiscal year 2015 Estimate
Appropriation, excluding 2% contingency reserve (general funds of the Treasury)	$50,813,120	$39,000,000	$34,000,000
Transfer from other accounts (Federal Payments to the Railroad Retirement Accounts)	4,000 a/	4,000 a/	4,000 a/
Subtotal:	$50,817,120	$39,004,000	$34,004,000
Less: Unobligated balance	2,281,675	0	0
Total obligations (payments to beneficiaries)	$48,535,445	$39,004,000	$34,004,000

a/ This amount represents this account's share of interest on uncashed checks.

Explanation of 2015 Request

This is the 40th request for appropriations authorized by the Railroad Retirement Act of 1974 to fund vested dual benefits received by railroad retirees who, under prior law, would have become covered by both the railroad retirement system and the social security system because railroad retirement was not fully coordinated with social security from 1937 to 1974.

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 system's financial condition, the Railroad Retirement Act of 1974 provided that the tier I component of the railroad retirement annuity be reduced by any social security benefit. This essentially integrated the two systems and eliminated the advantage of qualifying for benefits under both systems.

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

After considering various alternatives, the Congress authorized general fund appropriations to finance the cost of phasing out dual benefits. The Congress considered it unfair to impose this cost on current and future railroad employees because such employees would not be permitted to receive dual benefits upon retirement (except where vested rights were involved). Similarly, the Congress believed that it would be unfair to impose this cost on railroads because railroads had not benefitted 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 1976-2000. 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.

The fiscal year 2015 appropriation language provides for 12 monthly payments to this account from general revenues and specifies that $34,000,000 be appropriated for benefits. In addition, the proposed language provides that an additional amount not to exceed 2 percent of the $34,000,000 appropriated -- or up to $680,000 -- shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits.

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $150,000, to remain available through September 30, 2016, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2014) Note – A full-year 2014 appropriation for the account was enacted under the Consolidated Appropriations Act, 2014 (P.L. 113-76).

Explanation of Proposed Appropriation Language

Appropriation language	Explanation
For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $150,000, to remain available through September 30, 2016, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76. Note – A full-year 2014 appropriation for the account was enacted under the Consolidated Appropriations Act, 2014 (P.L. 113-76).	Section 417 of Public Law 98-76 (Railroad Retirement Solvency Act of 1983) amended the Railroad Retirement Act of 1974 to provide for monthly transfers from the Treasury of amounts for benefit checks drawn 6 months earlier and not presented for payment. Since fiscal year 1991, the RRB does not receive credits to this account for the principal amount of uncashed railroad retirement checks under provisions of the Competitive Equality Banking Act of 1987. Instead, such funds, which are appropriated to the Treasury, are transferred directly to the railroad retirement accounts and the Dual Benefits Payments Account. Interest on uncashed railroad retirement checks, however, must still be appropriated in advance to this account.

Authorizing Legislation

Legislation	2014 Authorized	2014 Current estimate	2015 Authorized	2015 Appropriation request
Railroad Retirement Solvency Act of 1983, Section 417	Indefinite	$150,000 a/	Indefinite	$150,000
Competitive Equality Banking Act of 1987, Section 1003				
Railroad Retirement Act of 1974, as amended, Section 15(i)(2)				

"The Secretary of the Treasury shall, on a monthly basis, credit each account established in the Treasury for the payment of benefits under this Act for the proportionate amount of benefit checks (including interest thereon) drawn on each such Account more than six months previously but not presented for payment and not previously credited to such Account, to the extent provided in advance in appropriation Acts."

Appropriations History Table

Fiscal year	Budget estimate to the Congress	House allowance	Senate allowance	Appropriation
2006	$150,000	$150,000	$150,000	$150,000
2007	150,000	150,000	150,000	150,000
2008	150,000	150,000	150,000	150,000
2009	150,000	150,000	150,000	150,000
2010	150,000	150,000	150,000	150,000
2011	150,000	150,000	150,000	150,000
2012	150,000	150,000	150,000	150,000
2013	150,000	150,000	150,000	150,000
2014	150,000	150,000	150,000	150,000 a/
2015	150,000			

a/ This amount reflects the level of funding provided by the consolidated Appropriations Act, 2014 (P.L. 113-76).

Note: Amounts appropriated are available for 2 years.

Federal Payments to the Railroad Retirement Accounts
(Appropriations for Uncashed Checks)

Amounts Available for Obligation

	Fiscal year 2013 actual	Fiscal year 2014 estimate	Fiscal year 2015 estimate
Appropriation	$150,000	$150,000	$150,000
Plus:			
Unobligated balance, start of year	150,000 a/	150,000 a/	150,000 a/
Subtotal:	$300,000	$300,000	$300,000
Less:			
Unobligated balance, end of year	$108,270	200,000	200,000
Total obligations	$ 41,730	$100,000	$100,000

a/ Of the total end of year unobligated balance, only the $150,000 appropriated in the previous fiscal year is brought forward into the subsequent fiscal year.

Explanation of 2015 Request

Prior to enactment of Section 417 of the Railroad Retirement Solvency Act of 1983, amounts for uncashed benefit checks were not credited to the Railroad Retirement Accounts. Section 417 provided a two-part process for recovering unnegotiated benefit check amounts. The first part, represented by the 1985 appropriation request, was a catch-up mechanism to credit the accounts with the amount of all uncashed checks issued prior to May 1985, that the Treasury and the RRB could jointly identify from accounting records. The amount agreed upon and appropriated in 1985 was $15 million and was to remain available through September 30, 1986.

The second part of the process went into effect for checks issued on and after May 1, 1985. From that date, on a monthly basis, the Treasury transferred to the account amounts represented by checks drawn 6 months earlier and not presented for payment. These amounts were provided for, in advance, in appropriation acts. For fiscal year 1991 and thereafter, the RRB is to seek appropriation authority only for the interest earned on unnegotiated checks. Under provisions of the Competitive Equality Banking Act of 1987, the principal amount of uncashed railroad retirement checks is to be appropriated to the Treasury, which in turn shall transfer such amounts directly to the appropriate RRB accounts.

The appropriation proposed for fiscal year 2015 provides that funds would be available for 2 years, through September 30, 2016.

Information Technology Strategy and Benefits
Fiscal Year 2015

The Railroad Retirement Board actively pursues automation and modernization of its various business processes and technical infrastructure in accordance with the principles identified in the agency's Strategic Plan, Strategic Information Resources Management Plan and Enterprise Architecture. Ongoing and planned projects will continue to increase and enhance the efficiency and effectiveness of the retirement/survivor and unemployment /sickness insurance benefit programs and program administration.

The key capital initiative for fiscal year 2015 is the conversion of the RRB's Program Accounts Receivable System.

Program Accounts Receivable System Conversion

In fiscal year 2013, the agency's legacy financial management system Federal Financial System (FFS), was converted to a shared service financial management system. The RRB's Program Accounts Receivable (PAR) system is the accounts receivable subsystem of the former FFS.

The implementation and migration to a new core financial system brings opportunity to modernize and automate other agency financial processes that can be added as modules to the base Financial Management Integrated System.

Quick Summary	
Cloud / Shared Services	☑
Mission delivery area	☑
Presidential Direction	☑
Innovation	☑
Return on Investment	☑
Cybersecurity	

Cost	
Conversion services	$2,500,000
Total	$2,500,000

In fiscal year 2015, the RRB plans to next convert the legacy PAR system to an "accounts receivable module" of the RRB's shared service financial management system.

The RRB's accounts receivable are recorded and managed in the PAR system, which generates a monthly summary trial balance that is manually recorded in the RRB's general ledger. Approximately 40,000 new debts are established and 80,000 cash receipts are recorded annually in the PAR system. Most PAR system transactions are received through interfaces with several other internal and external systems and are posted mechanically.

The new accounts receivable module will include such automated functionality as:

- A complete history and audit trail of all transactions;
- Capability to generate mandated and management reports of inventories, recoveries and program referrals needed to measure agency performance;
- Ability to perform online or batch processing of receivables and recoveries;

- Ability to track receivables through due process determinations and enforcement programs;
- Ability to issue bills, accrue charges, pend charges, record actions taken and contacts made, automatically profile debts for various actions, and other debt-related activities; and,
- On-line access to review individual debts and actions taken.

Benefits	Risks of delay
• Savings of approximately 6 FTE's – through attrition of IT support and debt recovery operations • Savings of approximately $56,000 spent on software maintenance contract to maintain the PAR system • Reduces operating costs (staff hours and supplies) resulting from new and improved technology/functionality • Reduces printing and paper storage costs as electronic data and reports increase • Improves data management, data quality, and internal controls will reduce the risk of fraud, improper payments, and errors; and, meet the requirements of the Improper Payments Act • Enables ability to meet FISMA requirements with better security to identify evolving threats, protect personally identifiable information, and reduce the risk of data loss • Improves internal controls and segregation of duties • Compliance with OMB directive to migrate to an SSP environment	• Inability to maintain in-house corporate knowledge of the system due to the retirement of current staff Slower employment verification • Loss of trust fund revenue • Inability to maintain the PAR system in the future as functional subject matter experts and information technology staff with PAR knowledge are eligible for retirement • Inability to implement future mandated OMB/Treasury initiatives

RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment

Series	Rank	FY 2013 actual	FY 2014 estimate	FY 2015 estimate
Executive	Level III	1	1	1
	Level IV	2	2	2
Senior Executive Service	ES-00	7	7	7
General Schedule/Management	GS/GM-15	29	31	31
	GS/GM-14	57	58	58
	GS/GM-13	101	100	101
	GS-12	217	206	211
	GS-11	139	138	139
	GS-10	112	116	112
	GS-9	59	52	54
	GS-8	38	35	35
	GS-7	51	63	55
	GS-6	10	8	8
	GS-5	24	25	28
	GS-4	18	18	18
	GS-3	0	0	0
	GS-2	0	0	0
Wage Board	All Levels	0	0	0
Combined	Total	**865**	**860**	**860**

Positions in the Office of Inspector General are excluded.

AVERAGE ES AND GS/GM SALARIES AND BENEFITS AND GS/GM GRADES

	FY 2013 actual	FY 2014 estimate	FY 2015 estimate
Average ES salary	$173,183	$172,159	$173,450
Average ES benefits	47,542	48,572	48,891
Subtotal, ES	220,725	220,731	222,341
Average GS/GM salary	$82,870	$84,556	$87,073
Average GS/GM benefits	22,749	23,856	24,544
Subtotal, GS/GM	105,619	108,412	111,617
Average GS/GM grade	12.4	12.4	12.5

Railroad Retirement Board
Employee Relocation Expenses

	Past year FY 2013	Current year FY 2014	Budget year FY 2015
Total	$98,167	$322,000	$322,000

APPROPRIATIONS ACT PROVISION

Legislative Proposal – Hiring Authority

LIMITATION ON ADMINISTRATION

Provided, That notwithstanding section 7(b)(9) of the Railroad Retirement Act [45 U.S.C. §231f(b)(9)], funds provided under this limitation, or funds made available in subsequent Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Acts, may be used to hire attorneys only through the excepted service: Provided further, That the previous proviso shall not change the status under Federal employment laws of any attorney hired by the Railroad Retirement Board prior to January 1, 2013.

Rationale

The suggested language is intended to clarify the authority of the Railroad Retirement Board (RRB) to hire attorneys through excepted civil service. Section 7(b) (9) of the Railroad Retirement Act [45 U.S.C. § 231f (b) (9) expressly provides that all RRB employees except for one assistant to each of the three Board members are required to be hired into the competitive civil service. The RRB has hired attorneys since the Board's creation in the mid 1930's. The RRB has worked together with the Office of Personnel Management (OPM) and its predecessor, the Civil Service Commission, to establish competitive qualification standards for attorney positions at the RRB. However, OPM notified the RRB in 2011 that RRB lacks authority to hire and retain attorneys as agency employees, because the OPM appropriations law prohibits OPM from using the OPM appropriation to establish standards for hiring attorneys. Congress clarified in The Consolidated Appropriations Act, 2014 (Public Law 113-76, 128 Stat. 5), that Congress does in fact authorize RRB to use appropriated funds to hire attorneys through the excepted service, but that attorneys hired by RRB under the competitive service prior to 2013 will remain under the competitive service. The suggested language would continue the proviso to appropriations for Fiscal Year 2015, and for subsequent Fiscal Years without further reenactment.