



Railroad Retirement Board

Strategic Plan

1997-2002

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September 1997

Part I. Introduction

The Railroad Retirement Board (RRB) is proud to present this strategic plan for the years 1997 through 2002, a period of significant challenges and opportunities for the agency. We have developed this plan to communicate our awareness and intentions for managing these challenges and exploiting these opportunities as we advance into the next millennium. The RRB has a long and distinguished tradition of excellence in serving our customers, and we fully expect that tradition to continue in the coming years. (See Figure 1 for the agency's mission statement. Figure 2 provides the strategic goals and objectives to fulfill that mission.)

In performing its mission, the Railroad Retirement Board interacts with a number of other Federal agencies, most especially the Social Security Administration, the Health Care Financing Administration, and the Department of the Treasury, specifically the Internal Revenue Service and the Financial Management Service. We have numerous initiatives and ongoing programs involving these and other agencies. We have described the most important of these in conjunction with achievement of specific strategic goals and objectives. We provided these agencies with copies of our strategic plan for their review and comment.

The strategic plan reflects input and feedback from our stakeholders, including various customers in the railroad community, nine Congressional committees, the Office of Management and Budget, and other Federal agencies with whom we interact. and they result in the annual submission of the agency budget to OMB and the Congress each September. (See Figure 2.) This strategic plan meets the requirements of the Government Performance and Results Act.

Figure 1

Railroad Retirement Board ***Mission Statement***

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

In carrying out its mission, the RRB will pay benefits to the right people, in the right amounts, in a timely manner, and 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.

Figure 2

Railroad Retirement Board
Strategic Goals and Objectives
1997-2002

Strategic Goal I: We Will Provide Excellent Customer Service.

Strategic Objective I-A: We will optimize accuracy in providing benefits.

Strategic Objective I-B: We will make payments timely.

Strategic Objective I-C: We will provide relevant, timely and accurate information which is easy to understand.

Strategic Objective I-D: We will provide a range of choices in service delivery methods.

Strategic Objective I-E: We will ensure an efficient and effective reporting system for railroad employers.

Strategic Goal II: We Will Safeguard Our Customers' Trust Funds Through Prudent Stewardship.

Strategic Objective II-A: We will ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs.

Strategic Objective II-B: We will ensure efficient operations through effective management control and quality assurance programs.

Strategic Objective II-C: We will ensure that trust fund assets are projected, collected, recorded, and invested appropriately through an effective and efficient trust fund management program.

Strategic Goal III: We Will Align Resources to Effectively and Efficiently Meet Our Mission.

Strategic Objective III-A: We will align our resources using a performance approach based on contribution to mission.

Strategic Objective III-B: We will strive to deliver service at the point-of-contact ("one and done").

Strategic Objective III-C: We will use outside sources and partnerships, when appropriate, to accomplish our mission.

Strategic Objective III-D: We will ensure that all employees can link their daily activities with the agency's mission in an environment that is discrimination-free and characterized by cooperation, empowerment, and mutual commitment to our stakeholders.

Strategic Objective III-E: We will ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery, and reliability.

Strategic Goal IV: We Will Expand Our Use of Technology and Automation to Achieve Our Mission.

Strategic Objective IV-A: We will ensure that the technology infrastructure supports achievement of the agency's Strategic Plan.

Strategic Objective IV-B: We will ensure effective and efficient management of Information Technology (IT) resources.

Strategic Objective IV-C: We will continue service by ensuring that our systems are Year 2000-compliant.

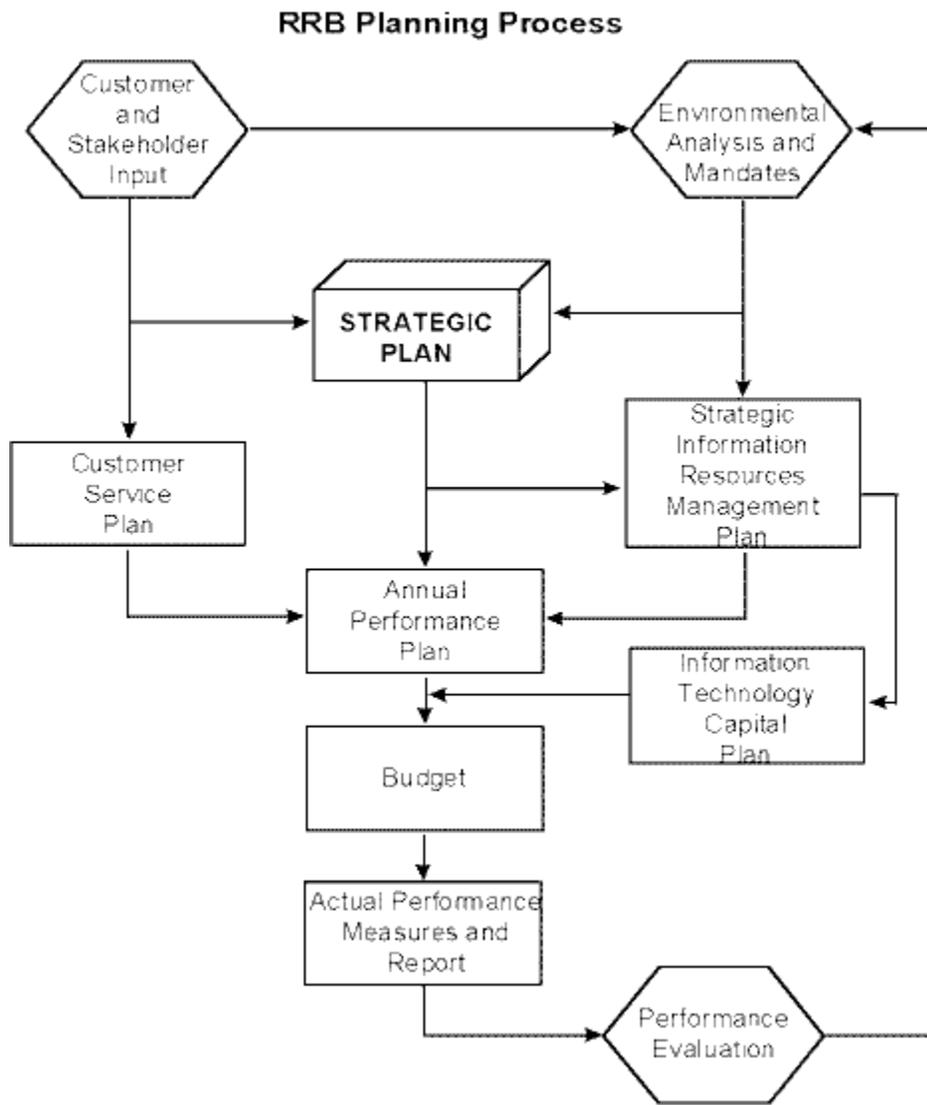
Part II. Planning Framework

This strategic plan is the cornerstone of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have defined the strategic issues facing the agency and established broad goals and objectives to be achieved during the planning period. As a result, this plan serves as the foundation and guide for the specific functional plans required to manage the agency. Figure 3 illustrates the interrelationship among these functional plans which include:

- The **Customer Service Plan**, which provides our pledge of service to our customers, and states specifically the level of service the customers can expect from us. It is published nationally and posted in each office of the RRB in order to communicate our standards of openness, accessibility and accountability to our public. Each year we provide a report card on how well we are meeting the standards we set for ourselves, and the level of service we provide our customers. The plan itself is reviewed annually, and updated periodically, as we gain more experience with it and as we compare our service with the best in business. This plan is included as Exhibit 1.
- The **Strategic Information Resources Management Plan** describes the agency's information resources mission and vision to support customer service through information technology. The purpose of this plan is to communicate clearly where the RRB is today, in terms of information resources management, where the RRB wants to go in the next several years, and how the RRB intends to move from the present to the future. It mirrors the direction of the agency's strategic plan. The plan serves as a tool to make informed management decisions and to assist in capital planning, investments, and budgeting.
- The **Information Technology Capital Plan**, which is part of the Strategic Information Resources Management Plan, specifically describes the capital resources needed to support the initiatives described in the Strategic Information Resources Management Plan. It provides a schedule of when those resources will be needed. This plan is updated annually, and is used to prepare the agency's budget submission.
- The **Annual Performance Plans** provides detailed performance goals and performance indicators to guide agency managers as they implement this strategic plan. It also details the human and capital resources required to achieve the performance targets. We update the Annual Performance Plan each year and include it as part of the agency's budget submission and justification. Each of the agency's strategic goals and objectives relates directly to a performance goal in the Annual Performance Plan. Exhibit 2 provides a matrix showing each of the agency's performance goals, the performance indicators associated with each of the goals, along with the measure that will be used to determine how well we performed.

After each fiscal year, we will provide a report card on how well we achieved the performance goals set out in the Annual Performance Plan.

Figure 3



Part III. Profile of the Railroad Retirement Board

A. Who Are We? What Are We? What Makes Us Unique?

The Railroad Retirement Board (RRB) is an independent agency in the executive branch of the Federal government administering comprehensive retirement, survivor, disability, and unemployment and 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 and survivor programs, the RRB also has administrative responsibilities under the Social Security Act for certain benefit payments and for railroad retirees' Medicare coverage. The RRB also has administrative responsibilities for Federal income tax withholding and reporting under the Internal Revenue Code.

During fiscal year 1996, retirement/survivor benefits of some \$8.1 billion were paid to over 800,000 beneficiaries, while gross unemployment/sickness insurance benefits totaling \$98 million were paid to over 35,000 claimants. Agency administrative expenses have historically averaged 1 percent of benefit payments.

Origins. -- The RRB was created by New Deal legislation enacted in the mid-1930's to consolidate and federalize the nation's private railroad pension plans, which were then far more developed than pension plans in other industries but had been adversely affected by the Great Depression. Rail unemployment insurance legislation followed at the end of the decade because of administrative problems that interstate rail employment caused the new State unemployment insurance plans.

Organization and Staff. -- The RRB is headed by three Board Members appointed by the President of the United States, with the advice and consent of the Senate. One member is appointed upon the recommendation of railroad employers, one is appointed upon the recommendation of railroad labor organizations and the third, who is the Chairman, is appointed to represent the public interest. The President also appoints an Inspector General of the Board. Reporting to the Board are its General Counsel, Director of Administration and Director of Programs. The RRB currently employs about 1,300 full-time equivalent employees who work in its Chicago headquarters and in over 50 field offices throughout the country.

Financing. -- Payroll taxes paid by railroad employers and employees are the primary source of funding for the railroad retirement/survivor benefit programs. Other sources of income include: the financial interchange with the social security trust funds; revenues from Federal income taxes on railroad retirement benefits; earnings on investments; and appropriations from general Treasury revenues provided after 1974 as part of a phase-out of certain vested dual benefits. At the end of fiscal year 1996, the net position of all of the Railroad Retirement trust funds was \$14.7 billion, with revenues for the year exceeding expenditures by approximately \$611 million.

The RRB's 20th triennial actuarial valuation, submitted to the Congress in June 1997, was generally favorable and reflected an improvement over the last triennial valuation. This was due primarily to legislation enacted in August 1994 to extend on a permanent basis the transfer of

certain income tax revenues to the Railroad Retirement Account. The 20th valuation concluded that, barring a sudden, unanticipated, large decrease in railroad employment, no cash-flow problems arise during the next 20 years. However, like other financial reports over the last decade, the valuation also indicated that the long-term stability of the system, under its current financing structure, is still dependent on future railroad employment levels.

The railroad unemployment/sickness insurance benefit program is financed by contributions made by taxes on railroad employers under an experience-rating system. Each employer's payroll contribution tax rate is determined annually by the RRB on the basis of benefit payments to the railroad's employees. The RRB's 1997 railroad unemployment insurance financial report was also favorable, indicating that even as maximum benefit rates increase 40 percent from \$42 to \$59 during the projection period of 1996 to 2007, experience-based contribution tax rates are expected to keep the unemployment insurance system solvent except even under the RRB's most pessimistic employment assumption, where projections show only a small, short-term cash flow problem, with quick repayment of the shortfall, and the average employer contribution rate remains well below the maximum throughout the 11-year projection period.

No financing changes were recommended by the RRB for the railroad retirement or unemployment insurance systems in the 1997 reports.

B. Current Environment

The RRB's current environment is characterized by a continuing commitment to serve the railroad public with a smaller, but more enabled, work force. Over the last several years, the agency concentrated much of its resources directly on reducing backlogs of retirement annuity adjustments and case reviews that had accumulated since the mid-1970's.

Under a Special Management Improvement Program cooperatively established between the RRB and the Office of Management and Budget, measurable goals were established for improvement in several major categories of work. The RRB closely monitored its progress toward achieving those goals and made adjustments in work processes and resource allocations to ensure success. Also, the RRB's Inspector General continuously monitored our progress and periodically reported on our results. His reports confirmed that all of Special Management Improvement Program goals were met or exceeded during within the designated 5-year period (1992-1996). For example, we collected about \$4.3 million through debt collection efforts and exceeded all goals for fraud control, identifying \$13.7 million in potential recoverables and referring 3,673 cases to the agency's Office of Inspector General. In fact, the agency won the Vice President's Hammer Award for its achievements in one of the backlog areas.

The RRB was an early participant in a performance measurement pilot project under the Government Performance and Results Act. We have met or exceeded the goals for our survivor claims processing system since the beginning of the pilot in fiscal year 1994.

Processing and Service Improvements. -- In addition to eliminating backlogs under the Special Management Improvement Program, during that period the RRB during the same period developed several new automated processing systems and databases. These enabled field offices

and claims examiners: to input certain applications and claims; to reduce the amount of manual effort required in the processing of claims; to improve the accuracy of the calculations performed; and to provide fast, reliable beneficiary data when and where needed to complete a transaction. Other customer service needs, ranging from providing retirement estimates to on-line tax withholding calculations, have also been met through automation. Armed with these tools, a smaller, but better equipped, work force of field service staff and claims examiners is now able to stay current with the demands of the ongoing workloads. We believe we will not see the return of significant backlogs in any claims areas in the foreseeable future.

As an outcome of our automation successes, our agency has been able to provide better information and move some decision-making to employees who work directly with the customers. Even before the Vice President Gore's National Performance Review, with its emphasis on decentralization and movement of that decision-making to front-line employees, the RRB had embarked on point-of-contact service in the field. In short, we began working early on the goals of a government that is smaller, works better and is customer-focused.

High Customer Satisfaction. -- This improved service and claims processing environment has been reflected in positive feedback from our customers -- the railroad retirement annuitants and unemployment and sickness insurance claimants -- in responses to random surveys taken in the past few years. Overall, survey respondents have indicated that they are satisfied with the service they receive from the RRB in areas such as accuracy, timeliness, and courtesy. However, survey responses have highlighted a need for improvements in the area of telephone service. As a result, the RRB has already improved accessibility and also developed an interactive voice response telephone system that can be accessed through a toll-free number. At present, this system is solely available only for information on unemployment and sickness insurance claims, but an expansion is planned to include retirement and survivor claims by the end of 1997 in the future.

Since fiscal year 1995, the RRB has had a Customer Service Plan (See Exhibit 1), that sets standards for our performance in key service areas. We track our performance and publicize the results annually. This is useful both to our customers when setting their expectations for service, and to RRB staff in determining areas requiring improvement.

Budget. -- Both the Administration and the Congress are committed to reducing the national budget deficit while providing a more responsive Federal government that works better and costs less. Like other Federal agencies, we are downsizing through a combination of fewer locations, buyout programs, reductions-in-force, and attrition. During the 5-year period from fiscal year 1993 through 1997, the RRB's full-time equivalent staff declined by 22 percent. We anticipate additional staff reductions in the future. Therefore, the RRB must operate with fewer resources while at the same time improving its operations.

Streamlined Field Service. -- Since January 1995, when the RRB's field offices numbered 86, we have closed almost 30 offices as part of an overall restructuring of the agency's field service. A couple Two more offices are scheduled for closing by the end of fiscal year 1997, and one more by October 31, 1997. While two of the RRB's five regional offices closed in January 1996, most of the field offices that closed, or are scheduled for closing, are part-time base points or branch

offices that have functioned as satellites of larger district offices.

The RRB provides call forwarding telephone service, free of charge, in those areas where an office has closed, so that their calls are directed to the office newly responsible for that area. We also offer itinerant service for those beneficiaries who wish to personally meet with an RRB representative and/or believe their business cannot be transacted by telephone or mail.

In determining the number and locations of offices in the RRB's restructured field service, our staff relied on data showing the distribution of railroad employees and beneficiaries among the counties of the United States. These data reflected the ongoing changes in demographics of the rail population. Between 1985 and 1995, the number of active rail employees declined by almost 30 percent, while the RRB's beneficiary population declined by over 15 percent.

In addition, we recognized that many customer contacts can be transacted more conveniently by telephone. The RRB's client satisfaction surveys have indicated that, except for consulting about initial retirement, most beneficiaries prefer using the telephone for their contacts with the RRB. We also continue to offer itinerant service in which our field representatives travel away from their offices to serve the railroad public at remote locations.

Considering our experience during the last 2 years, we are confident that the RRB can continue to provide quality service to its beneficiaries in affected areas through greater use of the telephone, mail and itinerant service, supplemented by new service delivery options coming on-line during the planning period.

Streamlined Management. -- Major organizational changes begun in late fiscal year 1995 enabled the agency to concentrate its administrative and program resources into more direct functional lines and to consolidate a number of organizations. This has enabled us to make good progress toward achieving several Administration goals:

- *Reduce the ratio of supervisory to non-supervisory positions by one half by September 1999.*

The number of supervisory positions has dropped from 260 in fiscal year 1994 to 137 as of September 1 1997. This is a 47 percent reduction in just over 3 years. (During the same period, non-supervisory positions declined from 1,451 to 1,143 -- a 21 percent reduction.) Thus, our manager-to-employee ratio has gone from 1:5.6 to 1:8.3 in 3 years.

- *Reduce the number of managers and executives (grades GS-14 and above), so that 10 percent of the reductions come from managerial ranks.*

Since September 30, 1992, we have reduced the number of supervisory and managerial (GS-14 and above) and executive positions in the agency from 122 to 102. This is a 16 percent reduction in managerial ranks.

Additional reductions in management levels are expected throughout the planning period.

We are also continuing to enhance the organization through employee-involved task forces that

are studying target problem areas and recommending improvements.

Systems and Technology. -- Since the 1960's, the RRB has invested heavily in the development of specialized application systems to support its programmatic mission and functions. These "legacy" systems have served well in terms of ensuring the timeliness and accuracy of our customer services. At this time, most of these systems operate on a mainframe platform, although we are gradually shifting some work to microcomputers, the Internet, and other emerging technologies. In the future, we will be pursuing further automation improvements to support more timely and flexible services to the public.

Our Challenge. -- How we can continue to deliver the level of service to which our customers have become accustomed, while continuing to reduce our administrative resources, is one of our major strategic challenges. Beyond that, our aim is to actually improve the level of service received by our customers by offering them more flexible service delivery alternatives, and faster, more direct access to the information they need. To do this, we are facing an immensely challenging future, filled with opportunities to seek out creative and innovative solutions.

C. Stakeholders

Our primary stakeholders are the employees and employers of the rail industry. They include train and engine service employees, maintenance of way employees, dispatchers, signalmen, computer specialists, sales personnel, lawyers and accountants. They include members of railway labor organizations as well as non-union employees, veteran employees and newly hired employees. They include the railroad employees who have retired on the basis of age, and their spouses and dependents, as well as younger beneficiaries who have retired on the basis of disability, and employees who are not working because of layoffs, injuries or illness.

Because we are a Federal agency, our stakeholders also include the White House, Members of Congress, and the Office of Management and Budget. Other Federal agencies also have a stake in our success, in particular the Social Security Administration with whom we closely coordinate many programs. Last, but not least, are the RRB's own employees and their representatives, whose talent and dedication are crucial to the success of this strategic plan.

Figure 4 provides a graphic illustration of our internal and external stakeholders.

Figure 4



D. Mandates

Our primary mandate is very straightforward. It is to administer retirement, survivor, disability, unemployment and sickness insurance programs for railroad workers and their families as mandated by the Railroad Retirement Act and Railroad Unemployment Insurance Act. We also make certain payments under provisions of the Social Security Act and assist in providing Medicare coverage for our retirees. In addition, we have administrative responsibilities under the Internal Revenue Code to withhold and report taxes in accordance with a variety of Internal Revenue Service requirements.

As an agency in the executive branch of the Federal government, we must comply with Federal requirements. They include those mandated by the budget and appropriations process and other laws and regulations governing fiscal activities, the collection of government debts, procurement, the stewardship of government property, civil service employment, equal employment opportunity, the collection of government debts, privacy, and security, procurement, and the stewardship of government property.

Also of importance are our customer and constituent expectations which can be described as informal mandates. Foremost among these is our customer expectation that our level of service will not diminish even though while our resources might. As a member of the Federal community, we also participate in various efforts such as the Combined Federal Campaigns, Savings Bond Campaigns, blood drives and other local community service volunteer programs, and various

cultural events which recognize the diversity of the Federal workforce.

E. Strengths and Weaknesses

Our major strength is that we have financially strong railroad retirement and unemployment and sickness insurance systems. This was made possible by a number of legislative packages agreed to by railroad labor and management in the 1980's. These systems are widely supported by our primary constituents, railroad employers and their employees. However, the financial stability of these systems under current law still depends on the future levels of railroad employment. Any sudden, unanticipated and significant drop in the level of employment could change this picture and require a greater financial commitment by railroad employers and employees.

Our second major strength is our history of providing a high level of service to our customers and constituents. Customer surveys have consistently shown high customer satisfaction with the accuracy and timeliness of benefit payments and delivery of information.

Our third major strength is our dedicated and talented workforce. Our employees have a strong sense of our mission and core values. Over the years, they have been remarkably flexible in reacting to legislative changes that have made RRB programs extremely complex to administer. However, since most of our budget reflects salaries and benefits, budget reductions often translate into staff reductions. This requires us to continually seek ways to manage our workloads with fewer employees.

Because of the complexity of the programs we administer, automation has been a significant challenge and has required a major commitment of resources. However, our automation efforts have allowed us to provide improved service while sustaining significant staff reductions.

Our size is both an advantage and disadvantage. Because we are a small agency, our employees have the advantage of being able to readily communicate with one another in every office and division. On the other hand, we are so small that it is continually challenging to retain staff expertise in specialized areas, such as technology.

We have also aggressively reviewed and challenged the management controls over our systems. Since the passage of the Federal Managers' Financial Integrity Act in 1982, the Railroad Retirement Board has identified 71 material weaknesses and has corrected 68 of the weaknesses. The RRB described three material weaknesses in its December 1996 Federal Managers' Financial Integrity Act report to the President and the Congress: tax deposit reconciliations, overall control environment, and inaccurate benefit payments. The same weaknesses were noted in our independent auditors' report on internal controls related to audits of the agency's financial statements.

- The first weakness involved tax deposit reconciliations. Adequate controls have not existed to ensure that the Department of the Treasury fully and accurately credits railroad retirement tax deposits to the railroad retirement trust funds. The RRB has not had access to sufficient information from the Internal Revenue Service and the Treasury to fully verify the accuracy of these tax deposits. In a cooperative effort, Treasury, the Internal Revenue

Service and the RRB developed a new system to collect and account for railroad retirement tax deposits. The new system now in operation uses a process whereby railroad employers electronically pay railroad retirement taxes and provide details on tax components and tax years. The accounting information can then be summarized and reconciled to employer tax returns and fund transfers from the Treasury. Calendar year 1998 will be the first full year for which detailed tax deposit information will be available. Accordingly, when reconciliations begin in 1999 (for 1998 taxes), the material weakness will be resolved.

- The second area of weakness is the overall control environment. The report of an independent audit of the fiscal 1993 financial statements stated that the RRB's internal control environment was focused on control objectives and techniques designed to meet the organizational responsibilities of each of the individual bureaus, rather than designed to meet the overall objectives of the RRB. In recent years, numerous actions have been taken to enhance the RRB's overall control environment. And now, with the release of this plan, we have focused the agency's efforts toward achieving four primary strategic goals. Accordingly, individual organizations must align their resources and activities to meet these overall goals. This should correct this material weakness and later this calendar year, we will assess whether it has.
- The final area involved accuracy of benefit payments. Tests conducted in conjunction with an independent audit of the fiscal year 1993 financial statements identified inaccurate retirement and survivor benefit payments. The majority of errors disclosed by the audit were in cases worked in previous years. However, the sampling methodology employed by the auditors (attribute sampling) was too limited to state with certainty that the level of accuracy of benefit payments materially affected the condition of the RRB's financial statements. A more comprehensive sampling methodology would be necessary to establish the actual effect. Existing quality assurance testing by the agency indicates that 99 percent of the dollars initially paid or adjusted during the current year were accurate. The auditors also noted the RRB's lack of formal policies defining when benefit determinations were considered administratively final. Therefore, adjustments to the consolidated financial statements related to inaccurate benefits payments, if any, could not be determined. On August 29, 1997, a final rule was published in the *Federal Register* which is effective September 29, 1997. The regulation will supersede all former directives dealing with reopening of final decisions under the Railroad Retirement Act. Training and monitoring mechanisms to ensure compliance with the regulation are being implemented. Future financial audits will determine whether these actions fully resolve the auditors' concerns.

Our auditors also reported that the results of RRB's annual financial interchange settlement with the Social Security Administration and the Health Care Financing Administration, historically received in April, can result in significant adjustments to the revenue receivable and payable amounts estimated and recorded in the RRB's year-end financial statements. The current timetable for performing this settlement process precludes the preparation of annual financial statements by February that include the actual results of the financial interchange settlement. We

have requested acceleration of the financial interchange data from the Social Security Administration to enable our release of financial statements by March of the subsequent year, but, to date, the Social Security Administration has not been able to accelerate the data.

F. Core Values

Our core values relate to three areas: how we treat our customers, how we treat our employees, and how we do business. These are summarized in the agency's policy statement on quality which is included with many agency publications. (See Figure 5).

How we treat our customers. -- We are customer-focused. In serving our customers, we strive to apply the law, regulations and agency procedures without favoritism or discrimination. We strive to treat all our customers with courtesy, respect and concern. We place the utmost importance on providing accurate payments and quality services on time to beneficiaries and claimants, and improving the wage and tax reporting process for employers, while respecting the privacy that all deserve.

How we treat our employees. -- We strive to treat our employees the same way we treat our customers: with respect and sensitivity for their needs and the needs of their families. We try to create an environment in which the employee feels that he or she is part of our success and where he or she has a voice in how work is accomplished. We encourage teamwork and cooperation between units, offices and bureaus.

How we do business. -- We make every effort to comply with the laws under which we operate, but also to apply them with compassion. We continually strive to improve the accuracy and timeliness of benefit payments and streamline the employers' reporting process. We strive to manage our operations as efficiently and economically as possible within a secure environment.

Figure 5

Railroad Retirement Board
Policy Statement on Quality

In carrying out our mission, the Railroad Retirement Board will pay benefits to the right people, in the right amounts, in a timely manner, treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately, and clearly. The Railroad Retirement Board will maintain a work environment characterized by teamwork, respect, and a commitment to doing the job right the first time.

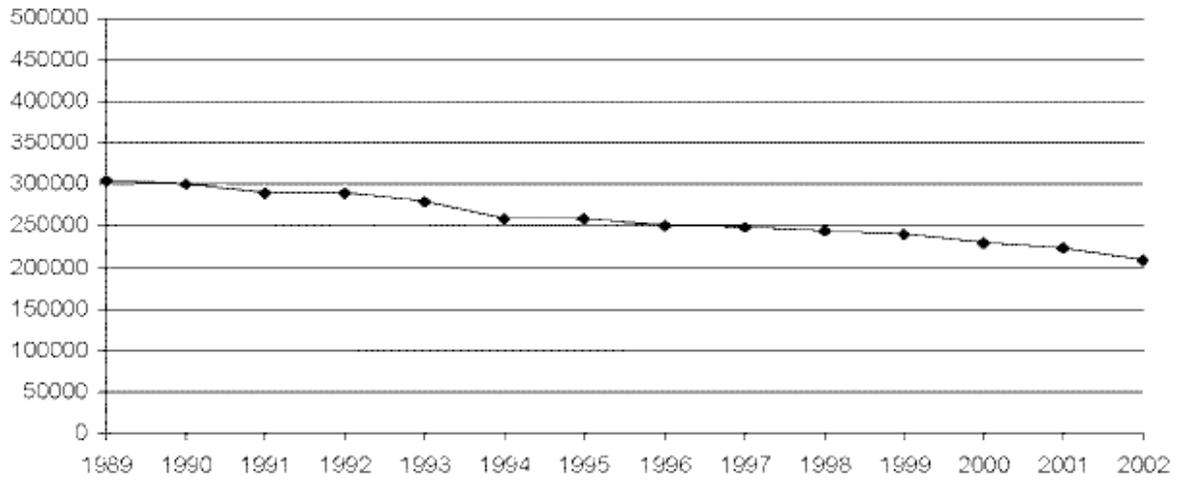
G. Planning Assumptions

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

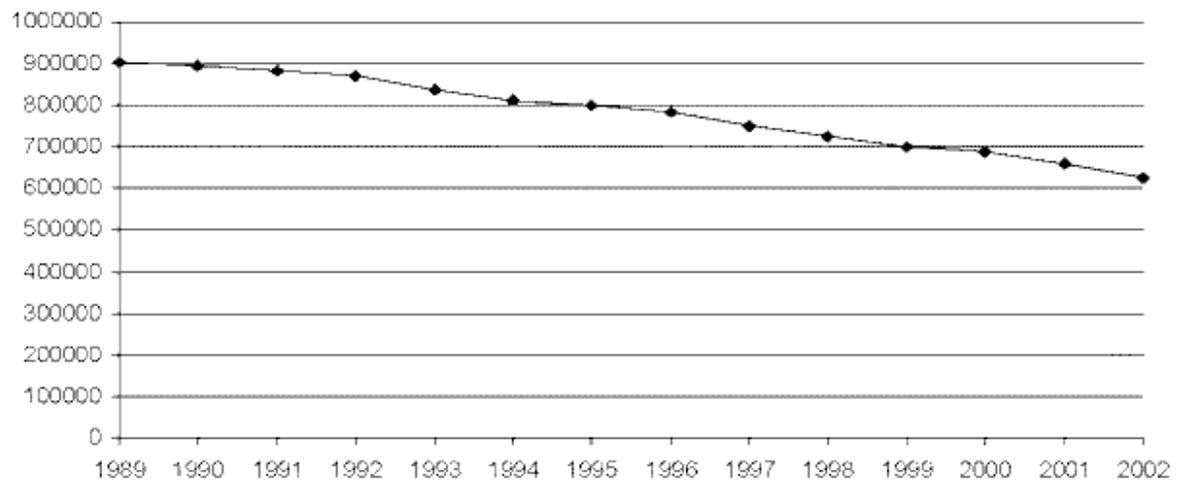
- The RRB will continue as an independent agency in the executive branch of the Federal government.
- The mission of the RRB will not change during this planning period.
- The benefit programs will not experience any funding crises during this period.
- Over the long term, claims processing workloads will decline as the railroad population declines. Figure 6 presents graphically the demographic forecasts for the next 5 years. (Note that included in the railroad population are almost 75,000 people who are vested in the railroad retirement program but are not currently employed by railroads and have not retired. They will require services from our agency in the future.)
- Maintenance workloads will decline, but reductions will be partly offset by increased initiatives in quality assurance and program integrity.
- The primary service delivery will be through a structure of field offices that will remain relatively stable.
- Legislative amendments will continue to be made, and may affect both processing and maintenance workloads.
- Resources will decline during the planning period.
- The public will expect continued excellent service.
- Technological improvements will be necessary for the RRB to meet customer expectations and to operate within its budget .

Figure 6

Average Railroad Employment
Calendar Years 1988 - 2002



Railroad Retirement Beneficiaries
Fiscal Years 1988 - 2002



Part IV. Vision for the Future

The RRB's vision is to be the best small agency in the Federal government. We will serve as a model for our ability to provide full "one and done" service at the point-of-contact when, where, and how our customers want it.

We will treat our customers with dignity, respect, and fairness, and treat our employees as we want our customers treated, allowing our employees to fully utilize their talents in achieving our common goals.

We will keep our systems flexible and our organizations responsive to change using permeable structures that allow easy alignment of resources with organizational goals.

We will leverage technology and other innovations to assist us in providing quality service and fulfilling our mission within available budgetary and staffing levels.

Part V. Strategic Issues

In addition to continuing to fulfill our mandates, there are several strategic issues we will face over the course of the next 5 years. These, along with our continuing service goals, will serve as the basis for formulating our annual goals and budgets.

The first of these strategic issues is how do we reasonably satisfy our customers' expectations for quality service in terms of service delivery options and levels and manner of performance? With the continuing emphasis on efficiency in government by reducing administrative expenses, continuing to meet the high levels of performance to which our customers are accustomed will be a challenge. Our continuing aim, however, is to *improve* the level of service we give our customers by offering them more flexible service delivery options, and faster, more direct access to the information they need.

Two additional strategic challenges we face are related to our fiscal and administrative responsibilities and are also affected by downsizing. These are the challenges of continuing our oversight responsibilities of:

- the railroad retirement trust funds and the unemployment and sickness insurance account, and
- our administrative funds which are allocated from the trust funds.

As stewards of our customers' trust funds, we need to safeguard their investments. We do this through a combination of effective control and prevention programs, as well as sound investment and financial management systems. We also need to wisely administer resources by properly aligning them with the needs of our customers, and ensuring that our employees have the tools and work environment that allow for flexibility and responsive organizational structures to meet our mission effectively and efficiently within a changing environment.

Another strategic issue we must address in the next 5 years is that of technology: How can we best use technology and automation to achieve our mission? In order to continue service, our systems must be ready before the turn of the century to accurately recognize and process dates in the year 2000 and beyond. We need to be sure that our technological infrastructure supports achieving the goals in this plan, and that we are effective and efficient in managing our information technology resources.

In order to address these strategic issues, the RRB has established strategic goals and objectives that we believe will enable us to meet the challenges in front of us, continue to meet our mission and satisfy our customers' expectations. The first two goals, customer service and stewardship, are "results-oriented," directly related to achievement of our mission. The second two, alignment of resources and technology are "means-oriented" goals, that is, achieving them will help enable the agency to meet the first two goals. Since alignment of resources and technology were identified as strategic issues, we believed that they warranted elevation to the level of strategic

goals, at least during the initial part of this planning period. When we reevaluate our strategic plan in a few years, we anticipate being able to fold these "means-oriented" goals into our overall long term goals.

Part VI. Strategic Goals and Objectives

Strategic Goal I: We Will Provide Excellent Customer Service.

We aim to satisfy our customers' expectations for quality service both in terms of service delivery options and levels and manner of performance. We have established five strategic objectives that focus on the specifics of achieving this goal.

Strategic Objective I-A: We will optimize accuracy in providing benefits.

The RRB is committed to ensuring that we pay the right benefits to the right people. We have a number of measures in place to track the accuracy of the actions we take in a year, both in the Railroad Retirement Act (RRA), and in the Railroad Unemployment Insurance Act (RUIA) programs. The principal indicators of performance 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 accuracy in the payments we initiate or adjust in a given year. To accomplish this, we will:

- *Monitor payment accuracy and identify problems.*

Our intention is to continue our practice of monitoring the accuracy of award actions, looking at performance trends, and identifying problem areas. From that effort, we will be able to identify opportunities for improvement. For example, we recently adopted Statistical Process Control for monitoring claims processes to produce reliable and consistent products and services, and to timely assess any variation from expected performance parameters. We drew upon the expertise of the School of Business at Loyola University (Chicago) for assistance in developing this technique and for training our employees.

To the degree we can, we will develop and implement short-range improvement plans, and make recommendations for automation initiatives to be considered for inclusion in our Strategic Information Resources Management (IRM) Plan, which is updated annually.

- *Provide feedback and take additional preventive actions as appropriate.*

On an ongoing basis, we will also strive to provide constructive feedback to organizations for their use in enhancing and rewarding individual or group performance. We will also provide refresher training, as appropriate, to prevent recurrence of human errors.

Strategic Objective I-B: We will make payments timely.

Timeliness of our payments is an essential ingredient in providing quality service. Those who are sick, disabled, or unemployed did not plan for a decrease in their income, and they need their benefit payments right away. Those who retire voluntarily also need the income quickly, and they need the assurance of knowing their final payment annuity rates so that they can adequately plan for the future. In any case, the agency needs to provide benefits at the point our customers expect

them. We measure the success of our efforts in this area by looking at our performance vis-à-vis our Customer Service Plan (CSP) and at average processing times.

One performance goal is to achieve the levels of service outlined in the Customer Service Plan. For example, our Customer Service Plan has a goal to provide a disability payment or notice of denial within 120 days of the date we receive the disability application. Our goal by the end of the planning period is to provide this level of service to more than 90 percent of our customers. Our performance in this area in fiscal year 1996 indicates that we provided it to only 46.6 percent of the applicants.

Another goal is to maintain acceptable workload balances and prevent backlogs from developing in key workload areas.

To accomplish this, we plan to:

- *Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.*

Currently, the RRB's Customer Service Plan has a number of timeliness goals for the sickness and unemployment and sickness insurance programs, as well as the initial retirement, survivor and disability payments. Progress against our goals is tracked quarterly and is reported to our customers annually. Over the course of the planning period, we will be reviewing the standards in the plan to ensure that they cover all major aspects of our mission. We will look at the plan to determine if it needs to be revised as a result of customer feedback, or other factors.

For example, we are adjusting the standards to reflect when the customer can expect to receive the product or service "in hand," rather than when RRB processing is completed. In order to state them from the customer's perspective, the new standards will build in published standards of the Department of the Treasury and the Postal Service.

- *Identify performance gaps and implement changes in the processes where needed.*

While we will always strive to meet the standards we set, we may not always be able to do that. We will review our performance data at least annually to identify areas that fall short of our goals. Through streamlining and reengineering studies, we will look for ways to make short-term improvements, and we will develop recommendations for projects to include in the Strategic Information Resources Management Plan. Finally, we will track our improvements to determine their effectiveness.

- *Monitor key payment workloads.*

We will continue to monitor our performance on key workloads, including those that were tracked under the Special Management Improvement Program, mentioned earlier. We will ensure that we maintain the on-hand balances at the end of the fiscal year at or below the "normal working balance" - that is, the number that can reasonably be worked off by existing staff within the timeliness standard set for that work.

- *Evaluate our regulations, policies and procedures to determine if there are opportunities*

to reduce lead times and streamline processes.

To the extent that delays are caused by regulatory, policy or procedural requirements, we will review and evaluate them to determine if the conditions which generated them are still valid or if there are alternate ways to address them. If so, we will propose changes for consideration at the appropriate level.

Strategic Objective I-C: We will provide relevant, timely, and accurate information which is easy to understand.

In addition to making payments, we provide a variety of information to our customers. This ranges from publications, and annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, and annual income tax statements to answers to an individual's questions regarding his or her benefits. It is important that we provide this information in ways that are accessible and responsive to the individual's needs. The level of our performance in this area is measured by how well we succeed in achieving the levels of service designated in our Customer Service Plan, and by maintaining acceptable workload balances.

To accomplish this, we will:

- *Seek feedback from our customers to determine their expectations and whether those expectations are being met.*

The best way to know if we are meeting a customer's need is to ask the customer. Over the course of the planning period, we will review the feedback we have already received and regularly receive from questionnaires, focus groups, individual complaints and suggestions. If there is not enough information from those sources, we will design additional methods to obtain feedback and suggestions for improvements. As appropriate, we will consider adding focus groups to regularly scheduled meetings, such as employer seminars, informational conferences, and local retiree meetings. We may also develop and release a survey to randomly selected groups that have recently received correspondence, or other written material from the agency. Using feedback from these sources, we will analyze the information. We will also develop recommendations about how to best gather this kind of feedback in the future.

- *Adjust our Customer Service Plan or our processes, based on customer feedback.*

Using the feedback generated from our customer contacts, we will develop and implement a plan to improve our notices and publications. We will consider areas, such as:

- making improvements to interim notices;
- creating a means to provide benefit information in conjunction with cost-of-living adjustments; and
- improving the clarity and tone of our award and adjustment letters.

As an example, we are working with the Department of the Treasury regarding new capabilities it has acquired for printing tailored cost-of-living notices to replace generic

"check stuffers" to advise our retiree population of the specifics of their individual benefit, Medicare premium, and tax withholding changes. This should also eliminate individual requests for confirmation letters that some customers require as proof of income.

We will also review the Customer Service Plan based on our feedback and make recommendations for revisions as appropriate to respond to our customers' requirements.

- *Monitor currency of key informational workloads.*

We will continue to monitor our performance on key workloads, including those that were tracked under the Special Management Improvement Program, mentioned earlier. We will ensure that we achieve workload levels of the on-hand balances at the end of the fiscal year that are at or below the "normal working balance" - that is the number that can reasonably be worked off by existing staff within the timeliness standard set for that work.

Strategic Objective I-D: We will provide a range of choices in service delivery methods.

In these days of rising expectations, in order to fulfill customers' needs, we not only need to provide high quality, accurate products on a timely basis, but we need to provide them in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. As we say in our vision statement, we strive to deliver service when, where, and how our customers want it.

Some of our customers expressed concern with office closings and staff reductions. It is clear that our customers want us to continue to provide personal service. We need to balance this desire with the resources that are available to us, taking advantage of technological developments that will enable us to both please our customers and live within our budget.

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 choices we can provide in each program at reasonable cost. Customer feedback on this will be obtained at least every other year through surveys or other feedback mechanisms.

To achieve this objective, over the course of the next 5 years, we plan to:

- *Seek customers' service delivery preferences.*

As in the previous objective, we will both review the material we already have gathered, and develop additional methods for obtaining feedback about how our customers want their service delivered -- in person (both at field offices and through itinerant service), via telephone, via mail, or through advanced technology, such as electronic mail, the Internet, fax, and interactive voice response systems. As we expand our uses of newer technologies, we will keep in mind the reservations expressed by some retirees about their difficulties in using these kinds of systems. We will also keep in mind the need to ensure privacy of personal information, within a secure environment.

- *Identify "best-in-class" service options.*

In addition to asking our customers what they want, we will strive to determine the best

practices available by surveying the market place in both the private and public sectors. We will also look at those organizations awarded special recognition for their excellent service delivery.

- *Offer service options considering customer preferences and available resources.*

Once we analyze the customer feedback to determine their preferences and priorities, we will review the best service options available and look at the various costs, technology, privacy, security and implementation issues. From that information, we will develop recommendations for approval and funding, and proceed with implementation accordingly.

Strategic Objective I-E: We will ensure an efficient and effective reporting system for railroad employers.

To correctly pay benefits, the RRB must receive timely and accurate reports of wages and service months of railroad employees. It is the responsibility of the employer to provide these reports with respect to its employees. To ensure the receipt of accurate and timely reports, the RRB must strive for a system of reporting which is easily understood and which places minimal burden on employers. To accomplish this, the RRB intends to:

- *expand the use of electronic data interchange whereby the employer can report over secure telecommunications lines and receive immediate feedback on receipt and acceptability of their reports electronically;*
- *reduce or consolidate the number of reporting forms and items, if possible; and*
- *in partnership with the Department of the Treasury, under its project to simplify tax accounting and wage reporting, explore the possibility of simplifying the tax and reporting system for railroad employers whereby employers will file a single report for income tax, employment tax and Railroad Retirement Act purposes.*

Strategic Goal II: We will Safeguard Our Customers' Trust Funds Through Prudent Stewardship.

The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. We have established three objectives that direct our focus on this goal.

Strategic Objective II-A: We will ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs.

As part of our fiduciary responsibilities to the rail community, we must ensure that the correct amount of benefits is being paid to the right people. This is accomplished through matching our benefit payments against Social Security's earnings and benefits database, Health Care Financing Administration's utilization and death records, the Office of Personnel Management's benefit records, and State wage reports, usually via computer tapes, and administering other benefit monitoring programs to identify and prevent erroneous payments. We measure the effectiveness

of these matching programs each year by comparing the dollars collected or saved through these initiatives to their cost. For example, in fiscal year 1996, the RRB invested 51 full-time equivalent employees at a cost of \$2,611,000 in program integrity efforts. This resulted in \$9,039,000 in recoveries, \$454,000 in benefits denied and the referral of 596 cases to the Office of Inspector General for investigation. This is approximately \$3.60 in savings for each dollar invested in these activities.

To accomplish this objective we will:

- *Maintain established matching programs.*

Our plan is to continue our wage matches with all 50 States, the District of Columbia, and Puerto Rico to ensure that employees are not working while drawing unemployment or sickness insurance benefits. In addition, we will continue to coordinate our benefit payments with Social Security's Master Benefit Record to ensure the proper payment of benefits under both programs. We will continue to monitor our benefit payments against social security wage reports to ensure that our benefit payments are correctly adjusted for post-retirement earnings. We will also continue to compare our beneficiary records with the Health Care Financing Administration's files to prevent incorrect payment of benefits after an annuitant's death.

- *Explore opportunities for additional matching programs where cost-effective.*

We will explore opportunities to expand matching programs with States and other organizations to ensure that we are paying the correct amount of benefits where this proves cost-effective.

- *Continue our program integrity reviews.*

We will continue to seek information from annuitants through questionnaires and to conduct reviews to ensure correct payment of benefits.

Strategic Objective II-B: We will ensure efficient operations through effective management control and quality assurance programs.

Efficient management requires the ability to detect and correct material weaknesses in operations. It also requires implementation of cost-effective audit and quality assurance recommendations. One measure of our success in this objective is the number of material weaknesses reported to the President in our annual Federal Managers Financial Integrity Act Agency Report. As indicated in the discussion of *Strengths and Weaknesses*, since this legislation passed in fiscal year 1982, the agency has identified 71 material weaknesses. At the end of fiscal year 1996, all but 3 had been resolved. Actions to correct those three should be completed within this planning period.

In addition, we can monitor our performance through a combination of audits and internal reviews.

To accomplish this objective we will:

- *Continue our overall commitment to our management control program.*

The RRB's management control program has proven effective in providing reasonable assurances of the effectiveness and efficiency of our programs and operations. We will continue this program and strive to correct material weaknesses when found.

- *Maintain an active quality assurance program.*

The RRB performs a variety of quality assurance activities to ensure that benefit programs comply with established policies, standards, and procedures and to recommend corrective action when quality falls below the acceptable level. We will continue and expand these activities to monitor our performance and to implement quality assurance recommendations as appropriate. For example, we recently adopted a plan to expand quality assurance activities into new areas of our operations.

Strategic Objective II-C: We will ensure that trust fund assets are projected, collected, recorded, and invested appropriately through an effective and efficient trust fund management program.

The RRB is committed to prudent management of its trust funds. Our success in this objective is reflected through our actuarial valuations, our financial projections, the annual financial statements, the annual financial statements audit, and reconciliations completed. We are also considering using the services of an independent investment advisor to help measure our investment performance.

To accomplish this commitment, we will:

- *Continue to carry out the RRB's investment policy.*

The RRB's investment policy has proven to provide a reasonable return on investment consistent with acceptable risk to the RRB trust funds. We will review it periodically and make changes when appropriate.

- *Continue to carry out the RRB's debt collection policy.*

The RRB has established a debt collection policy to implement the Debt Collection Act of 1982, as amended by the Debt Collection Improvement Act of 1996. This policy calls for aggressive collection of debts owed the trust funds where such debts are not subject to waiver under the Railroad Retirement Act or Railroad Unemployment Insurance Act. We will periodically review this policy and make changes when appropriate. During fiscal year 1996, we reduced the receivable balance from \$81.6 million to \$71.5 million – a reduction of \$10.1 million. This exceeded debt collection goals as agreed upon with the Office of Management and Budget.

- *Continue to perform the RRB's actuarial valuations and financial projections.*

The RRB will continue to monitor the solvency of its trust funds through a sound program of actuarial valuations and financial projections using different assumptions.

- *Continue to estimate the RRB's funding requirements for the Railroad Retirement Supplemental Account and the Vested Dual Benefits Account, and the Supplemental Annuity Account.*

The RRB will continue to set the supplemental tax rate at a level which ensures sufficient income to fund supplemental annuity payments and to meet scheduled loan repayments to the Railroad Retirement Account. In addition, the RRB will ensure that the amount requested to be appropriated by the Congress each year to fund vested dual benefits is sufficient to pay vested dual benefit obligations for that year.

- *Continue to perform compensation reconciliations.*

Based on our agreement with the Internal Revenue Service, we will continue to reconcile compensation reported by railroad employers for benefit calculation purposes with the compensation reported to the Internal Revenue Service for taxation purposes. We will maintain ongoing procedures and track our performance and timeliness of our reviews to ensure that we can take effective action to resolve any problems before the statute of limitations expires on the reports in question.

- *Reconcile railroad retirement tax deposits reported by employers with taxes credited to the RRB trust funds.*

Beginning in 1999, we will reconcile railroad retirement tax deposits reported by employers through the new RRBLINK/Electronic Fund Tax Payment System with funds deposited in the RRB trust funds by the Department of the Treasury. (In 1999, for the first time, we will have tax deposit information available from the new system for a full tax year - 1998- covering 99 percent of railroad retirement taxes. Completion of this initiative will enable the Railroad Retirement Board to close out the declared material weakness in this area. See *Strengths and Weaknesses* for more information.)

Strategic Goal III: We Will Align Resources to Effectively and Efficiently Meet Our Mission.

In an environment of limited resources our goal is to align these resources with the needs of our customers to be sure that we can deliver service when, where, and how our customers need it. We need to ensure that our employees have the tools, training and skills they need to perform a range of duties, and the flexibility to respond effectively to change, as needed. Employees need to know where we are going, what their roles are, and how their work relates to the agency's mission. They need to work independently and in groups, without close supervision.

There are five strategic objectives that will enable us to meet this challenging goal.

Strategic Objective III-A: We will align our resources using a performance approach based on contribution to mission.

As the RRB decreases its staffing level, we need a performance approach to staffing and allocating resources allocations based upon contribution to mission. This will enable us to properly align our resources and ensure that the activities with the highest priority get the needed resources. Under such an approach, our staffing will be aligned in a manner which best contributes to our mission. Our success will be measured by how well we meet customer service

and accuracy standards (under Strategic Goal I), by the unit costs of production for key workloads, and by comparing our administrative costs to benefit outlays. To accomplish this, we will:

- *Implement a performance-based approach to resource allocation and management utilizing tools such as Activity-Based Cost/ Management, Return on Investment, or Cost-Benefit Analysis.*

We will implement a performance-based approach utilizing tools such as *Activity-Based Cost/Management, Return on Investment, or Cost-Benefit Analysis*. Activity-based management is a comprehensive approach to resource allocation that is based on what an organization does. It can provide management with better information of where costs are consumed and where potential improvement opportunities exist. Activity-based costing, a set of management information and accounting methods used to identify, describe, assign costs to, and report on the operations in an organization, is a key component of Activity-Based Cost/Management. The agency will support the appropriate methodology through the budget process and all organizations will align their resources accordingly.

- *Evaluate and prioritize projects based on contribution to mission and return on investment.*

We have already developed a methodology to measure the cost effectiveness of automation projects. In areas other than automation, we will develop a consistent and effective way to "value" proposed projects and initiatives so that we can determine what priority they are to be given.

- *Monitor and evaluate the ratio of our administrative costs to benefit outlays.*

Our benefit outlays can change for a variety of reasons such as changes in benefit rates, in beneficiary populations and eligibility requirements. Similarly, our administrative outlays can be impacted as a result of changes in Federal requirements or due to internal agency policies and processing efficiencies. We will continue to monitor our ratio, and to the extent that there are changes within our control, analyze and evaluate if improvements can be made.

Strategic Objective III-B: We will strive to deliver service at the point-of-contact ("one and done").

We strive to deliver service at the point-of-contact. Our objective is "one and done"-- meaning that our customers can complete their business with us in a single contact. Our success in this goal will be measured by a noticeable reduction in "hand-offs" (passing work from one employee to another) and layers of review involved in processing service transactions, and by an analysis of our reversal rates - (the incidences in which our initial determination on a case is changed). Most importantly, we will gauge our success by the feedback from our customers. In order to achieve this goal, we will:

- *Make information available for point-of-contact service.*

To the degree possible, we plan to deliver service at point-of-contact, so that a customer need only conduct one transaction with us to complete his or her business. This will initially require us to review our present delivery service process and inventory what transactions are presently completed at point-of-contact without further handoff. We will then inventory what additional services would be desirable to be accomplished in this manner and determine what system changes would be necessary to provide them. Our use of technology, however, will be compatible with our stakeholders' concerns that privacy and security be maintained.

- *Design systems to facilitate customer focus and ease of use.*

In conjunction with the Strategic Information Resources Management Plan, we will focus on designing the system changes identified above in ways that are easy for customers and employees to use.

- *Monitor and evaluate the incidences where initial payment or denial decisions are reversed.*

For those situations in which our initial decision to pay a certain amount or deny someone is reversed, we will evaluate the reason for the reversal, and determine if there are improvements that could be incorporated into the initial process. We will also look at the cost of the review and appeal process for opportunities to streamline and reduce costs while maintaining integrity and quality. Finally, we will benchmark with other agencies and organizations with similar processes both for comparison, and to determine if there are improvements that can be made.

Strategic Objective III-C: We will use outside sources and partnerships , when appropriate, to accomplish our mission.

Another objective with respect to this strategic goal is to use outside sources and partnerships with other agencies and organizations, when appropriate, i.e. when significant savings can be expected and quality of services will not suffer. As a small agency it is not always economically feasible to retain staff expertise in specialized areas or to perform all activities in-house. We will measure how well we use outside resources and partnerships through the actual number of each that we utilize, the cost and/or time savings we realize, improved effectiveness, and increased satisfaction with our program. Our approach to doing this will be as follows.

- *We will perform best value comparisons on appropriate in-house activities.*

We will survey all in-house commercial-type activities and perform formal cost comparisons on those which can be done by an outside source. In addition, we will periodically compare the cost of selected commercial in-house activities with the cost of having these activities performed by an outside source.

- *We will review the Strategic Information Resources Management Plan to identify potential opportunities for competitive outsourcing.*

To ensure that we are optimizing our use of technology, we must periodically review the Strategic Information Resources Management IRM Plan in order to identify opportunities

and specify projects or functions that should be opened to external competition.

- *We will keep abreast of current trends and opportunities.*

Education is crucial to a well-trained work force. We must provide an environment that will allow our employees to keep abreast of current changes in technology and ways of doing business. To achieve this we will establish a clearinghouse for demonstration projects on new technology and create a resource center that provides access to publications, services and training. Each organization in turn will be responsible for making use of current technology in its operations and for improving how it does business.

- *We will work with other agencies and organizations to meet mutual goals.*

We already have a number of agreements and working relationships with other Federal and State agencies as well as organizations such as universities. These range from matching agreements and system-to-system access between agencies, to sharing training and office facilities and contracting for services. We will strive to continue agreements we already have and expand them in mutually beneficial ways in order to meet our mission as efficiently and effectively as possible, and best serve our customers' needs.

For example, the direct systems-to-systems data exchange with the Social Security Administration, scheduled to go into production in November 1997, will allow for a more efficient, timely, and secure transfer of data between the two agencies.

Strategic Objective III-D: We will ensure that all employees can link their daily activities with the agency's mission in an environment that is discrimination-free and characterized by cooperation, empowerment, and mutual commitment to our stakeholders.

Our objective is to ensure that all employees and organizational units can link their daily activities with the agency's mission and operate in an environment that allows them to work effectively and efficiently. With an increase in workforce diversity, fewer supervisors and layers of management, and an increasing need for specialized skills and talents, the challenges our employees face each day are significant. In order to face these challenges, our employees need the necessary training and development to be able to work together in a supportive, discrimination-free environment that allows them to do what is needed to meet our goals. The RRB also recognizes the needs our employees have for flexibility in their workplace and in their schedules. Programs such as family-friendly leave, compressed work schedules, and other accommodations allow employees to balance their family and work needs.

In order to evaluate our progress in this area, we will work with the employees' representatives to develop meaningful feedback mechanisms and measures that will enable us to determine the level of awareness of individual identification with the agency's mission. We will review at individual employee performance appraisal plans to ensure this linkage and hold managers accountable for achieving specific results. Another source to review might also include monitoring and analyzing sustained discrimination complaints to determine trends.

We will seek additional measures that will provide valid feedback and enable us to assess our

performance in this area. In addition, we will evaluate our performance on the levels of service specified in the Customer Service Plan, and monitor our quality measures.

In order to accomplish this objective, we will:

- *Communicate the mission and Strategic Plan to all employees.*

All employees will be familiar with the goals and objectives in the Strategic Plan, thereby creating a high level of awareness in all employees of the connection between their jobs and the agency's mission. This could be accomplished during review of their performance objectives and plans for the year, as well as through an ongoing communications program which includes publications, training sessions, and frequent updates on status of progress on our objectives through internal releases. In this way, employees will be able to see how their daily activities tie in with our strategic goals and, if necessary, better align their activities with those goals.

- *Have each organizational unit identify and communicate its specific contributions to the agency's overall mission.*

We will celebrate our successes. We will publicize the contributions that our employees have made toward achieving our strategic goals and accomplishing results.

- *Link managers' and supervisors' individual performance appraisal plans with achievement of agency goals and objectives.*

Managers and supervisors will be held accountable for achievement of our goals. The process of directly linking our top managers' performance appraisal plans to this plan's strategic goals and objectives has already begun for fiscal year 1998. During the planning period, this will be expanded to include all agency employees.

Strategic Objective III-E: We will ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery and reliability.

This objective, is based upon Federal Acquisition Regulations(FAR) which apply to all Federal agencies,. It is to would create a first-class acquisition system. The measures of our performance in achieving this objective are detailed in the agency plan developed under these regulations. Briefly, they are: contract award dates shall, at a minimum, meet agency-mandated delivery schedules; solicitations shall include past performance of the contractor as an evaluation factor; contractor performance evaluations shall be conducted in accordance with the applicable Federal Acquisition Regulations; the dollars obligated using simplified acquisition procedures shall exceed the Federal government percentage of dollars competitively awarded; and, each purchase order and each contract file shall exhibit a positive vendor responsibility determination.

To achieve this objective, the RRB will do the following:

- *The RRB will pay the lowest price for products/services commensurate with quality,*

service, delivery, and reliability.

We will promote full and open competition to the maximum extent practical when procuring products and services for the agency, and award purchase orders and contracts only to responsible contractors.

- *RRB procurement staff will closely manage solicitations and the resulting contracts.*

We will award contracts on time to ensure that the required product or service is delivered in time to meet agency requirements and ensure the delivery of quality products and services.

We will use the simplified acquisition process where appropriate. We will closely monitor products and service delivery schedules and take all necessary remedies to obtain products and services that satisfy agency requirements.

Strategic Goal IV: We Will Expand Our Use of Technology and Automation to Achieve Our Mission.

We have established three strategic objectives that focus on information technology and automation as a key strategy for helping us to achieve our mission.

Strategic Objective IV-A: We will ensure that the technology infrastructure supports achievement of the agency's Strategic Plan.

The RRB's technology infrastructure is adequate to support current ongoing operations. However, as we forge ahead into new realms of technology, we will need to evaluate the long-term viability of the infrastructure, and make investments to maintain and upgrade it to ensure support for the agency's mission well into the future. Performance measures for this goal focus on the development of a Strategic Information Resources Management Plan, which demonstrates the linkage between the infrastructure and the agency's Strategic Plan, and on the appropriate use of budgetary resources to support the Strategic Information Resources Management (IRM) Plan. See Figure 3, RRB Planning Framework, for an overview of the linkages within this planning process.

To accomplish this objective, we will:

- *Provide for all infrastructure requirements in the Information Technology Capital Plan*

This reflects the growing importance of capital planning for information technology investments in the Federal government today. Technology plays a strategic role in helping to bridge the gap between available resources and demands for more, and improved, services. To fully take advantage of this potential, we have to focus on our long-term strategic objectives, ensure that we have a plan for our technology infrastructure to

support them, and a plan to invest in capital that will enable us to get the greatest payback for our resources. The agency will update its Information Technology (IT) Capital Plan to ensure that it is consistent with, and fully supports, the strategic goals and objectives expressed in this Strategic Plan. It will further ensure that the Information Technology IT Capital Plan is incorporated into our Strategic Information Resources Management IRM Plan, and is reflected in our annual budget submission to the Office of Management and Budget and the Congress.

- *Take advantage of existing and emerging technologies.*

With the extraordinarily fast pace of technological change, it is essential for us to keep ourselves informed and to harness new technology where it can best suit the needs of our customers and ourselves. At the same time, we must ensure that we are optimizing our use of existing technology. In many areas, we believe we can do more with the tools and technology we currently own. This will involve keeping a detailed inventory of those tools, and conducting periodic skills assessments and providing training to ensure that staff is ready and able to take advantage of the tools. In the area of emerging technology, we will expand our awareness of external trends and developments in the industry, and gain knowledge and experience as opportunities arise. We will also seek out innovative ways to make information on emerging technical trends widely available to RRB staff, such as through electronic bulletin boards, user support groups, or an agency intranet.

Strategic Objective IV-B: We will ensure effective and efficient management of information technology IT resources.

This broad objective relates to all types of information technology IT resources, from personnel to hardware and software. It will be crucial to manage all of these resources carefully, in order to ensure that they are used for the highest business priorities of the agency, and are not wasted through inefficient or ineffective processes. To measure our performance in this area, we will rely on the information in the Strategic Information Resources Management Plan, the establishment of baseline schedules and goals for major projects and initiatives, and the operation use of user service agreements for computer operations.

We plan to take the following actions to achieve this objective:

- *Ensure focus, direction, and consistency on all of our automation activities.*

The management of information technology resources is an increasingly complex challenge in today's environment. It requires continual planning, evaluation and oversight to ensure that all aspects of the automation program are being pursued in a consistent direction. Even while we are dependent on our "legacy" systems for our ongoing operations and services, and are ensuring that they will serve us into the next century, we are also pursuing the development of new systems and automation enhancements to ensure that improvements can be achieved. We are committed to developing a sound, comprehensive Strategic Information Resources Management Plan that clearly lays out the direction for

automation initiatives during this planning period. This plan will clearly support the strategic goals and objectives contained in the agency's Strategic Plan, and will be reviewed and updated on an annual basis. We will also ensure that it is made widely available throughout the agency.

Another aspect of this objective is to manage the delivery of computer operations support services in a responsive and responsible manner to our customers, both internal and external. We will work to establish, or update, specific user service arrangements between our information services staff and their customers to reflect realistic expectations and commitments to meet them.

- *Perform benefit-cost analyses for major information technology projects.*

It is critical to ensure that major investments of information technology resources will result in a meaningful return, or payback. To ensure this, we will follow recently developed guidelines for benefit-cost analyses to be used for automation investments in proportion to their expected cost and impact. We will ensure that these guidelines are published and used on a regular and consistent basis.

- *Strive to reduce information technology project cycle times and costs.*

Realizing the constraints on staff resources in the information technology area, we are committed to seek out new ways to increase our efficiency in carrying out information technology projects. This will involve exploring new techniques for project management and tracking, as well as the possible use of new tools and technology, as discussed above. This will be an ongoing effort in which we seek continuous improvements.

- *Ensure that agency personnel are adequately equipped in information technology tools and technology.*

This action summarizes the overall need to ensure that our staff can make the best use of our information technology IT investments. We have established standard workstation profiles for specific categories of users, based on their business needs, and will gear our planning, spending, and training along those lines, to ensure consistency and effectiveness across the agency.

Strategic Objective IV-C: We will continue service by ensuring that our systems are Year 2000-compliant.

The RRB is committed to ensuring that its mission-critical systems will be ready for the transition to the next millennium. This is a major, critical objective which we share with businesses and government agencies everywhere at this time. Our legacy systems have been the foundation of the agency's ongoing operations, and provide most of our essential services to the public. Disruption, either due to lack of readiness on our part, or on the part of our outside customers or suppliers, could severely impact our ability to perform our mission. Within the information systems area, this is our highest priority, and one that we cannot allow to slip. The success of our performance will

be measured by the number of systems successfully converted on time, without disrupting the ongoing operations of the agency or service to our customers.

To achieve this objective, we intend to:

- *Successfully complete and implement the agency's Year 2000 project plan.*

A detailed plan has been developed to ensure that all systems are accounted for and are prioritized, and that appropriate tools and equipment have been selected and procured. To increase our efficiency and effectiveness in performing this work, staff must be trained in the use of new tools and equipment. Ongoing oversight and management are required to ensure that planned milestones are being met. By December 31, 1998, we intend to have completed the modifications to all mission-critical systems. This will allow us a full year of testing and production during 1999 to detect possible problems before the turn of the century.

Part VII. Key External Factors

The RRB recognizes that there are several key factors external to the agency which could affect the achievement of our strategic goals and objectives. These factors are shown below.

Factor	Strategic Goal(s) Impacted	Likelihood	How Achievement of Goal Could be Affected/ Ways to Mitigate Impact
Severe reductions in our administrative budget	Customer Service; Stewardship; Alignment of Resources; Information Technology	Most likely.	To date, the RRB has managed to continue to improve operations within budget constraints, using various streamlining initiatives and automation of manual work processes. The way to mitigate this factor is to provide only gradual reduction in administrative funding. Significant, immediate reductions in our budget will jeopardize the successes already achieved, and prevent us from pursuing further improvements.
Lack of interagency cooperation or support for key operations (e.g., Department of the Treasury's issuance of our payments, Social Security Administration's wage and data exchange, the Internal Revenue Service tax collections)	Customer Service; Stewardship; Alignment of Resources; Information Technology	Possible. As other agencies find themselves operating with fewer resources, there is a possibility that their reductions would impact our services. Additionally, if others are not ready for the Year 2000 computer changes,; those services we obtain from them could be adversely impacted.	The RRB depends heavily on a continued environment of interagency cooperation and support to carry out many of our functions and services. We will maintain contacts with key agencies to ensure active coordination and support .

<p>Sudden, unanticipated and significant declines in railroad employment levels.</p>	<p>Stewardship; Customer Service</p>	<p>Possible. Payroll taxes are the primary source of financing for railroad retirement benefits. In the past, larger than expected declines in railroad employment have resulted in legislation to reduce benefits and increase taxes. Currently, we anticipate the need for corrective action only under a pessimistic employment scenario. Unlikely. Although no such declines are projected during the next 20-year period, we are aware that a funding crisis could result if they did materialize.</p>	<p>Need for legislative changes if there were a dramatic, unexpected decline in railroad employment. Look for alternate sources of financing.</p>
<p>Major, mission-related legislative changes</p>	<p>Customer Service; Alignment of Resources</p>	<p>Unlikely. There have been several proposals to change the structure of the agency, but none have been introduced into the Congress at this time.</p>	<p>Legislative changes dealing with the agency's fundamental mission are not anticipated, and their impact would have to be fully assessed if and when proposals are made.</p>
<p>Change in our status as an independent agency</p>	<p>Customer Service; Alignment of Resources</p>	<p>Unlikely. Any change in this area would likely result from agreements between rail labor and management, and would require legislation to implement. As of this time, there are no proposals being seriously considered by rail labor and management.</p>	<p>We would need to work closely with the Congress and other agencies involved to ensure an orderly transition.</p>

<p>Loss of public confidence in the solvency of the railroad retirement system and the ability of the agency to provide necessary services.</p>	<p>Stewardship; Alignment of Resources</p>	<p>Unlikely. The continued confidence of both the railroad industry (employers and employees) and the beneficiary population is a critical factor. in supporting the agency and its ongoing programs. As customer satisfaction remains high, this is unlikely during the planning period, if administrative funding is reduced only gradually. unless there are severe reductions in our administrative funding, resulting in our inability to fulfill our mission and achieve our goals.</p>	<p>We will continue to monitor the solvency of the funds, and look for ways to ensure administrative efficiencies to keep costs low. We will also continue to monitor our customers' level of satisfaction.</p>
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In developing this plan, we recognized that there are a number of potential strategic issues that may arise during the coming years which relate to various external factors listed above. These include: changes in basic program plan design, alternative sources of financing, transferring functions to other agencies, establishing performance-based organizations, and privatization. Issues of this nature could cause fundamental changes in the RRB's programs, operations, structure, and/or financing, and thereby directly impact this plan.

Part VIII. Program Evaluations

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

Program Evaluations			
Program Evaluation	Methodology/ Scope	Issues Addressed	Schedule for Future Program Evaluations
Federal Managers' Financial Integrity Act Reports and Risk Assessments	Analytical/ RRB administration	Adequacy of internal controls	Annual
Triennial Actuarial Valuation	Actuarial/ 75- years projection	Railroad Retirement Act (RRA) revenue/expense projections	Triennial
Annual Actuarial Status Report of Railroad Retirement System 502 Report	Actuarial/ 25- years projection	RRA revenue/expense projections	Annual
Annual Actuarial Status Report of Railroad Unemployment Insurance System	Actuarial /11- years projection	Railroad Unemployment Insurance Act (RUIA) revenue/ expense projections	Annual
Customer Service Plan Reports	Analytical/ RRA and RUIA benefit programs	Customer service	Annual
Bureau of Quality Assurance Reports	Statistical Sampling/ RRA, RUIA benefits	Accuracy and timeliness of RRA benefits; quality of correspondence.	Annual
A Variety of Client Satisfaction Surveys and feedback	Statistical; focus groups; comment cards/RRB beneficiaries	Client satisfaction with RRB services	Periodic
Annual Financial Statement Audit	Office of Inspector General audit of agency financial statements	Accuracy of Financial Statements	Annual
RRB Office of Inspector General Audits	Audit/Agency-wide	Effectiveness and efficiency of agency operations	Periodic

Special Management Improvement Plan Reports	Longitudinal study/Problem areas	Claims processing, debt collection, fraud control, tax accounting, trust fund integrity and & information systems	Program Completed as of 09-30-96
RRB Reinvention Task Force Report	Analytical/ RRB administration	Customer service, RRB organization, field office structure, technology, and layers of supervision	Evaluation Completed

Part IX. Next Steps

Commitment to Results

This plan is the culmination of a cooperative and intensive effort on the part of the agency's management and staff and reflects input from our customers and other stakeholders. It is a plan of which we are proud to complete and present. However, a strategic plan is only that -- a plan. Unless the strategic goals and objectives are translated into action, they are meaningless. The plan itself will not provide excellent customer service, prudent stewardship, wise alignment of resources, or innovative leverage of technology. Unless these strategic goals are incorporated into the annual performance plans, budgets and day-to-day activities of the agency, they will not be achieved.

In order to ensure achievement of strategic goals, the Government Performance and Results Act provides that each agency will develop annual performance plans, which are submitted along with the agency's budget request. The annual performance plan demonstrates the linkage between the agency's strategic goals and our performance goals to be achieved during the budget year.

The RRB has developed an annual performance plan that will be based on its strategic goals and designed to make continual, measurable progress on our objectives. This first annual performance plan was to be released to the Office of Management and Budget and the Congress in September 1997, along with the agency's fiscal year 1999 budget submission, in September 1997. The annual performance plan will be developed using the performance-based approach as outlined in Strategic Goal III, alignment of resources. As illustrated in Figure 2, the RRB annual performance plan was developed based on updates to the Customer Service Plan and standards, as well as the Strategic Information Resources Management Plan. Annual performance goals for key work areas, including those workloads that had been covered under the Special Management Improvement Plan, are articulated in this strategic plan, along with our methods for measuring achievement of those goals. We will, of course, monitor our performance throughout the year, and make adjustments, as needed, to achieve the desired results. The RRB will submit its first annual performance report, as required by the Government Performance and Results Act, in March 2000, 6 months after the close of fiscal year 1999.

In addition to developing our performance plan every year for inclusion with the budget, we will monitor our strategic plan annually, and update it as needed. At a minimum, we will update our strategic plan every 3 years as required to project out 5 years into the future.

Finally, this plan incorporates changes made as a result of feedback requested from our customers, the Congress, the Office of Management and Budget, and other Federal agencies, during development of the plan.

The Railroad Retirement Board is proud of this plan and expects that it will guide us as we continue our long and distinguished tradition of excellence in service to our customers. The RRB

has a proven track record of carrying out its plans and achieving results. We believe that this Strategic Plan, along with the annual performance plans and sufficient budget resources, will help us to achieve the results our customers need and deserve.

Customer Service Plan

The Railroad Retirement Board recognizes that all its services are financed by our customers: the railroad workers and employers. They are entitled to expect high-quality services, responsive to their needs, provided efficiently at a reasonable cost. This has been recognized in the adoption of the following Policy Statement on Quality:

In carrying out our mission, the Railroad Retirement Board will strive to pay benefits to the right people, in the right amounts, in a timely manner, treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately, and clearly. The Railroad Retirement Board will maintain a work environment characterized by teamwork, respect, and a commitment to doing the job right the first time.

This Customer Service Plan is centered on the following principles of public service: standards, openness, accessibility, and accountability. In arriving at this plan, we have considered the findings of a customer satisfaction survey, the results of focus group research, and the responses received on point-of-service evaluation forms. This Customer Service Plan will be published nationally and posted in each office of the Railroad Retirement Board in order to communicate these standards to our customers and to reinforce them with our employees. There is a clear presumption that our service will progressively improve as our operations become more efficient. The plan will be reviewed and updated periodically as we gain more experience with it and as we compare our service with the best in the private sector.

Standards

- We will be courteous and treat you with respect every time you contact us.
- The information you provide us is protected under the provisions of the Privacy Act.
- We will reply within 10 working days of receiving your letter. If for any reason we cannot, we will acknowledge your letter and tell you how long it will be before we can answer your questions fully.
- If you filed for your railroad retirement employee or spouse annuity in advance, you will

receive your first payment, or a decision, with 45 days of your date of retirement.

- If you filed for a railroad retirement survivor annuity or lump-sum benefit, you will receive your first payment, or a decision, within 75 days from the date you file your application, or became entitled to benefits, if later.
- If you filed an application for unemployment or sickness insurance benefits, you will receive a claim form, or a decision, within 15 days of the date we receive your application.
- If you filed a claim for unemployment or sickness insurance benefits, you will receive your payment, or a decision, with 15 days of the date we receive your claim form.
- If you filed for a railroad retirement disability annuity, you will receive your first payment, or a decision, within 120 days from the date you filed your application.
- If you think we made the wrong decision about your benefits, you have the right to ask for review and to appeal. We will tell you about these rights each time we make an unfavorable decision about your benefits.
- Claims for some benefits may take longer to handle than others if they are more complex, or if we have to get information from other people or organizations. If this happens, we will give you an explanation and an estimate of the time required to make a decision.

Openness

- We will display in each office how well we are meeting the established standards.
- When you visit our offices, the staff you see will identify themselves by name.
- When you telephone us, we will identify ourselves by name.
- Our letters will be easy to understand, and unless the letter is a computer notice, the person writing to you will give you his or her name.

Accessibility

- When you telephone us, you should be able to reach us on the first try.
- When visiting us, you will be helped within 5 minutes of your scheduled appointment.
- You will not have to wait more than 30 minutes if you do not have an appointment.
- If you cannot come to our office, we may be able to visit you at home or at one of our regularly scheduled service locations.

Accountability

- If things go wrong, at the very least you are entitled to a good explanation and an

apology.

- A Customer Assessment Survey form is available in every office for you to tell us how we did and how we can improve our service.
- If you are not satisfied with our service, you may contact the manager of the office with which you have been dealing, or the Regional Director who is responsible for that office. Their name and addresses are available in each office.

September 1994

Performance Goals, Indicators and Measures

Performance Goal/Indicator	Measure
Performance Goal I-A: Optimize accuracy in providing benefits.	
1. Achieve a railroad retirement benefit payment accuracy rate of at least 99 percent.	% Accuracy rate
2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate of at least 99 percent.	% Accuracy rate
Performance Goal I-B: Make payments timely.	
1. Release initial railroad retirement employee or spouse annuity payment, or a decision, within 45 days of retirement, if advance filed.	% # 45 days
2. Release initial railroad retirement survivor annuity payment, lump-sum benefit, or a decision, within 75 days.	% # 75 days
3. Issue a claim form, or a decision, within 15 days after we receive an application for unemployment or sickness insurance benefits.	% # 15 days
4. Release a payment for unemployment or sickness insurance benefits, or a decision, within 15 days of receipt.	% # 15 days
5. Release initial railroad retirement disability annuity payment, or a decision, within 120 days.	% # 120 days
6. Maintain an end-of-year normal carry-forward balance of 11,055 or less in 8 targeted workload categories.	Number on hand at end of year
Performance Goal I-C: Provide relevant, timely, and accurate information which is easy to understand.	
1. Respond to or acknowledge all correspondence within 10 days of receipt.	% # 10 days
2. Achieve quality and accuracy of correspondence, publications, and voice communications.	Surveys and reviews
3. Maintain the combined balance of unprocessed record corrections and cases requiring review for corrected tax statements below the end-of-year normal working level (1,200 items).	Number on hand at end of year
Performance Goal I-D: Provide a range of choices in service delivery methods.	
1. Offer service for the retirement program by telephone, interactive voice response, mail, personal computer and in person via field offices and itinerant service.	# of choices
2. Offer service for the unemployment/sickness insurance program by telephone, interactive voice response, mail, personal computer and in person via field offices and itinerant service.	# of choices
3. Customer feedback.	Surveys and reviews

Performance Goal I-E: Ensure an efficient and effective reporting system for railroad employers.	
1. Railroad employer reports filed on time, without problems.	% of reports filed on time, without problems
2. Railroad employer reports filed electronically, or on magnetic media.	% filed electronically, or on magnetic media
Performance Goal II-A: Ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs.	
1. Maintain active wage matches with all 50 States to ensure the accuracy of benefit payments.	# of States matching
2. Achieve a return of \$3.60 for each dollar spent on program integrity activities.	\$ recoveries and savings per \$'s spent
3. Perform continuing disability reviews (medical).	# performed
Performance Goal II-B: Ensure efficient operations through effective management control and quality assurance programs.	
1. Take prompt action to correct any material weaknesses.	# of material weaknesses corrected by initial target date
2. Submit to the President and the Congress our annual Federal Managers Financial Integrity Act report by the date required.	Date
3. Resolve audit findings promptly (determine appropriate corrective action and establish target date, if necessary).	# of audit recommendations that are not resolved within 6 months of report
4. Take prompt corrective action on audit recommendations.	% of audit recommendations implemented by initial target date
Performance Goal II-C: Ensure that trust fund assets are projected, collected, recorded, and invested appropriately through an effective and efficient trust fund management program.	
1. Railroad Retirement Account market rate of return will exceed the Bloomberg index of Treasury notes and bonds with more than 1 year of maturity.	Yes/No
2. Debts will be collected through referrals to outside collection programs, including the Treasury Offset Program, Treasury cross-servicing, Federal Tax Offset Program, and private collection agencies.	\$'s collected
3. Complete compensation reconciliations at least 1 year before the statute of limitations expires. (Compensation reconciliations involve a comparison of compensation reported by railroad employers to the RRB for benefit calculation purposes with compensation reported to the Internal Revenue Service for tax purposes.)	% completed

Performance Goal III-A: Align our resources using a performance approach based on contribution to mission.	
1. By 1999, implement a methodology to determine unit cost of key production workloads.	# of key workloads with unit cost information
2. Set specific goals for unit costs of key workloads for years subsequent to implementation of new methodology.	# of unit cost goals
3. Maintain or reduce the ratio of total administrative expenses to benefit outlays.	Ratio of expenses to outlays
Performance Goal III-B: Strive to deliver service at the point-of-contact.	
1. Reduce the number of handoffs in providing service.	# of handoffs in claims and key post-entitlement processes
2. Develop a methodology by September 30, 1999, to measure percentage of services provided at point-of-contact.	Date methodology developed
3. Complete trend analysis by September 30, 1999, of reversals in at least 1 workload.	Date
Performance Goal III-C: Use outside sources and partnerships, when appropriate, to accomplish our mission.	
1. Perform cost/benefit evaluations of commercially available activities.	Completion of cost/benefit analyses
2. Partner with other government agencies or outside organizations to achieve our mission.	# of partnerships
Performance Goal III-D: Ensure that all employees can link their daily activities with the agency's mission in an environment that is discrimination-free and characterized by cooperation, empowerment, and mutual commitment to our stakeholders.	
1. By 1999, individual performance appraisal plans contain elements that link to the agency's mission.	Yes/No
2. Solicit employee feedback on work environment to determine if it is discrimination-free and supports cooperation, empowerment, and mutual commitment.	Employee survey
Performance Goal III-E: Ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery and reliability.	
1. The percentage of fiscal year dollars competitively obligated via simplified acquisition and contract procedures will exceed the government percentage of procurement dollars awarded competitively as reported in the Federal Procurement Data System Reporting Manual, Federal Procurement Data Center.	% of \$ awarded
2. 90 percent of purchase orders/contracts meet or exceed the purchase/contract delivery date.	% meeting/exceeding date
3. All (100 percent) solicitations include past performance as an evaluation factor. Each contract file will exhibit a formal determination and finding of contractor responsibility.	% meeting requirement

Performance Goal IV-A: Ensure that the technology infrastructure supports achievement of the agency's Strategic Plan.	
1. The Strategic Information Resources Management Plan demonstrates a linkage between the infrastructure and the agency's strategic plan.	Yes/No
2. Capital Information Technology Plan used to support the Strategic Information Resources Management Plan.	Yes/No
3. Development and approval of an updated Strategic Information Resources Management Plan by March 31, 1999.	Date
Performance Goal IV-B: Ensure effective and efficient management of Information Technology resources.	
1. Successfully implement major projects as specified in project plans, project definition and requirements documents.	% completed and signed off on by due date
2. Actual costs for major projects are within 10 percent of estimated costs.	% projects within 10% of estimated costs
3. Computer operations satisfy service levels as specified in user service agreements.	Exception reports
4. Actual performance of major operational application systems maintained by RRB's Bureau of Information Services.	Exception reports (e.g., incidents of system down times, unsuccessful batch operations, or other problem situations)
Performance Goal IV-C: Continue service by ensuring that our systems are Year 2000-compliant.	
1. All mission critical systems will be Year 2000 compliant by September 30, 1999.	% Year 2000 compliant