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# RAILROAD RETIREMENT BOARD



**FISCAL YEAR 2016**

**BUDGET SUBMISSION**

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

BOARD MEMBERS:

MICHAEL S. SCHWARTZ, CHAIRMAN  
WALTER A. BARROWS, LABOR MEMBER  
STEVEN J. ANTHONY, MANAGEMENT MEMBER

**SEP 17 2014**

The Honorable Shaun Donovan  
Director  
Office of Management and Budget  
Eisenhower Executive Office Building  
1650 Pennsylvania Avenue, N.W.  
Washington, D.C. 20503

Dear Mr. Donovan:

Enclosed is our budget request for fiscal year 2016. We are also submitting our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. Resources for the Office of Inspector General are not addressed in this submission. That office will submit a separate request concerning its needs.

The agency request level of the enclosed budget reflects the direct funding of \$141.4 million and provides a standard level of funding for 885 full time equivalents (FTEs). This level of staffing would enable the RRB to maintain succession planning efforts for current level of service as increasing numbers of experienced staff members plan to retire in the next few years. This budget level would also provide \$14.4 million for significant IT efforts which support mission delivery enhancements, legacy system migration to cloud services, and strengthening cybersecurity and risk management programs.

In compliance with guidance in OMB Memorandum M-14-07, dated May 5, 2014, our fiscal year 2016 budget submission also includes two OMB guidance levels, a 2 percent reduction level and a 5 percent increase level, respectively.



The OMB guidance 2 percent reduction level of the budget totals \$111.7 million, and provides sufficient funding for 860 FTEs, 2.8 percent less than our requested staffing level. Budget projections show that the agency could reach this level by relying on attrition. However, funding for IT investments would be eliminated, along with other miscellaneous reductions.

The OMB guidance 5 percent increase level of the budget totals \$119.7 million and provides minimal funding for 860 FTEs, 2.8 percent less than our requested staffing. Again, Budget projections show that the agency could reach this level by relying on attrition. At this level, miscellaneous reductions continue, but the agency is able to introduce IT investments of almost \$8 million to further support the RRB's mission.

In addition to requests for administrative expenses, this budget submission includes our best actuarial estimate of the expected fiscal year 2016 costs of vested dual benefits, \$29 million, with a 2 percent reserve of \$580,000. The RRB also requests \$723,899,108 for applicable military service credits through December 2012, with interest through September 2, 2014.

Finally, included in the budget submission are three agency legislative proposals. The first would amend the Railroad Retirement Act to require issuance of social security numbers to employees of covered railroad employers. The second would amend the Railroad Retirement Act to allow the RRB to use various hiring authorities offered by the Office of Personnel Management. The final legislative proposal would amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the agency.

As required by Section 1108(c) of Title 31, United States Code, we certify that all statements of obligations furnished to OMB in connection with our requests for proposed appropriations for fiscal year 2014 consist of valid obligations as defined in Section 1501(a) of that title.



Sincerely,

Original Signed  
Michael S. Schwartz, Chairman  
Walter A. Barrows, Labor Member  
Steven J. Anthony, Management Member

September 17, 2014

Enclosure



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**SEP 17 2014**

MICHAEL S. SCHWARTZ, CHAIRMAN  
WALTER A. BARROWS, LABOR MEMBER  
STEVEN J. ANTHONY, MANAGEMENT MEMBER

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

Dear Mr. President:

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Michael S. Schwartz, Chairman  
Walter A. Barrows, Labor Member  
Steven J. Anthony, Management Member

September 17, 2014

Enclosure

cc: Honorable Barbara A. Mikulski  
Chairwoman, Senate Committee on Appropriations

Honorable Richard C. Shelby  
Ranking Member, Senate Committee on Appropriations

Honorable Thomas Harkin  
Chairman, Senate Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies

Honorable Jerry Moran  
Ranking Member, Senate Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies





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RAILROAD RETIREMENT BOARD  
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SEP 17 2014

MICHAEL S. SCHWARTZ, CHAIRMAN  
WALTER A. BARROWS, LABOR MEMBER  
STEVEN J. ANTHONY, MANAGEMENT MEMBER

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

Dear Mr. Speaker:

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Sincerely,

Original Signed  
Michael S. Schwartz, Chairman  
Walter A. Barrows, Labor Member  
Steven J. Anthony, Management Member

September 17, 2014

Enclosure

cc: Honorable Harold Rogers  
Chairman, House Committee on Appropriations

Honorable Nita M. Lowey  
Ranking Member, House Committee on Appropriations

Honorable Jack Kingston  
Chairman, House Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies

Honorable Rosa L. DeLauro  
Ranking Member, House Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies





**RAILROAD RETIREMENT BOARD  
FISCAL YEAR 2016 BUDGET SUBMISSION**

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**RAILROAD RETIREMENT BOARD  
FISCAL YEAR 2016 BUDGET SUBMISSION**

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## **RAILROAD RETIREMENT BOARD**

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

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

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

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

In addition, for calendar year 2012, the SSEB Account also received transfers from the general fund of the Treasury due to the temporary payroll tax reduction provisions of the Middle Class Tax Relief and Job Creation Act of 2012.

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

### **Requested appropriation**

The table on pages 2 and 3 identifies the estimated budget authority and outlays for this account for fiscal years 2015 through 2024, based on the Office of Management and Budget's (OMB) June 2014 mid-session economic assumptions. The estimates reflect current law.

# RAILROAD RETIREMENT BOARD

## Social Security Equivalent Benefit Account (Budget Account - 60-8010-0-7-601)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Current</u> <u>Services</u>		
Budget authority.....	7,105,000	7,123,000	7,338,000		
Outlays.....	6,930,000	7,098,000	7,315,000		
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget authority:					
Current services.....	7,571,000	7,802,000	8,022,000	8,224,000	8,412,000
Outlays:					
Current services.....	7,547,000	7,780,000	8,003,000	8,207,000	8,397,000

Note: In March 2014, the RRB paid social security equivalent benefits to 450,000 beneficiaries. The RRB estimates that in March 2015 and 2016, the agency will pay these benefits to 448,000 and 446,000 beneficiaries, respectively.

**RAILROAD RETIREMENT BOARD**

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

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

	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Budget authority:			
Current services.....	8,584,000	8,735,000	8,872,000
Outlays:			
Current services.....	8,570,000	8,725,000	8,863,000

## **RAILROAD RETIREMENT BOARD**

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

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

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

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

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

### **Requested appropriation**

The table on pages 5 and 6 identifies estimated budget authority and outlays for this account for fiscal years 2015 through 2024. The estimates are based on OMB's June 2014 mid-session economic assumptions and reflect current law.

# RAILROAD RETIREMENT BOARD

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Current</u> <u>services</u>		
Budget authority.....	4,896,000	5,210,000	5,344,000		
Outlays.....	4,885,000	5,197,000	5,332,000		
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget authority:					
Current services.....	5,456,000	5,548,000	5,626,000	5,690,000	5,738,000
Outlays:					
Current services.....	5,445,000	5,538,000	5,617,000	5,682,000	5,730,000

Notes: The RRB paid tier II benefits to 509,000 beneficiaries in March 2014. The agency expects to pay these benefits to 507,000 beneficiaries in March 2015 and 505,000 beneficiaries in March 2016. The RRB also paid supplemental annuities to 122,000 beneficiaries in March 2014. The agency expects to pay supplemental annuities to 122,000 beneficiaries in March 2015 and 121,000 beneficiaries in March 2016.

Budget authority and outlay amounts include tier II benefits, the non-social security equivalent portion of tier I benefits, and supplemental annuities.



**RAILROAD RETIREMENT BOARD**

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

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

	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Budget authority:			
Current services.....	5,773,000	5,805,000	5,841,000
Outlays:			
Current services.....	5,765,000	5,797,000	5,831,000

## **RAILROAD RETIREMENT BOARD**

### **Federal Payments to the Railroad Retirement Accounts**

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

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

#### **Interest on uncashed checks**

Section 417 of the Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to provide for the reimbursement of principal and interest for unnegotiated railroad retirement benefit checks to the extent that such reimbursements are provided for in advance in appropriation acts. Beginning in fiscal year 1991, the principal amount of uncashed railroad retirement and railroad unemployment insurance checks and checks for administrative expenses, under provisions of the Competitive Equality Banking Act of 1987, are made available by Treasury. Treasury transfers principal amounts directly to the appropriate trust fund or administrative limitation. As a result, the RRB is not required to seek prior appropriation authority for the principal amount of the uncashed check transfers. Interest on uncashed checks, however, must be appropriated in advance. This account is the vehicle through which such appropriations are made. Under current law, the RRB requests \$150,000 for estimated interest related to uncashed checks in fiscal year 2016, which shall remain available through September 30, 2017.

#### **Military service credits**

In accordance with, and pursuant to, Section 15(b) of the Railroad Retirement Act, the RRB also requests appropriations to the Federal Payments to the Railroad Retirement Accounts for reimbursement of costs (including interest, administrative expenses, and an actuarial adjustment) for crediting military service not reimbursed under the financial interchange. Both the railroad retirement system and the social security system are entitled to reimbursement for the cost of military service credits. Depending on the period during which the military service was rendered, the reimbursement may be made on either a benefit or prepaid tax basis. Reimbursement on a tax basis is accomplished by paying payroll taxes for individuals in military service. No additional reimbursement is due at retirement for military service credits reimbursed on a tax basis. Reimbursement on a benefit basis is accomplished by computing the value of retirement and survivor benefits with and without military service and requesting reimbursement based on this difference.

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

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

In prior years, we have sought concurrence with our methodology for computing the reimbursable amount from the Social Security Administration (SSA), Treasury and OMB. We received responses from SSA and Treasury. SSA has concurred with our methodology while Treasury stated that they had no role in this particular process. Section 15(b) requires that these reimbursements from the general funds be authorized in advance by an appropriation act. The fiscal year 2016 appropriation request includes \$723,899,108 for applicable military service credits through December 2012, with interest through September 2, 2014. Excluded are all costs for which the RRB has already received credits.

### **Other transfers**

Appropriations are not necessary for other amounts that flow through this account to the appropriate trust fund accounts under authorizing legislation. Amounts expected to be transferred through this account in fiscal year 2016 that do not require appropriation action include \$298 million in income taxes on the social security equivalent portion of tier I benefits, and \$364 million in income taxes on tier II benefits and the non-social security equivalent portion of tier I benefits.

### **Requested appropriation**

The table on pages 9 and 10 shows the estimated budget authority and outlays for this account for fiscal years 2014 through 2024. The estimates are based on OMB's June 2014 mid-session economic assumptions. The current services level includes interest amounts on uncashed checks for all years.

# RAILROAD RETIREMENT BOARD

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u> <sup>1/</sup> <u>Current</u> <u>services</u>		
Budget authority.....	620,800	626,150	1,386,049		
Outlays.....	620,800	626,150	1,386,049		
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget authority:					
Current services.....	701,150	738,150	775,150	812,150	850,150
Outlays:					
Current services.....	701,150	738,150	775,150	812,150	850,150

<sup>1/</sup> Fiscal year 2016 budget authority and outlay amounts for current services include \$723,899,108 for military service credits through December 2012 with interest through September 2, 2014.

**RAILROAD RETIREMENT BOARD**

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

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

	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Budget authority:			
Current services.....	889,150	929,150	971,150
Outlays:			
Current services.....	889,150	929,150	971,150

## **RAILROAD RETIREMENT BOARD**

### **Dual Benefits Payments Account**

### **Budget Account - 60-0111-0-1-601**

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

### **Legislative history**

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

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

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

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

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

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

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

#### **Requested appropriation**

The table on pages 13 and 14 identifies the estimated budget authority and outlays for the Dual Benefits Payments Account for fiscal years 2014 through 2024.

The fiscal year 2014 appropriation (P.L. 113-6) provided \$39,000,000 for the payment of vested dual benefits.

The estimate for fiscal year 2015 includes \$34,000,000 for the payment of vested dual benefits, as shown in the table on the following page, plus a 2 percent reserve (\$680,000) to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available to pay benefits.

For fiscal year 2016, the RRB requests an appropriation of \$29,000,000 to pay vested dual benefits, plus a 2 percent reserve of \$580,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits. An estimated \$2,000,000 in income taxes on these benefits will be credited to the Dual Benefits Payments Account.

# RAILROAD RETIREMENT BOARD

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u> <u>Current</u> <u>services</u>		
Budget authority.....	39,000	34,000	29,000		
Outlays.....	39,000	34,000	29,000		
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget authority:					
Current services.....	25,000	22,000	18,000	15,000	13,000
Outlays:					
Current services.....	25,000	22,000	18,000	15,000	13,000

Note: The budget estimates for this account include its share of interest on unnegotiated checks through fiscal year 2015.

The RRB paid vested dual benefits to 19,000 beneficiaries in March 2014. The agency expects to pay these benefits to 17,000 beneficiaries in March 2015, and 14,000 beneficiaries in March 2016.



**RAILROAD RETIREMENT BOARD**

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

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

	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Budget authority:			
Current services.....	11,000	9,000	7,000
Outlays:			
Current services.....	11,000	9,000	7,000

## **RAILROAD RETIREMENT BOARD**

### **Limitation on Administration** **Budget Account - 60-8237-0-7-601**

This appropriation request is for funds to administer the retirement/survivor and unemployment/sickness insurance benefit programs provided for railroad workers and members of their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Included in this request is an amount for certain activities related to the Medicare health insurance program. The Centers for Medicare & Medicaid Services (CMS) reimburse the RRB for certain other administrative expenses related to the Medicare program.

### **Retirement/Survivor Benefit Program**

Under the Railroad Retirement Act, the RRB pays retirement and disability annuities to retired workers with qualifying years of railroad service. Annuities are also payable to spouses and divorced spouses of retired workers and to widows, widowers, children, and certain other survivors of deceased railroad workers. Qualified railroad retirement beneficiaries are covered by the Medicare health insurance program.

The RRB estimates that it will pay the following in retirement and survivor benefits through fiscal year 2016: \$11.9 billion to 563,000 persons in fiscal year 2014, \$12.2 billion to 561,000 persons in fiscal year 2015, and \$12.5 billion to 558,000 persons in fiscal year 2016.

### **Legislative history**

The RRB was created in the 1930s by legislation establishing a retirement benefit program for the nation's railroad workers. Private industrial pension plans had been pioneered in the railroad industry and, by the 1930s, pension plans were far more developed in the rail industry than in most other businesses or industries. These plans, however, had serious defects which were magnified by the Great Depression. While the social security system was in the planning stage, railroad workers sought a separate railroad retirement system which would continue and broaden the existing railroad programs under a uniform national plan. The proposed social security system was not scheduled to begin monthly benefit payments for several years and would not give credit for service performed before 1937, while conditions in the railroad industry called for immediate benefit payments based on prior service.

Legislation was enacted in 1934, 1935, and 1937 to establish a railroad retirement system separate from the social security program legislated in 1935. Such legislation, taking into account the particular circumstances of the railroad industry, was not without precedent. Numerous laws pertaining to railroad operations and safety had already been enacted since

the Interstate Commerce Act of 1887. Since passage of the Railroad Retirement Acts of the 1930s, numerous other railroad laws have subsequently been enacted.

### **Railroad Retirement and Survivors' Improvement Act of 2001**

The Railroad Retirement and Survivors' Improvement Act of 2001, Public Law 107-90, liberalized early retirement benefits for 30-year employees, eliminated a cap on monthly retirement and disability benefits, lowered the minimum service requirement from 10 years to 5 years of service if performed after 1995, and provided for increased benefits for some widow(er)s. The financing sections of the legislation repealed the supplemental annuity work-hour tax, and provided for adjustments in the payroll tax rates paid by employers and employees.

Public Law 107-90 also provides for the transfer of railroad retirement funds from the Railroad Retirement Accounts to the National Railroad Retirement Investment Trust (NRRIT), whose Board of seven trustees is empowered to invest NRRIT assets in non-governmental assets, such as equities and debt, as well as in governmental securities. Public Law 107-90 discontinued the separate Railroad Retirement Supplemental Account. While supplemental benefits provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account.

### **Coordination with Social Security**

While the railroad retirement system has remained separate from the social security system, the two systems are closely coordinated with regard to earnings credits, benefit payments, and taxes. Following the recommendations of the Federal Commission on Railroad Retirement, legislation enacted in 1974 restructured railroad retirement benefits into tiers, in order to coordinate them more fully with social security credits, using social security benefit formulas. Tier I benefits are generally the equivalent of social security benefits. Tier II benefits are based on railroad service only and are comparable to industrial pensions.

Jurisdiction over the payment of retirement and survivor benefits is shared by the RRB and SSA. The RRB has jurisdiction over the payment of retirement benefits if the employee had at least 10 years of railroad service, or 5 years of service if performed after 1995. For survivor benefits, there is an additional requirement that the employee's last regular employment before retirement or death was in the railroad industry. If a railroad employee or his/her survivor(s) do not qualify for railroad retirement benefits, the RRB transfers the employee's railroad retirement credits to SSA, where they are treated as social security credits.

### **Sources of income for the retirement/survivor benefit program**

The primary source of income for the railroad retirement/survivor benefit program is payroll taxes paid by railroad employees and employers. By law, railroad retirement taxes are coordinated with social security taxes. Employees and employers pay tier I taxes at the same

rate as social security taxes. In addition, both employees and employers pay tier II taxes which are used to finance railroad retirement benefit payments over and above social security levels. Historically, railroad retirement taxes have been considerably higher than social security taxes.

In recent years, the funds have also received transfers from general revenue to make up for payroll taxes lost due to “tax holiday” provisions first enacted under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) and last extended through the end of calendar year 2012 under the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96).

Another source of income is the financial interchange with the social security trust funds. Under the financial interchange, in effect, the portion of railroad retirement annuities that is equivalent to social security benefits is reinsured through the social security system. The purpose of this financial coordination is to place the social security trust funds in the same position they would be in if railroad service were covered by the social security program instead of the railroad retirement program.

Other current sources of income are returns on investments, and appropriations from general revenues provided after 1974 as part of a phase-out of certain vested dual benefits. The Railroad Retirement Account and Social Security Equivalent Benefit Account also receive credit for Federal income taxes paid on benefits from these accounts.

### **Unemployment/Sickness Insurance Program**

Under the Railroad Unemployment Insurance Act, the RRB pays (1) unemployment insurance benefits to railroad workers who are unemployed but ready, willing, and able to work and (2) sickness insurance benefits to railroad workers who are unable to work because of illness, injury, or pregnancy.

In the benefit year that ended June 30, 2014, the RRB paid \$40,109,000 in unemployment insurance benefits from the Railroad Unemployment Insurance (RUI) Account, and recovered \$2,633,000, resulting in net payments of \$37,476,000 to a total of 9,970 unemployment insurance claimants. During the same period, the RRB paid \$64,075,000 in sickness insurance benefits from the RUI Account, and recovered \$18,759,000, resulting in net payments of \$45,316,000 to a total of 15,611 sickness insurance claimants. The RRB also recovered a total of \$66,000 under provisions of the American Recovery and Reinvestment Act of 2009, and paid \$2,457,000 in additional extended unemployment benefits under the Worker, Homeownership and Business Assistance Act of 2009, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. In accordance with the Balanced Budget and Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 9.2% under sequestration for days of unemployment and sickness after February 28, 2013 and a reduction of 7.2% for days after September 30, 2013.

### **Provisions for benefits**

A new unemployment and sickness insurance benefit year begins every July 1, with eligibility generally based on railroad service and earnings in the preceding calendar year. Up to 26 weeks of normal unemployment insurance benefits and 26 weeks of normal sickness insurance benefits are payable to an individual in a benefit year. Extended benefits may also be payable for up to 13 weeks to persons with 10 or more years of service.

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

### **Legislative history**

The railroad unemployment insurance system was established by legislation enacted in the 1930s. While State unemployment programs generally covered railroad workers, railroad operations which crossed State lines caused special problems. Unemployed railroad workers were denied compensation by one State because they became unemployed in another State or because their employers had paid unemployment taxes in another State. Although there were cases where employees appeared to be covered in more than one State, they often did not qualify in any.

The Federal study commission, which reported on the nationwide State plans for unemployment insurance, recommended that railroad workers be covered by a separate plan because of the complications their coverage had caused the State plans. The Congress subsequently enacted the Railroad Unemployment Insurance Act in 1938. Railroad unemployment insurance benefits became payable in July 1939. Sickness insurance benefits were added by amendments enacted in 1946. Subsequent amendments over the years revised eligibility requirements and adjusted benefit amounts and tax rates.

The railroad unemployment and sickness insurance system is financed by contributions from railroad employers. By law, a portion of the contributions is deposited in the Railroad Unemployment Insurance Administration Fund for the RRB's administrative expenses. The contributions are permanently appropriated for benefit payments and administrative expenses.

Large scale railroad layoffs during the economic recession in the early 1980s increased unemployment insurance payments to record levels, far exceeding unemployment contributions. By the end of July 1983, the account had a deficit of \$550 million. The Railroad Retirement Solvency Act, enacted August 12, 1983, increased railroad unemployment and sickness insurance taxes by increasing the limit on compensation subject to the tax from \$400 to \$600 a month. The act also imposed a temporary repayment tax on railroad employers to help repay loans from the Railroad Retirement Account.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), enacted April 7, 1986, increased the repayment tax. It also restored the authority of the Railroad Unemployment Insurance Account to borrow from the Railroad Retirement Account; this authority had been removed by the Railroad Retirement Solvency Act. The law also provided for surtax on railroad employers in the event that further borrowing after September 30, 1985, from the Railroad Retirement Account became necessary.

In November 1988, the Congress enacted the Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (P.L. 100-647) to resolve the system's long-term financing problems. In brief, the legislation improved the program's financing by (1) indexing the tax base to increased wage levels, (2) determining employers' tax rates by using an experience rating formula, (3) establishing a variable surcharge geared to the balance in the Railroad Unemployment Insurance Account, and (4) ensuring repayment of the debt to the Railroad Retirement Account by extending the repayment tax until the debt was fully repaid, with interest. The loan was repaid in full with a transfer of funds from the Railroad Unemployment Insurance Account to the Railroad Retirement Account on June 29, 1993.

The Railroad Unemployment Insurance Amendments Act of 1996 (P.L. 104-251), enacted October 9, 1996, increased the railroad unemployment and sickness insurance daily benefit rate and revised the formula for indexing future benefit rates. It also reduced the waiting period for initial benefit payments and eliminated duplicate waiting periods in continuing periods of unemployment and sickness. In addition, the legislation applied an earnings test to claims for unemployment and reduced the duration of extended benefit periods for long-service employees. The provisions of the legislation were based on joint recommendations to the Congress negotiated by rail labor and management in order to update the railroad unemployment insurance system along the lines of State unemployment insurance systems.

## **RAILROAD RETIREMENT BOARD**

### **Administrative Appropriation Request for Fiscal Year 2016**

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

<b><u>Budget Level</u></b>	<b><u>FTEs</u></b>	<b><u>Amount</u><sup>1/</sup> (\$ thousands)</b>
OMB guidance 2% reduction	860	\$111,720,000
OMB guidance 5% increase	860	119,700,000
Agency request level	885	141,431,197

<sup>1/</sup> Dollar amounts do not include reimbursements.

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

	FY 2014	AMOUNT OF CHANGE	FY 2015 ADMIN. PROPOSED	AMOUNT OF CHANGE	FY 2016 OMB GUIDANCE 2% REDUCTION	AMOUNT OF CHANGE	FY 2016 OMB GUIDANCE 5% INCREASE	AMOUNT OF CHANGE	FY 2016 AGENCY REQUEST
TOTAL FTEs (INCLUDING REIMBURSABLE)	842	18	860	0	860	0	860	25	885
TOTAL RRB DIRECT PROGRAM OBLIGATIONS									
11.1 FULL-TIME PERMANENT	63,045	3,209	66,254	1,866	68,120	0	68,120	2,226	70,346
11.3 OTHER THAN FULL-TIME PERMANENT	867	(99)	768	136	904	0	904	28	932
11.5 OTHER PERSONNEL COMPENSATION	1,287	(425)	862	114	976	0	976	358	1,334
11.9 TOTAL PERSONNEL COMPENSATION	65,199	2,685	67,884	2,116	70,000	0	70,000	2,612	72,612
12.0 PERSONNEL BENEFITS: CIVILIAN	18,932	446	19,378	470	19,848	0	19,848	755	20,603
13.0 BENEFITS FOR FORMER PERSONNEL	280	(94)	186	14	200	0	200	0	200
21.0 TRAVEL AND TRANSPORTATION	797	(97)	700	1	701	0	701	314	1,015
22.0 TRANSPORTATION OF THINGS	48	12	60	(31)	29	0	29	30	59
23.1 RENTAL PAYMENTS TO GSA	3,300	(42)	3,258	42	3,300	0	3,300	0	3,300
23.3 COMMUNICATIONS, UTILITIES, & MISCELLANEOUS CHARGES	4,157	400	4,557	111	4,668	0	4,668	99	4,767
24.0 PRINTING AND REPRODUCTION	334	(32)	302	(23)	279	0	279	0	279
25.0 OTHER SERVICES	15,412	(415)	14,997	(2,901)	12,096	7,980	20,076	17,671	37,747
26.0 SUPPLIES AND MATERIALS	685	(25)	660	(195)	465	0	465	0	465
31.0 EQUIPMENT	1,156	(988)	168	(34)	134	0	134	250	384
TOTAL RRB DIRECT OBLIGATIONS	110,300	1,850	112,150	(430)	111,720	7,980	119,700	21,731	141,431
REIMBURSABLE OBLIGATIONS	32,564	(2,427)	30,137	0	30,137	0	30,137	0	30,137
TOTAL RRB OBLIGATIONS	142,864	(577)	142,287	(430)	141,857	7,980	149,837	21,731	171,568
LIMITATION ON ADMINISTRATION	110,300	1,850	112,150	(430)	111,720	7,980	119,700	21,731	141,431

NOTES:

Salary and benefit estimates reflect a 1 percent pay increase in January 2015 and 1 percent in January 2016.

The 5 percent increase level contains \$7,980,000 for Information Technology (IT) Initiatives.

The agency request level contains \$14,351,170 in IT initiatives.



**Explanation of Changes Between the Estimated Budget for Fiscal year 2015,  
and Budget Levels for Fiscal Year 2016**

Limitation on Administration, Direct Obligations (Dollars in thousands)

<i>Category</i>	<i>FY 2015 Proposed to FY 2016 2% Reduction</i>	<i>FY 2016 2% Reduction Level to 5% Increase Level</i>	<i>FY 2016 5% Increase Level to Agency Request</i>
	<i>(\$430)</i>	<i>\$7,980</i>	<i>21,731</i>
<b>1. Personnel compensation</b>	<b>2,116</b>	<b>0</b>	<b>2,612</b>
Changes reflect variations in RRB staffing at each of the budget levels. The 2% reduction and 5% increase levels reflect total staffing of 860 FTEs, the same as planned for fiscal year 2015. The agency is relying on payroll projections and attrition for both funding request levels.  Projected compensation costs reflect an estimated pay increase of 1% in January 2015 and 1% in January 2016. Funding for overtime is estimated at \$208,010 for both the 2% reduction and 5% increase levels, and \$565,542 at the agency request level.			
<b>2. Civilian personnel benefits</b>	<b>470</b>	<b>0</b>	<b>755</b>
Employee benefits are estimated to total approximately 22.1% of salary costs in 2016, which is about the same for 2015. Changes between the fiscal year 2016 budget levels also reflect variations in RRB staffing as noted above.  For the 2% reduction and the 5% increase levels, the cost for change-of-station is \$120,000. The agency request is \$240,000, the same amount budgeted for fiscal year 2015. In addition, all levels reflect \$15,000 for transit benefits for the Office of Legislative Affairs located in Washington D.C. Funding is not provided for resumption of the transit benefit subsidy for RRB employees outside the Washington, D.C. area. This benefit has been suspended in recent years due to budget constraints.			
<b>3. Benefits for former personnel</b>	<b>14</b>	<b>0</b>	<b>0</b>
A total of \$200,000 is included at each of the three budget levels for fiscal year 2016 for workers' compensation benefits to be billed by the Department of Labor in fiscal year 2016.			

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2014,  
and Budget Levels for Fiscal Year 2015**

**Limitation on Administration, Direct Obligations (Dollars in thousands)**

<i>Category</i>	<i>FY 2015 Proposed to FY 2016 2% Reduction</i>	<i>FY 2016 2% Reduction Level to 5% Increase Level</i>	<i>FY 2016 5% Increase Level to Agency Request</i>
	(\$430)	\$7,980	21,731
<b>4. Travel and transportation of persons</b>	<b>1</b>	<b>0</b>	<b>314</b>
The 2% reduction and 5% increase levels include \$700,985 for travel in fiscal year 2016, about the same amount requested for fiscal year 2015. At the agency request level, an additional \$314,200 would be added to restore across-the-board cuts made at the reduced levels for training, development, and customer out-reach programs.			
<b>5. Transportation of things</b>	<b>(31)</b>	<b>0</b>	<b>30</b>
\$29,200 is requested for transportation costs at the 2% reduction and 5% increase levels, a 50% reduction from the amount planned for fiscal year 2015. At the agency request level, \$48,000 is requested for change-of-station costs and \$11,200 for shipment of materials to the field offices.			
<b>6. Rental payments to the General Services Administration (GSA)</b>	<b>42</b>	<b>0</b>	<b>0</b>
A total of \$3.3 million is requested for this category in fiscal year 2016. The requested amount reflects charges on an actual cost basis that RRB will continue to pay for rent, consistent with RRB's memorandum of understanding with GSA. The total is \$42,000 higher than the planned amount for fiscal year 2015.			
<b>7. Communications, utilities, and miscellaneous charges</b>	<b>111</b>	<b>0</b>	<b>99</b>
The 2% reduction and 5% increase levels include \$4,667,560 in funding for this category. At the agency request level, an additional \$100,000 would be restored for postage. Specific amounts compare with fiscal year 2015 as shown below. (Amounts have been rounded to thousands.)			
<u>FY 2016 Funding at 2% Reduction Budget Level</u>			
Rent of equipment - \$896	61	0	50
Postage - \$1,432	165	0	50
Utilities - \$535	(50)	0	0
Communications - \$1,805	(65)	0	0

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2014,  
and Budget Levels for Fiscal Year 2015**

**Limitation on Administration, Direct Obligations (Dollars in thousands)**

<i>Category</i>	<i>FY 2015 Proposed to FY 2016 2% Reduction</i>	<i>FY 2016 2% Reduction Level to 5% Increase Level</i>	<i>FY 2016 5% Increase Level to Agency Request</i>
	(\$430)	\$7,980	21,731
<b>8. Printing and reproduction</b>	<b>(23)</b>	<b>0</b>	<b>0</b>
This category reflects a slight reduction in costs for printing benefit rate letters, tax statements, and earnings information for railroad retirement and unemployment/sickness insurance beneficiaries. The category also includes costs for official publication of agency information in the Federal Register and Code of Federal Regulations.			
<b>9. Other services</b>	<b>(2,901)</b>	<b>7,980</b>	<b>17,671</b>
At the 2% reduction level, the planned spending is 21,585,100, a 10% reduction from fiscal year 2015. At the 5% increase level, the planned spending is \$29,565,000 and includes \$7,980,000 in IT investments to further the agency's mission. The agency request includes an additional \$18,789,518 for the following items not funded at the lower budget levels: \$6,371,170 additional IT investments to further the agency's mission, \$3,305,186 Program Integrity Initiatives, \$1,785,000 in maintenance projects for the RRB headquarter building, \$1,200,000 for VoIP, \$1,200,000 replacement of AC units for the Data Center, \$1,084,300 to restore general cuts made to contractual services, \$1,000,000 Plaintiff Attorney's fees, \$985,000 removal of the SSN from Medicare cards, \$300,000 CWT conversion, \$250,000 Open Data Act records management, \$100,000 LMS training system, and \$90,000 CNA for FISMA. Specific amounts compare with fiscal year 2015 as shown below. (Amounts have been rounded to thousands.)			
<u><b>FY 2016 Funding at 2% Reduction Budget Level</b></u>			
Consulting services - \$507	8	0	0
Government contracts - \$1,628	(128)	0	250
Other services - \$387	(88)	0	131
Repairs and maintenance - \$3,685	(491)	0	125
Storage of household goods - \$15	(3)	0	15
Medical fees - \$1,255	(31)	0	0
Training - \$421	341	0	228
Maintenance of facilities - \$2,113	(147)	0	1,785
Contractual services - \$21,585	(2,362)	7,980	16,255
Note: Funding for maintenance of facilities in fiscal year 2016 will be partly offset by "no-year" money brought forward from fiscal year 2014 pursuant to P.L. 107-217.			

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2014,  
and Budget Levels for Fiscal Year 2015**

**Limitation on Administration, Direct Obligations (Dollars in thousands)**

<i>Category</i>	<i>FY 2015 Proposed to FY 2016 2% Reduction</i>	<i>FY 2016 2% Reduction Level to 5% Increase Level</i>	<i>FY 2016 5% Increase Level to Agency Request</i>
	<i>(\$430)</i>	<i>\$7,980</i>	<i>21,731</i>
<b>10. Supplies and materials</b>	<b>(195)</b>	<b>0</b>	<b>0</b>
A total of \$464,625 is included at each of the three budget levels for fiscal year 2016 for this category. The amount represents a reduction of \$195,375 or 29.6% from fiscal year 2015. Estimated costs include \$134,000 for special order supplies, \$128,625 for subscriptions and publications, and \$202,000 for direct orders from the GSA contractor.			
<b>11. Equipment</b>	<b>(34)</b>	<b>0</b>	<b>250</b>
At the 2% reduction and 5% increase levels, the planned spending in this category totals \$133,900, which represents a reduction of \$34,500, or 20.5%, from fiscal year 2015. The agency request level includes an additional \$250,000 for miscellaneous other equipment items needed by the bureaus and offices.			
<b>Total Increase/Decrease</b>	<b>(430)</b>	<b>7,980</b>	<b>21,731</b>

## RAILROAD RETIREMENT BOARD

### Summary of Full-Time Equivalent Employment a/

Series	Rank	FY 2014 actual	FY 2015 b/ estimate	FY 2016 OMB Guidance 2% Reduction Level	FY 2016 OMB Guidance 5% Increase Level	FY 2016 Agency Request Level
Executive	Level III	1	1	1	1	1
	Level IV	2	2	2	2	2
	<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Senior Executive Service	ES-00	7	7	7	7	7
	<b>Subtotal</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
General Schedule/Management	GS/GM-15	30	33	33	33	32
	GS/GM-14	57	57	57	57	57
	GS/GM-13	101	103	103	103	104
	GS-12	217	207	207	207	215
	GS-11	138	139	139	139	142
	GS-10	112	117	117	117	124
	GS-9	56	56	56	56	57
	GS-8	38	36	36	36	38
	GS-7	51	56	56	56	52
	GS-6	9	8	8	8	12
	GS-5	24	18	18	18	24
	GS-4	17	20	20	20	18
	GS-3	0	0	0	0	0
	GS-2	0	0	0	0	0
	<b>Subtotal</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>875</b>
Combined	<b>Total</b>	<b>860</b>	<b>860</b>	<b>860</b>	<b>860</b>	<b>885</b>

Positions in the Office of Inspector General are excluded.

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

b/ FTEs reflect estimates in the President's proposed budget for fiscal year 2015.

## RAILROAD RETIREMENT BOARD

### Full-Time Equivalent Employees by Organization

Organization	FY 2014 <sup>1/</sup>	FY 2015 President's Budget <sup>2/</sup>	FY 2016 OMB Guidance 2% Reduction Level	FY 2016 OMB Guidance 5% Increase Level	FY 2016 Agency Request Level
Chairman	3.63	--	--	--	--
Labor	6.00	--	--	--	--
Management	4.00	--	--	--	--
<b>Subtotal, Board</b>	<b>13.63</b>	--	--	--	--
General Counsel/Law	12.95	--	--	--	--
Hearings and Appeals	10.58	--	--	--	--
Legislative Affairs	3.96	--	--	--	--
Secretary to the Board	1.99	--	--	--	--
<b>Subtotal, General Counsel</b>	<b>29.48</b>	--	--	--	--
Office of Programs	298.05	--	--	--	--
CFO/Fiscal Operations	55.67	--	--	--	--
Actuary	17.58	--	--	--	--
Office of Administration	54.12	--	--	--	--
Field Service	230.49				
Information Services	126.12				
<b>Total</b>	<b>825.14</b>	<b>860.00</b>	<b>860.00</b>	<b>860.00</b>	<b>885.00</b>

<sup>1/</sup> Amounts reflect projected use as of August 7, 2014. The RRB's fiscal year 2014 budget includes funding for 860 FTEs.

<sup>2/</sup> Reflects projected total staffing at the President's proposed level of \$112.2 million. FTEs reflect estimates in the President's proposed budget for fiscal year 2015.

# **RAILROAD RETIREMENT BOARD**

## **Narrative Description of Strategic Goals**

The RRB's budget request for ongoing operations is distributed between two areas that match the goals stated in the agency's Strategic Plan for Fiscal Years 2014–2018:

Strategic Goal I. Provide excellent customer service.

Strategic Goal II. Serve as responsible stewards for our customers' trust funds and agency resources.

Amounts requested by the RRB represent the resources needed to achieve the performance goals stated in the RRB's Performance Plan for Fiscal Year 2016. Activities in each area are described in the following sections. The Performance Plan contains additional information concerning performance indicators for each goal.

### **I. Provide Excellent Customer Service.**

Regarding the RRB's strategic goal of providing excellent customer service, strategic objectives and supporting initiatives in the RRB's Performance Plan for Fiscal Year 2016 include the following:

#### **I-A. Pay benefits timely.**

- Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.
- Inform our customers about their responsibilities.
- Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.
- Promote direct deposit for benefit payments.
- Monitor key payment workloads.
- Allocate resources effectively.

#### **I-B. Provide a range of choices in service delivery methods.**

- Increase opportunities for our customers to conduct business in a secure manner over the Internet.
- Continue to develop electronic services that enable the employer to conduct daily business transactions and file required reports in an efficient, effective and secure manner.

## **II. Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.**

Regarding the RRB's strategic goal of safeguarding our customers' trust funds through prudent stewardship, strategic objectives and supporting initiatives in the RRB's Performance Plan for Fiscal Year 2016 include the following:

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

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

### **II-B. Ensure the accuracy and integrity of benefit programs.**

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

### **II-C. Ensure effectiveness, efficiency and security of operations.**

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

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



## **RAILROAD RETIREMENT BOARD**

### **Appropriation Request by Strategic Goal**

The RRB Performance Budget for Fiscal Year 2016 contains a discussion of the administration of the railroad retirement/survivor and unemployment/sickness insurance benefit programs. The tables on the following pages identify the estimated costs of administering these programs in terms of the following strategic goals:

- I. Customer service
- II. Stewardship

These goals are consistent with the RRB's Strategic Plan for Fiscal Years 2014–2018.

Projections for the fiscal year 2016 budget reflect three funding levels, as follows:

- The 2 percent reduction level of the budget provides \$111,720,000 for fiscal year 2016, and represents an increase of \$1,420,000 from the RRB's enacted level of funding in fiscal year 2014. This level would fund 860 FTEs to administer the benefit programs and provides no funding for information technology initiatives. To get to the 860 FTE level, budget projections show that the agency could reach this level by relying on attrition.
- The 5 percent increase for investment level of the budget provides \$119,700,000 for fiscal year 2016 and includes funds for FTE level of 860 and \$7,980,000 for information technology initiatives.
- The agency request level totals \$141,431,197 for fiscal year 2016. This amount would be sufficient to fund 885 FTEs and provide \$14,351,170 for information technology investments.

**Summary of Strategic Goal Amounts**  
**Budget Account - Limitation on Administration (60-8237-0-7-601)**

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

<u>Fiscal Year/Level</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>			
			<u>OMB Guidance 2% Reduction Level</u>	<u>OMB Guidance 5% Increase Level</u>	<u>Agency Request Level</u>	
Budget authority.....	110,300	112,150	111,720	119,700	141,431	
Outlays.....	110,300	112,150	111,720	119,700	141,431	
Full-time equivalent employment.....	842	860	860	860	885	
<u>Fiscal Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget authority:						
OMB Guidance Reduction level (2%).....	111,720	111,720	111,720	111,720	111,720	111,720
OMB Guidance Increase level (5%).....	119,700	119,700	119,700	119,700	119,700	119,700
Request level.....	141,431	*	*	*	*	*
Outlays:						
OMB Guidance Reduction level (2%).....	111,720	111,720	111,720	111,720	111,720	111,720
OMB Guidance Increase level (5%).....	119,700	119,700	119,700	119,700	119,700	119,700
Request level.....	141,431	*	*	*	*	*

\* Amounts for these years are to be determined.

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

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

<u>Fiscal Year/Level</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>			
			OMB Guidance	OMB Guidance	Agency Request	
			2% Reduction	5% Increase		
			Level	Level	Level	
Budget authority.....	79,165	80,238	87,320	88,882	99,667	
Outlays.....	79,165	80,238	87,320	88,882	99,667	
Full-time equivalent employment.....	676	642	651	651	670	
<u>Fiscal Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget authority:						
OMB Guidance Reduction level (2%).....	87,320	87,320	87,320	87,320	87,320	87,320
OMB Guidance Increase level (5%).....	88,882	88,882	88,882	88,882	88,882	88,882
Request level.....	99,667	*	*	*	*	*
Outlays:						
OMB Guidance Reduction level (2%).....	87,320	87,320	87,320	87,320	87,320	87,320
OMB Guidance Increase level (5%).....	88,882	88,882	88,882	88,882	88,882	88,882
Request level.....	99,667	*	*	*	*	*

\* Amounts for these years are to be determined.

**Budget Account - Limitation on Administration (60-8237-0-7-601)**

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

<u>Fiscal Year/Level</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>			
			<u>OMB Guidance</u>	<u>OMB Guidance</u>	<u>Agency Request</u>	
			<u>2% Reduction</u>	<u>5% Increase</u>		
			<u>Level</u>	<u>Level</u>	<u>Level</u>	
Budget authority.....	31,135	31,912	24,400	30,818	41,764	
Outlays.....	31,135	31,912	24,400	30,818	41,764	
Full-time equivalent employment.....	184	218	209	209	215	
<u>Fiscal Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Budget authority:						
OMB Guidance Reduction level (2%).....	24,400	24,400	24,400	24,400	24,400	24,400
OMB Guidance Increase level (5%).....	30,818	30,818	30,818	30,818	30,818	30,818
Request level.....	41,764	*	*	*	*	*
Outlays:						
OMB Guidance Reduction level (2%).....	24,400	24,400	24,400	24,400	24,400	24,400
OMB Guidance Increase level (5%).....	30,818	30,818	30,818	30,818	30,818	30,818
Request level.....	41,764	*	*	*	*	*

\* Amounts for these years are to be determined.

# PERFORMANCE PLAN



***Fiscal Year 2016***

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**Railroad Retirement Board**

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## **Introduction**

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2016 to support our mission (see mission statement on the following page) and to communicate our intentions for meeting challenges and seeking opportunities. We will use the plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a continued focus on results, service quality, and customer satisfaction. We will also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality.

This plan is closely linked to our **Strategic Plan for Fiscal Years 2014 - 2018** and can be easily cross-referenced to that plan. The performance budget provides detailed performance goals, performance indicators and target levels to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is one part of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have established specific performance goals (with performance indicators and projected performance levels) to be achieved in fiscal year 2016. Additionally, it supports our other functional plans required to manage the agency. These functional plans include the **Customer Service Plan** and the **Information Technology Capital Plan**. These plans support the annual submission of the agency budget to the Office of Management and Budget (OMB) and the Congress.

The RRB's strategic and performance goals are presented in the sections following our mission statement. Information on anticipated performance in fiscal year 2016 for each performance goal is provided at the 2% reduction level of \$ 111,720,000, the 5% increase level of \$119,700,000 and the agency request level of \$141,431,197. To provide for ongoing improvement in performance and accountability, we will continue to set programmatic goals which are aggressive, realistic and accurately measured. We will also ensure that planned improvements are transparent and result in meaningful outcomes, and that agency managers are accountable for achieving performance goals.

We will also prepare and submit to the President and the Congress a report on program performance for fiscal year 2016, as part of our Performance and Accountability Report. The report will be reviewed by the RRB's Office of Inspector General (OIG) to help ensure the reliability and utility of our performance information. The reported information will be derived from agency systems and will compare the performance goals and indicators to actual program performance for the fiscal year.

This performance budget meets the requirements of the GPRA Modernization Act and was prepared by RRB employees.

***RAILROAD RETIREMENT BOARD  
MISSION STATEMENT***

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

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



**Strategic Goal I: *Provide Excellent Customer Service.*** We aim to satisfy our customers' expectations for quality service in terms of service delivery options and levels and manner of performance. At the 2% reduction level of the fiscal year 2016 budget, we plan to allocate \$87,320,000 and 651 full-time equivalent employees (FTEs) to this strategic goal; at the 5% increase level, we would dedicate \$88,882,000 and 651 FTEs to customer service; and at the agency request level, we would be able to dedicate \$99,667,000 and 670 FTEs to customer service. We have established two performance goals that focus on the specifics of achieving this strategic goal.

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

- *Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.*
- *Inform our customers about their responsibilities.*
- *Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.*
- *Promote direct deposit for benefit payments.*
- *Monitor key payment workloads.*
- *Allocate resources effectively.*

Our Customer Service Plan includes customer service timeliness standards for paying benefits. Through March 31, 2014, the overall actual performance was 98.9 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for nearly 99 percent of the 139,361 service transactions for which timeliness was measured.

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

**Overall Timeliness Performance  
Fiscal Year 2014 (through 3/31/2014)**

- Retirement applications: 93.7% (target: 95.0%)
- Survivor applications: 95.6% (target: 95.8%)
- Disability applications/payments: 72.6% (target: 84.2%)
- RUIA applications/claims: 99.9% (target: 99.8%)

**Communications with RRB customers**

In addition to making payments, we provide a variety of information to our customers. We provide general information through our website, publications, and our toll-free number. We also provide information to individuals through annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, annual

income tax statements, and answers to questions regarding benefits. In addition, we use an on-line presentation facility called *RRBVision* to provide information and training to the public and rail employers.

**Strategic Objective: Provide a range of choices in service delivery methods.** To fulfill customers' needs, we must provide high quality, accurate services on a timely basis, and in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. Consistent with our vision statement, we strive to provide a broad range of choices for customer service. Our level of performance will be measured by how well we succeed in providing the level of service our customers expect, and by the number of new electronic services we can provide in each program at a reasonable cost. Our goal is to expand customer choice by offering alternative access to our major services. To achieve our goals in this area, we plan to:

- *Increase opportunities for our customers to conduct business in a secure manner over the Internet.*
- *Continue to develop electronic services that enable the employer to conduct daily business transactions and file required reports in an efficient, effective and secure manner.*

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

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

Beginning in fiscal year 2015, we plan to develop Form BA-9, Report of Separation Allowance or Severance Pay, which will convert the final employer reporting form into another on-line service. In fiscal year 2016, the RRB will develop Form G-73a.1, Notice of Death, Form RL-5a, Notice of Annuity Award and Form RL-13g, Notice of Relinquishment of Rights of Disability Annuitant Who attained Age 65. By making these notices available on-line, employers will have secure access to the information needed to maintain their own benefit payments. This phase will add 3 additional services to the system.

We will continue our development of enhancements to implement advanced system accessibility so employers who file reports for multiple companies can access the ERSNet system with one multi-user account. Additionally, we will investigate options for knowledge based authentication for ERSNet system users; file upload capability for current Forms BA-4 and BA-6 reports; and on-screen instructions for the current forms and services available in ERSNet.

**Strategic Goal II: *Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.*** The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the 2% reduction level of the fiscal year 2016 budget, we plan to allocate \$24,400,000 and 209 FTEs to this strategic goal; at the 5% increase level, we would dedicate \$30,818,000 and 209 FTEs to stewardship; and at the agency request level, we would be able to dedicate \$41,764,000 and 215 FTEs to stewardship. We have established four performance goals that focus on the specifics of achieving this strategic goal.

**Strategic Objective: *Ensure that trust fund assets are protected, collected, recorded and reported appropriately.*** The RRB is committed to prudent management of its trust funds. Our success in this objective is reflected through annual audited financial statements, actuarial valuations, financial projections, benefit payment accuracy, debt collection, experience-based contribution rates, and payroll tax and railroad employee compensation reconciliations. We also have responsibilities with regard to the National Railroad Retirement Investment Trust, which are addressed under performance goal II-D. To accomplish this commitment, we will:

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

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

**Strategic Objective: Ensure the accuracy and integrity of benefit programs.** The principal indicators of accuracy are the benefit payment accuracy rates in each program. Our performance goal is to ensure that we can continue to meet or exceed 99 percent payment accuracy in the payments we initiate or manually adjust in a given year. To accomplish this goal, we will:

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

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

As part of our fiduciary responsibilities to the rail community, we must ensure that the correct benefit amounts are being paid to the right people. We match our benefit payments against the Social Security Administration's earnings and benefits database, the Centers for Medicare & Medicaid Services' death records, the Office of Personnel Management's benefit records, and State wage reports, exclusively via secure electronic transmissions. We also administer other benefit monitoring programs to identify and prevent erroneous payments, and refer some cases to the RRB's OIG for investigation. After investigation, the Inspector General may pursue more aggressive actions, which include civil and criminal prosecution.

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

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

the findings from these reviews as we plan our information technology initiatives. To achieve our goals for efficient, effective and secure operations, we will:

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

In addition to our ongoing activities, during the planning period we will continue to emphasize key areas related to strategic management of human capital, improving program performance and accountability, data optimization and systems modernization, particularly as they relate to our succession planning activities.

***Strategic Management of Human Capital*** – Like many agencies, the RRB has an aging workforce. About 63 percent of our employees have 20 or more years of service and over 33 percent of the current workforce will be eligible for retirement by fiscal year 2015. To prepare for the expected turnover, the agency is placing increased emphasis on strategic management of human capital. Each organization has completed workforce planning documents that identify the current staffing levels, projected attrition and planned hiring through fiscal year 2015, subject to available funding. Each executive also completed a gap analysis for his/her organization that identified potential areas of skills and knowledge gaps that will need to be addressed, identified areas where additional training may be necessary or where mentoring may be desirable to prepare employees for more senior positions, and identified areas of new skills that may need to be addressed through outside hires.

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

The RRB is also devoting more attention and resources to training and has provided meaningful training programs for our employees. We have offered courses in the areas of performance management, and managerial and supervisory development, and we recently provided negotiation training and “train the trainer” sessions and Microsoft Office training for employees. We also make use of technology in this area, utilizing our on-line presentation facility, *RRBVision*, which allows employees to view training, including a video component, in an online format. In addition, all field managers now have ready access to the latest

webinar technology to facilitate the remote training of new employees, as well as the ongoing training of experienced field staff. Lastly, we continue to implement a new internet-based software package – Learning Management System (LMS), which effectively formalizes all aspects of training for all agency employees, while also providing self-assessments to the student and feedback to supervisors on their progress. These initiatives are particularly useful to employees and managers in the agency's field offices.

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

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

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

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

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

The Bureau of Information Services and the Office of Programs are now continuing to work to convert the Payment Rate and Entitlement History (PREH) systems to access the master

database. Conversion of PREH is the lynchpin of Phase I of the Systems Modernization Project Plan: PREH is the most complicated component of the master database tables and impacts the highest number of application systems and programs. Database design work for the PREH master data tables was completed in December 2013. The target date for the PREH conversion was delayed due to higher priority projects, but, is planned to be finished by April 30, 2015.

***Strengthening IT Portfolio Management*** – In support of the Administration’s direction to agencies to assess the effectiveness of current information technology (IT) management practices and address opportunities to improve management of IT resources, new for fiscal year 2016, we are adding measurements based on the PortfolioStat categories Deliver, Innovate and Protect. The measurements ensure that the agency engages in proactive performance management of its IT.

**Fiscal Year 2016 Information Technology (IT) Capital Plan Investments**

Investment	FY 2016 Budget Level		
	OMB Guidance 2% Reduction	OMB Guidance 5% Increase Level	Agency Request Level
<b>Contractual services</b>			
Virtual Desktop Infrastructure	0	215,080	215,080
Imaging System Replacement	0	0	96,680
Records Management Assessment	0	0	120,000
Centralized Correspondence System	0	0	100,000
Content Management Services	0	0	300,000
Beneficiary & Employer Systems Strong Authentication	0	0	100,000
Employer Reporting System	0	0	200,000
Risk Management & Privacy	0	0	65,000
Logical Access Controls	0	10,000	10,000
User Community - COOP	0	0	36,000
<b>Subtotal, Contractual services</b>	<b>\$0</b>	<b>\$225,080</b>	<b>\$1,242,760</b>
<b>Equipment</b>			
Mainframe Applications Re-engineering	\$0	\$6,485,590	\$6,485,590
Infrastructure Services – Virtual Desktop	0	1,219,600	1,219,600
Failsafe Operations - COOP	0	0	1,297,150
Data Warehouse – Fraud Prevention & Analysis	0	0	1,000,000
Risk Management & Privacy	0	0	786,000
User Community - COOP	0	0	295,540
Secure Wireless Office	0	49,730	909,530
Imaging System Replacement	0	0	475,000
Enterprise Test Lab	0	0	200,000
Employee Time Entry	0	0	100,000
Firewall	0	0	140,000
Network Management Tools	0	0	50,000
Enterprise Mobile Management	0	0	50,000
Electronic Freedom of Information Act	0	0	50,000
Secure Pull Printing	0	0	50,000
	0	0	0
	0	0	0
<b>Subtotal, Equipment</b>	<b>\$0</b>	<b>\$7,754,920</b>	<b>\$13,108,410</b>
<b>Total, IT Capital Plan requests</b>	<b>\$0</b>	<b>\$7,980,000</b>	<b>\$14,351,170</b>



**Strategic Objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.** Although the RRB no longer has primary responsibility for the investment of the trust fund monies, it continues to have responsibilities in ensuring that the National Railroad Retirement Investment Trust (NRRIT), and its seven-member Board of Trustees, comply with the provisions of the Railroad Retirement Act. This responsibility will be fulfilled through review of the monthly, quarterly and annually submitted reports by the NRRIT, and its auditors' reports. In addition, the RRB's Board Members and General Counsel meet twice annually with the Trustees and receive detailed briefings during periodic telephone conferences.

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

To facilitate coordination among the NRRIT and Federal Government organizations, the Department of the Treasury, OMB, NRRIT and RRB have entered into a voluntary memorandum of understanding concerning budgetary, accounting and financial reporting responsibilities.

### **Information Security Program**

Information security is a critical consideration for government agencies where maintaining the public's trust is essential. The RRB relies extensively on computerized systems to support its mission operations and store the sensitive information that it collects. The RRB's information security program is established and maintained to reasonably protect systems data and resources against internal failures, human errors, attacks and natural catastrophes that might cause improper disclosure, modification, destruction, or denial of services.

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

Federal agencies are required to provide annual computer security awareness training for employees and contractors. Security awareness efforts are designed to change behavior or reinforce good security practices by focusing attention on security. We continue to develop new approaches for refreshing the awareness initiative by providing updated and innovative presentations for the agency staff. We have a full training program that combines a security awareness presentation with additional role-based training appropriate to the RRB's information technology environment. Every employee and contractor with computer network access participates in this annual event. Individuals who do not use a computer receive

physical security awareness information. In addition to the awareness presentation, computer analysts, software developers and network/system engineers also receive specialized technical education necessary to maintain their skills and enhance proficiency. The formal awareness-training program is supplemented by a weekly Security News feature story, prominently headlined on the Intranet's home page, reminding people to protect their computers and information throughout the year. Every year, the RRB awareness program has been able to report exemplary levels of participation.

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

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

The Security Authorization process is integral to the information security programs of Federal agencies. Performing the security authorization process helps provide an understanding of the risks and other factors that could adversely affect the agency's mission for all of the agency information systems. The RRB developed a Security Authorization strategy for fiscal year 2013 that is in line with the National Institute for Standards and Technology (NIST) Risk Management Framework (RMF) strategy. The agency employs a continuous monitoring strategy to increase the effectiveness of our current information security program, performing annual risk assessments, as well as testing all security controls applicable to the information system.

Integrating security into the System Development Life Cycle (SDLC) in the RRB Information

System program is essential. To ensure that all RRB applications are developed securely, standards need to be identified using industry standards identified by security professionals. The RRB has implemented a secure RRB SDLC procedure, implementing standards from guidelines such as:

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

<b>Railroad Retirement Board FY 2016 Initial Performance Plan</b>	<b>2011 Actual (\$108.9m)</b>	<b>2012 Actual (\$108.6m)</b>	<b>2013 Actual ( \$108.7m)</b>	<b>2014 Actual <sup>1/</sup> (\$110.3m)</b>	<b>2015 <sup>2/</sup> President's Proposed (\$112.150m)</b>	<b>2016 OMB Guidance 2% Reduction (\$111.720m)</b>	<b>2016 OMB Guidance 5% Increase (\$119.7m)</b>	<b>2016 Agency Request Level (\$141.431m)</b>
<b><i>STRATEGIC GOAL I: Provide Excellent Customer Service</i></b>								
<b><i>Strategic Objective: Pay benefits timely.</i></b> Leader for performance goals I-A-1 through I-A-5; I-A-7 and I-A-8: Martha M. Barringer, Director of Programs Leader for performance goal I-A-6: Dan Fadden, Director of Field Service Leader for performance goal I-A-9: Rachel L. Simmons, Director of Hearings and Appeals								
I-A-1. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 35 days of the annuity beginning date, if advanced filed. (Measure: % ≤ 35 days)	96.0%	96.3%	95.6%	93.5%	95.0%	92.0%	95.0%	96.0%
I-A-2. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	97.9%	97.9%	97.0%	94.2%	95.0%	92.0%	95.0%	96.0%
I-A-3. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor not already receiving a benefit within 60 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 days)	96.3%	94.8%	96.1%	95.2%	93.0%	93.0%	94.0%	94.2%

Exhibit 1

<b>Railroad Retirement Board FY 2016 Initial Performance Plan</b>	<b>2011 Actual (\$108.9m)</b>	<b>2012 Actual (\$108.6m)</b>	<b>2013 Actual ( \$108.7m)</b>	<b>2014 Actual <sup>1/</sup> (\$110.3m)</b>	<b>2015 <sup>2/</sup> President's Proposed (\$112.150m)</b>	<b>2016 OMB Guidance 2% Reduction (\$111.720m)</b>	<b>2016 OMB Guidance 5% Increase (\$119.7m)</b>	<b>2016 Agency Request Level (\$141.431m)</b>
I-A-4. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor already receiving the benefits as a spouse within 30 days of the RRB's receipt of first notice of the employee's death. (Measure: % ≤ 30 days)	95.8%	95.6%	95.4%	94.0%	93.5%	93.5%	94.5%	95.4%
I-A-5. RRB makes a decision to pay or deny a lump sum death benefit within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	98.3%	98.4%	98.8%	98.9%	97.3%	97.3%	98.0%	98.2%
I-A-6. RRB certifies a payment or releases a letter of denial of UI or SI benefits within 10 days of the date RRB receives the claim. (Measure: % ≤ 10 days)	99.9%	99.9%	99.9%	99.9%	98.5%	99.2%	99.4%	99.6%
I-A-7. RRB makes a decision to pay or deny a benefit for a disabled applicant or family member within 100 days of the date the application is filed. (Measure: % ≤ 100 days)	67.5%	74.9%	72.5%	43.3%	70.0%	70.0%	70.0%	70.0%
I-A-8. RRB makes a payment to a disabled applicant within 25 days of the date of decision or earliest payment date, whichever is later. (Measure: % ≤ 25 days)	96.0%	96.8%	95.1%	92.8%	94.0%	93.5%	94.5%	96.0%

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I-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	300	336	316	267	325	320	300	290
<b>Strategic Objective: Provide a range of choices in service delivery methods.</b> Goal leader: Martha M. Barringer, Director of Programs								
I-B-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: Number of services available through electronic media)	19 services available	19 services available	19 services available	19 services available	20 services available	20 services available	20 services available	20 services available
I-B-2. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measures: percentage of employers who use the on-line Employer Reporting System (ERS); number of services available through electronic media)	a) Employers using ERS:	84.0%	85.0%	87.0%	99.0%	85.0%	99.0%	99.0%
	b) Internet services:	17 Internet services available	19 Internet services available	21 Internet services available	21 Internet services available	27 Internet services available	30 Internet services available	30 Internet services available

Railroad Retirement Board FY 2016 Initial Performance Plan	2011 Actual (\$108.9m)	2012 Actual (\$108.6m)	2013 Actual ( \$108.7m)	2014 Actual <sup>1/</sup> (\$110.3m)	2015 <sup>2/</sup> President's Proposed (\$112.150m)	2016 OMB Guidance 2% Reduction (\$111.720m)	2016 OMB Guidance 5% Increase (\$119.7m)	2016 Agency Request Level (\$141.431m)	
<b>STRATEGIC GOAL II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</b>									
<b>Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately.</b> Goal leader: George V. Govan, Chief Financial Officer									
II-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure for fiscal year 2011: funds collected vs. total debts outstanding. Measure for fiscal years 2012 and following: total overpayments recovered in the fiscal year / total overpayments established in the fiscal year.)	54.0%	97.7%	97.7%	95.14%	85.0%	85.0%	85.0%	85.0%	
<b>Strategic Objective: Ensure the accuracy and integrity of benefit programs.</b> Goal leader II-B-1 (a)(b) and II-B 3 and 4: Martha M. Barringer, Director of Programs Goal leader II-B-2 (a)(b): Dan Fadden, Director of Field Service									
II-B-1. Achieve a railroad retirement benefit payment accuracy rate <sup>3/</sup> of at least 99%. (Measure: percent accuracy rate)	a) Initial payments:	99.79%	99.75%	99.84%	N/A	99.60%	99.50%	99.60%	99.75%
	b) Sample post recurring payments:	Deferred <sup>4/</sup>	99.97%	99.70%	N/A	99.60%	99.50%	99.60%	99.75%

Exhibit 1

Railroad Retirement Board FY 2016 Initial Performance Plan	2011 Actual (\$108.9m)	2012 Actual (\$108.6m)	2013 Actual ( \$108.7m)	2014 Actual <sup>1/</sup> (\$110.3m)	2015 <sup>2/</sup> President's Proposed (\$112.150m)	2016 OMB Guidance 2% Reduction (\$111.720m)	2016 OMB Guidance 5% Increase (\$119.7m)	2016 Agency Request Level (\$141.431m)	
II-B-2. Achieve a railroad unemployment/ sickness insurance benefit payment accuracy rate <sup>3/</sup> of at least 99%. (Measure: percent accuracy rate)	a) Unemployment	100%	99.83%	98.99%	99.65%	99.20%	99.40%	99.50%	99.60%
	b) Sickness	99.71%	99.37%	99.42%	100%	98.10%	99.20%	99.40%	99.60%
II-B-3. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: prior to FY14, below 2.5%; beginning FY14, below 1.5%)	New indicator for fiscal year 2012	0.59%	0.54%	0.70%	0.64%	1.00%	0.90%	0.80%	
II-B-4. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure for fiscal years through 2011: recoveries and savings per dollar spent. Measure for fiscal years 2012 and following: recoverables and savings per dollar spent.)	\$5.46: \$1.00	\$4.55: \$1.00	\$4.90: \$1.00	N/A	\$4.25: \$1.00	\$4.25: \$1.00	\$4.50: \$1.00	\$4.75: \$1.00	



## Exhibit 1

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<b><i>Strategic Objective: Ensure effectiveness, efficiency, and security of operations.</i></b> Goal leader: Ram Murthy, Chief Information Officer								
II-C-1. Complete modernization of RRB processing systems in accordance with long-range planning goals. (Measure: Meet target dates for the project. Yes/No)	Yes. We finished the RUIA database conversion.	Yes. The RUIA conversion was completed in October 2012. We began conversion work on the Employment Data Maintenance (EDM) database.	Yes. The conversion of the EDM database was completed in January 2013. The design phase of the Payment Rate and Entitlement History (PREH) database was completed in December 2013.	NO. The target date for the PREH conversion is delayed due to higher priority project (TPAM) and lack of resources.	Yes. The new target date for the conversion of the PREH database is April 30, 2015.	Yes. The target date for the conversion of the Tax Database is to be completed by December 2016.	Yes. The target date for the conversion of the Tax Database is to be completed by December 2016.	Yes. The target date for the conversion of the Tax Database is to be completed by December 2016.

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II-C-2. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	85%	85%	85%
II-C-3. Deliver – Meet Customer Expectations. <u>WWW.RRB.GOV</u> Internet Services (Mainline and employer Reporting System) Continuous availability experienced by end users.	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	Continuous availability target: 99.0%  Hours of outage allowed per month: 7 hours	Continuous availability target: 99.0%  Hours of outage allowed per month: 7 hours	Continuo0us availability target: 99.0%  Hours of outage allowed per month: 7 hours

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II-C-4. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	Continue restoration of email from backup tapes at alternate facility	Implement automatic failover of email system to alternate facility	Implement automatic failover of email system to alternate facility
II-C-5. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	98.5%	98.5%	98.5%

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II-C-6. Protect – Email Data Loss Prevention. Percentage of externally bound emails and their attachments automatically encrypted that contain personally identifiable or credit card information.	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	99%	99%	99%
II-C-7. Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	New Performance Goal	0	100%	100%
<b>Strategic objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.</b> Goal leader: Karl T. Blank, General Counsel								

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II-D-1. Timely review information reported by the National Railroad Retirement Investment Trust to carry out RRB's oversight responsibility under section 15(j)(5)(F) of the Railroad Retirement Act. Reports are to be reviewed within 30 days of receipt. (Measure: Yes/No)	New indicator for fiscal year 2012	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Footnotes are following:

- <sup>1/</sup> Actual results represent status as of March 31, 2014, unless otherwise noted. N/A indicates fiscal year 2014 data was not available.
- <sup>2/</sup> Planned amounts reflect the fiscal year 2015 performance targets shown in the RRB's Congressional Justification of Budget Estimates, released March 5, 2014.
- <sup>3/</sup> The payment accuracy rate is the percentage of dollars paid correctly as a result of adjudication actions performed.
- <sup>4/</sup> The quality review of post recurring payments was deferred in fiscal year 2010 because the accuracy rates historically had been very high, and the findings minimal. The return on measuring this area every year had diminished over time. Review was deferred again in fiscal year 2011 to allow staff to complete work on a special quality assurance case review started in fiscal year 2010.

## **RAILROAD RETIREMENT BOARD**

### **Information Technology Initiatives for Fiscal Year 2016**

#### **Introduction**

The Railroad Retirement Board actively pursues the continued automation and modernization of its various processing systems to support its mission to administer retirement/survivor and unemployment/sickness insurance benefit programs for railway workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Automation initiatives have significantly improved operations while allowing the agency to reduce staffing in certain areas.

In recent years the President and the Office of Management and Budget (OMB) have challenged agencies to create a 21st Century Government. Many of the information technology initiatives for fiscal year 2016 are elements of the RRB's Office in the Cloud plan to enable a "future ready" RRB workforce equipped with modern tools and technologies to do their jobs in the most efficient and effective manner that leads to sustained customer satisfaction in the railroad community we serve.

Office in the Cloud enables self-service solutions for the community, and a mobile workforce that leverages information securely using the right applications. The strategy for Office in the Cloud incorporates the Cloud First policy outlined in the Federal Chief Information Officer's 25 Point Implementation Plan to Reform Federal Information Technology Management<sup>1</sup>. Office in the Cloud enables the creation of a virtual office that will allow information to be accessed anywhere, anytime and using any device. Internal mission-critical applications are modernized to run on more economical, commodity-based virtual servers and do real-time processing in a private "cloud". The applications will be available for use on any desktop, tablet, or smart phone. The wired office becomes "wireless" incorporating secure unified communications such as Voice over IP, video conferencing, and instant messaging. Desktops are virtual, hosted and centrally managed giving end-users a full personal computer experience regardless of their location. Printer and scanner devices are managed as a service incorporating a "pull printing" secure scanning and printing methodology. In other words our users can walk up to any network printer and retrieve the print job using their Personal Identity Verification (PIV) card. The infrastructure allows for the expansion of social media and provides enriched self-service solutions for the railroad employees and railroads.

By using Office in the Cloud the agency can enhance the performance of end user tasks and reduce the effect of constraints from a physical office. The outcome will be secure, reliable, cost effective, and value driven IT services and applications, that has a positive impact in the community for several years to come.

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<sup>1</sup> Vivek Kundra, U.S. Chief Information Officer, 25 Point Implementation Plan to Reform Federal Information Technology Management (Dec. 9, 2010).

## **RAILROAD RETIREMENT BOARD**

### **Information Technology Initiatives for Fiscal Year 2016**

Descriptions of key capital initiatives for fiscal year 2016 are below. These address mission delivery area, presidential direction, innovation, return on investment, and cybersecurity.

#### **Mission Delivery Area**

##### **Continuity of Operations - Failsafe Operations (\$1,297,150)**

In fiscal year 2016, the RRB will acquire services to provide a “hot site” for IT disaster recovery. This site will be a fully configured data center with hardware and software products available at the time of disaster. Data streams, data security services and applications will be hosted and managed by vendors. This information can be accessed at the primary business site or any alternate site using a web browser. If an outage is detected at the RRB site by the vendor, the vendor automatically holds data until the client’s system is restored.

##### **Continuity of Operations - User Community (\$331,540)**

In fiscal year 2016, the RRB will provide all agency staff the tools and training to be able to telework, either at home or from another location, in the event those employees are unable to work at their designated office due to a natural or man-made disruption. Currently, only designated staff has government issued devices that allows them to telework under the agency’s work-at-home program. In the event of a disaster scenario many more employees are impacted. These same non-telework designated employees have significant roles in the recovery and continuation of agency business during the disruption.

##### **Employer Reporting System (\$200,000)**

In fiscal year 2016, the RRB will continue to use contractor services to assist agency staff in developing additional notifications to employers that provide information about benefit payment and annuitant status. We will develop Form G-73a.1, Notice of Death, Form RL-5a, Notice of Annuity Award and Form RL-13g, Notice of Relinquishment of Rights of Disability Annuitant Who attained Age 65. By making these notices available on-line, employers will have secure access to the information needed to maintain their own benefit payments. This phase will add 3 additional services to the system.

##### **Imaging System Replacement (\$571,680)**

In fiscal year 2016, the RRB will update its 15 year-old Imaging System in order to add more functionality and flexibility to the current process. The RRB will conduct research to find a market established Imaging software product in order to mitigate the risk of possibly maintaining a future unsupported product. The current Imaging System consists of many different components, all configured to run together.

## **RAILROAD RETIREMENT BOARD**

### **Information Technology Initiatives for Fiscal Year 2016**

#### **Presidential Direction**

##### **Records Management Assessment (\$120,000)**

In fiscal year 2016, the RRB will acquire contractor services to perform an assessment of its records management program to meet the requirements of OMB memorandum M-12-18, Managing Government Records Directive<sup>2</sup>. OMB M-12-18 marked the beginning of an Executive Branch-wide effort to reform records management policies and practices and to develop a 21st-century framework for the management of Government records. This Directive requires that to the fullest extent possible, agencies eliminate paper and use electronic recordkeeping. It is applicable to all executive agencies and to all records, without regard to security classification or any other restriction. In fiscal year 2016, we will utilize consulting services to assist RRB staff in determining overall system requirements for future fiscal years implementation of the solution.

##### **Electronic Freedom of Information Act (e-FOIA) Management System (\$50,000)**

In fiscal year 2016, the RRB will add a web-based FOIA and Privacy Act (PA) request processing system specifically designed to automate FOIA and PA case processing. The user-friendly system will be utilized to track requests and requester information, generate correspondence letters, provide secure redaction capability, and run reports, including the Department of Justice Annual FOIA Report. The FOIA processing system will transform traditionally cumbersome and labor intensive FOIA compliance into an automated, efficient electronic process.

##### **Beneficiary & Employer Systems Strong Authentication (\$100,000)**

In fiscal year 2016, the RRB will attain services to replace the authentication process used for RRB online accounts and systems. A modernized authentication system will allow users to access their accounts with enhanced security, eliminate costs associated with mailing physical letters and reduce the inquiry workload currently handled by system administrators.

#### **Innovation**

##### **Mainframe Applications Re-engineering (\$6,485,590)**

In fiscal year 2016, the RRB will begin an effort to re-engineer critical legacy mainframe applications to sustain agency operations and enable a “future ready” RRB workforce equipped with modern tools and technologies to do their jobs in the most efficient and effective manner that leads to sustained customer satisfaction in the railroad community we serve. Many of the RRB’s existing systems are old, complex and require a large investment in maintenance from both a technical and business perspective. The mainframe environment includes 200 major distinct applications systems consisting of more than

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<sup>2</sup> Office of Management and Budget, Managing Government Records Directive (OMB Memorandum M-12-18) (Aug. 24, 2012).



## **RAILROAD RETIREMENT BOARD**

### **Information Technology Initiatives for Fiscal Year 2016**

4,200 custom programs and approximately 7 million lines of code in COBOL. The reengineering effort is a gradual transition to a distributed architecture with open standards.

#### **Secure Wireless Office (\$909,530)**

In fiscal year 2016, the RRB will use contractor services to establish a secure wireless infrastructure that will provide wireless access points for every Field Service office and multiple wireless access points for every floor at RRB Headquarters. Secure Wireless Infrastructure is the first step to true mobility defining information anytime, anywhere and on any type of device. The target goal is consistent and reliable access to RRB enterprise applications including Email from any desktop PC, laptop, Windows 8, iOS tablet, or a smart phone. The implementation will take place in two phases; phase one for the agency's headquarters and phase 2 for the agency's 53 remote offices.

#### **Logical Access Controls - Enterprise Applications (\$10,000)**

In fiscal year 2016, the RRB will attain contractor services and software necessary for PIV Single Sign-on (SSO) of enterprise applications. The solution is necessary for target state of all RRB enterprise applications and web portals PIV enabled and SSO ready.

#### **Secure Pull Printing (\$50,000)**

In fiscal year 2016, the RRB will implement secure pull printing allowing employees to use any network printer and retrieve their print job using their Personal Identity Verification (PIV) card. Secure pull printing (also known as "follow-me" printing or "print release"), allows the user to authenticate to the printer with their PIV card, and then select from the list of print jobs on a print server which print job(s) they wish to release at the printer device they are standing at, and print only those documents they need, and delete (or let the system purge) the rest.

#### **Enterprise Test Lab (\$200,000)**

In fiscal year 2016, the RRB will develop an Enterprise Test Lab. The implementation will enhance the agency's current IT test lab and further develop Quality Assurance (QA) processes to accommodate various systems and applications tests including tests for certifications, and component interoperability. The purpose of the lab is to minimize user disruptions with untested systems and applications. It also allows for the verification of the operational readiness of purchased IT components in a production-like environment.

#### **Enterprise Mobile Management (\$50,000)**

In fiscal year 2016, the RRB will purchase enterprise mobile device management (MDM) software to enhance current security and policy configuration management practices for agency tablets and smartphones. The solution will segregate agency data from personal data by use of container technology.

## **RAILROAD RETIREMENT BOARD**

### **Information Technology Initiatives for Fiscal Year 2016**

#### **Data Warehouse - Fraud Prevention and Analysis (\$1,000,000)**

The agency captures and stores a high volume of operational data across all its lines of business. Preliminary analysis has shown that it is possible to archive and/or purge significant amounts of operational data, resulting in many benefits. In fiscal year 2016, the RRB will transition this data to a Data Warehouse to increase transactional system performance, reduce backup down time, and improve recovery time, build predictive data models and simulations, perform statistical and operations analysis, and use the data to predict future states. This effort will enhance current fraud prevention and analysis efforts through the use of business intelligence, diagnostics, and analytics tools.

#### **Centralized Correspondence System (\$100,000)**

In fiscal year 2016, the RRB will use contractor services to provide an automated solution within its Microsoft SharePoint environment for the development, installation and maintenance of a centralized correspondence solution that scans, logs, routes, tracks and stores incoming and outgoing Agency correspondence from and to members of the public, private, and governmental sector.

#### **Office of Secretary to the Board Content Management Services (\$300,000)**

In fiscal year 2016, the RRB will use contractor services to modernize the current workflow management system and document imaging system into the SharePoint enterprise content management system. The Microsoft SharePoint enterprise content management system provides the current workflow and document management functionality while offering new technological features to provide efficiencies to current business processes and practices.

#### **Employee Time Entry System (\$100,000)**

In fiscal year 2016, the RRB will obtain a time and attendance solution that will eliminate the need for paper timesheets. It is envisioned that such a solution will allow employees to self-service their time-off and schedule changes.

### **Return on Investment**

#### **Virtual Desktop Infrastructure (\$1,434,680)**

In fiscal year 2016, the RRB will use contractor services for implementing a Virtual Desktop Infrastructure (VDI). VDI technology separates the desktop environment and related application software from the physical client desktop that is used to access it. This project supports the agency's Office in the Cloud target state where information is available to agency staff anytime, anywhere and in any way. The project involves extending the server virtualization infrastructure to support user desktops. It includes solving issues in terms of scalability of the virtual environment, robust network infrastructure, and storage needs.

## **RAILROAD RETIREMENT BOARD**

### **Information Technology Initiatives for Fiscal Year 2016**

#### **Firewall (\$140,000)**

In fiscal year 2016, the RRB will replace two data center firewalls. A firewall is an appliance that controls access to the network and monitors the flow of network traffic. Firewalls protect networks against many types of malware, including web-based threats, vulnerabilities, and advanced persistent threats. This security appliance also allows for sophisticated policy management and comprehensive analysis and reporting.

#### **Network Management Tools (\$50,000)**

In fiscal year 2016, the RRB will implement a Network Operations Center (NOC) with large monitors acting as dashboards. The NOC will be located in our data center and from which network monitoring and control is exercised over the agency's computer and telecommunication network. The NOC will enable the RRB's datacenter staff to analyze problems, perform troubleshooting, communicate with technicians and track problems through resolution more quickly.

### **Cybersecurity**

#### **Risk Management and Privacy (\$851,000)**

Faced with an increasingly dangerous threat environment, the RRB relies on a sophisticated hardware and software defense that utilizes carefully monitored and maintained firewall technology, anti-virus and anti-malware software, and intrusion detection systems to prevent viruses, worms, spam and malicious content from infiltrating the agency's network, as well as to ensure that critical data and sensitive information are not compromised. This hardware and software tends to reach end-of life at a much faster pace than traditional hardware and software due to the evolving nature of security threats.

Funding of the risk management capital plan element will provide for a variety of information security and privacy program activities. Because of the sensitivities related to security and privacy program activities specifics for this element are intentionally omitted and available internally only.

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***Information Technology (IT) Capital Plan***  
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<b>Capital Element</b>	<b>FY 2014 <sup>a/</sup></b>	<b>FY 2015 <sup>b/</sup></b>	<b>FY 2016 <sup>c/</sup></b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>TOTAL</b>
1. Network operations	500,000	0	2,444,210	500,000	500,000	500,000	<b>\$4,444,210</b>
2. Infrastructure replacement	0	0	711,680	300,000	300,000	300,000	<b>\$1,611,680</b>
3. IT tools and systems	0	0	1,920,000	350,000	350,000	350,000	<b>\$2,970,000</b>
4. E-Government	260,500	0	300,000	200,000	200,000	200,000	<b>\$1,160,500</b>
5. Risk management and privacy	0	0	851,000	200,000	200,000	200,000	<b>\$1,451,000</b>
6. System modernization	2,100,000	0	6,495,590	5,605,000	800,000	800,000	<b>\$15,800,590</b>
7. Financial Management Integrated System	0	2,500,000	0	0	0	0	<b>\$2,500,000</b>
8. Continuity of operations improvements	0	0	1,628,690	0	0	0	<b>\$1,628,690</b>
<b>TOTAL</b>	<b>\$2,860,500</b>	<b>\$2,500,000</b>	<b>\$14,351,170</b>	<b>\$7,155,000</b>	<b>\$2,350,000</b>	<b>\$2,350,000</b>	<b>\$31,556,670</b>

a/ Amounts reflect funding as of March 21, 2014.

b/ Amounts reflect funding as stated in the Congressional Justification of Budget Estimates for Fiscal Year 2015.

c/ Amounts reflect funding at the agency request level. The chart on the following page shows amounts available for IT investments at the reduced and OMB guidance levels of the fiscal year 2016 budget.

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**IT INVESTMENTS, FISCAL YEAR 2016**

<b>Capital Element</b>	<b>OMB Guidance 2% Reduction Level</b>	<b>Increase</b>	<b>OMB Guidance 5% Increase Level</b>	<b>Increase</b>	<b>Agency Request Level</b>
1. Network operations	0	1,484,410	1,484,410	959,800	2,444,210
2. Infrastructure replacement	0	0	0	711,680	711,680
3. IT tools and systems	0	0	0	1,920,000	1,920,000
4. E-Government	0	0	0	300,000	300,000
5. Risk management and privacy	0	0	0	851,000	851,000
6. Systems modernization	0	6,495,590	6,495,590	0	6,495,590
7. Financial Management Integrated System	0	0	0	0	0
8. Continuity of operations improvements	0	0	0	1,628,690	1,628,690
<b>TOTAL</b>	<b>0</b>	<b>7,980,000</b>	<b>7,980,000</b>	<b>6,371,170</b>	<b>14,351,170</b>

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<b>Quick Summary: Definitions</b>	
Cloud / Shared Services	Initiative is a candidate to take advantage of a Shared Service or as “Cloud” computing solution
Mission delivery area	Initiative supports executing the agency mission as outlined in the agency strategic plan
Presidential Direction	Initiative responds to Presidential Directive, Presidential Memorandum, Executive Order, laws or regulations. Such Presidential Direction is gauged on its effectiveness, efficiency, potential for economic growth and its relation to people and culture.
Innovation	Initiative utilizes technology to change business processes and better serve the beneficiaries
Return on Investment	Initiative consolidates redundant assets, processes, applications, systems, and services
Cybersecurity	Initiative invests in innovative solutions to combat the emerging and increasingly sophisticated cyber threat environment

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**1. Capital Element: Network Operations**

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
\$500,000	\$0	\$2,444,210	\$500,000	\$500,000	\$500,000	\$4,444,210

**Agency Strategy and Benefits:** The RRB strives to provide the most resourceful and efficient computing environment to pay benefits to the right people, in the right amounts, in a timely manner, while taking appropriate action to safeguard our customers' trust funds. This computing environment requires a secure network to connect the equipment that supports the computer processing at its headquarters and links to the agency's field office systems.

It is fundamentally important that a reliable network infrastructure be in place to minimize any chance of disruption. Reducing energy use and environmental impact remain top priorities. Exploring cloud and shared solutions and consolidating distributed assets increases efficiency also reduces the agency's environmental footprint.

The heart of the RRB's network is a data center that runs the applications that handle the core business and operational data of the agency. This capital item supports planned improvement projects for the agency's servers and associated components, such as telecommunications and storage systems, software, backup power supplies, data communications connections, and environmental controls (e.g. air conditioning, fire suppression). This item also includes contractual assistance and augmentation of agency mainframe and network staff to accomplish the initiatives.

The Office of Management and Budget introduced the Federal Cloud Computing Strategy in February 2011<sup>1</sup> requiring agencies to consider the cloud as an alternative to its existing and future infrastructure. The RRB adopted cloud and shared service strategies as an essential part of the IT planning process for non-mission critical solutions. The agency continues to adopt cloud and shared services with feasibility and risk assessment as the primary measures for when and how to do so.

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<sup>1</sup> Vivek Kundra, U.S. Chief Information Officer, Federal Cloud Computing Strategy (Feb. 8, 2011).

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*Fiscal year 2016*

**Secure Wireless Office**

In fiscal year 2016, the RRB will use contractor services to establish a secure wireless infrastructure that will provide wireless access points for every Field Service office and multiple wireless access points for every floor at RRB Headquarters. Secure Wireless Infrastructure is the first step to true mobility defining information anytime, anywhere and on any type of device. The target goal is consistent and reliable access to RRB enterprise applications including Email from any desktop PC, laptop, Windows 8, iOS tablet, or a smart phone. The implementation will take place in two phases; phase one for the agency's headquarters and phase two for the agency's 53 remote offices.

The introduction of the wireless in the Field Office will enable any work left midstream at one location can be easily picked up from another location. Wireless access provides a robust communications system for video tele-conference, email, and SMS text capabilities on the tablet, laptop or iPad. The RRB representative can do case management work on his/her iPad wherever they go, always connected and reachable. Email would always be available for any updated information, and video chat will take place in a secure and encrypted channel free from eavesdropping.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	

Cost	
Headquarters	\$436,130
Remote Offices	\$473,400
Total	\$909,530

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Mobility by providing LAN users with access to real-time information anywhere in the organization.</li> <li>• Installation speed and simplicity</li> <li>• Reduced cost-of-ownership</li> <li>• Scalability</li> </ul>	<ul style="list-style-type: none"> <li>• Limited access to information</li> <li>• Slower and less efficient business processes</li> </ul>



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**Virtual Desktop Infrastructure**

In fiscal year 2016, the RRB will use contractor services for implementing a Virtual Desktop Infrastructure (VDI). VDI technology separates the desktop environment and related application software from the physical client desktop that is used to access it. This project supports the agency's Office in the Cloud target state where information is available to agency staff anytime, anywhere and in any way.

The project involves extending the server virtualization infrastructure to support user desktops. It includes solving issues in terms of scalability of the virtual environment, robust network infrastructure, and storage needs.

VDI is a server-centric computing model that borrows from the traditional thin-client model, but is designed to give both system administrators and end-users efficient computing capabilities: the ability to host and centrally manage desktop virtual machines in the data center while giving end-users a full personal computer experience. Users can securely work from any place, bring up the work session where they previously left off without losing any information, and even continue to process claim files across the network, using the additional on-demand compute power and storage from the data center.

The project will be done in two phases, the first being a Proof of Concept, which will allow us to gauge network latency, and measure capacity around actual peaks and not averages. The production phase will protect the performance integrity of other applications sharing the network. The enhanced servers in the data center will host mission critical applications and implement Storage-As-A-Service to provide seamless data and file access from remote locations. These features enable the user's computing device to be a flexible option that does not store applications or data locally, and uses secure communications to meet all IT security and privacy standards.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	<input checked="" type="checkbox"/>
Cybersecurity	

Cost	
Hardware/Software	\$1,219,600
Services	\$215,080
Total	\$1,434,680

Benefits	Risks of delay
• Ease of administration	• Warranty period expiration
• Enhanced security	• Use beyond end-of-service life
• Simplified software updating / patching	• Equipment failure
• Rapid elasticity	• Productivity disruption

**RAILROAD RETIREMENT BOARD**  
**Information Technology (IT) Capital Plan**  
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**Network Management Tools**

In fiscal year 2016, the RRB will implement a Network Operations Center (NOC) with large monitors acting as dashboards. The NOC will be located in the agency's only data center and from which network monitoring and control is exercised over the agency's computer and telecommunication network. The NOC will enable the RRB's datacenter staff to analyze problems, perform troubleshooting, communicate with technicians and track problems through resolution more quickly.

We also plan to expand our suite of tools to include those with out-of-box capabilities for active monitoring, notification, and reporting of the IT infrastructure hardware, traffic and services. Such products will provide on-demand access to data to track, analyze, manage and predict problems, as well as improve capacity utilization and meet service quality commitments.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	<input checked="" type="checkbox"/>
Cybersecurity	
Cost	
Hardware/Software	\$50,000
Total	\$50,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Improves the ability to maintain all RRB systems</li> <li>• Reduces manual operations</li> <li>• Improves efficiency and decreases time required to perform daily functions</li> <li>• Consolidates all network monitoring in one location for greater awareness and employee synergy</li> <li>• Facilitates metrics to improve network operations</li> <li>• Improves incident response</li> </ul>	<ul style="list-style-type: none"> <li>• Continues practice of disparate network monitoring</li> <li>• Continues manual method of combining network monitoring activities</li> <li>• Network problems are addressed slowly</li> </ul>

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**Secure Pull Printing**

In fiscal year 2016, the RRB will implement secure pull printing allowing employees to use any network printer and retrieve their print job using their Personal Identity Verification (PIV) card. Secure pull printing, also known as “follow-me” printing or “print release”, allows the user to authenticate to the printer with their PIV card. The user inserts his or her smartcard into the card reader and then types their PIN on the virtual keyboard. After successfully entering the PIN, the user can select specific prints from a list of print jobs on the print server they wish to release. As a result, the user can print securely at any printer device, only print those documents they need, and delete (or let the system purge) the remaining jobs.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	<input checked="" type="checkbox"/>
Cost	
Hardware/Software	\$50,000
Total	\$50,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Costs savings by reducing uncollected paper and toner ink consumption</li> <li>• Provides user flexibility by printing first and choosing the printer afterward</li> <li>• Reduces potential for Personally Identifiable Information (PII) breach by unattended printed documents</li> <li>• Reduces need for personal printers and the associated maintenance (ink) and replacement costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Less secure printing methods</li> <li>• Potential for PII breach</li> <li>• Continues need for personal printers for printing PII</li> </ul>

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***Future fiscal years***

Future projects will focus on modernizing the agency's network to make it simpler, less costly to manage, and more responsive to changing government and technology events.

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**2. Capital Element: Infrastructure Replacement**

<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>TOTAL</b>
\$0	\$0	\$711,680	\$300,000	\$300,000	\$300,000	\$1,611,680

**Agency Strategy and Benefits:** The agency's long-term strategic goal is systematic replacement of all IT components according to industry standards in order to provide a stable technology environment. The RRB maintains an *IT Equipment Replacement Policy* based on industry standards as a result.

A standardized and uniform IT environment provides support and repair savings. In addition, an advantage to a scheduled replacement plan is the predictability and stability of the annual budget, an imperative aid in long-term fiscal planning. A critical component of adhering to the replacement cycle of IT equipment is to make acquisition, as much as possible, a consistent and reoccurring event. The resultant aggregation on an agency-wide basis provides benefits such as purchasing larger quantities decreases the average cost per asset and purchasing in a consistent manner standardizes hardware and software among the employees as they embrace collaboration and teamwork to serve customers.

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*Fiscal year 2016*

**Imaging System Replacement**

In fiscal year 2016, the RRB will update its 15 year-old Imaging System in order to add more functionality and flexibility to the current process. The RRB will conduct research to find a market established Imaging software product in order to mitigate the risk of possibly maintaining a future unsupported product. The current Imaging System consists of many different components, all configured to run together. The term “Imaging System” refers to the sum of all the components. The components of the Imaging System are:

- Imaging Domain
- Archive Manager
- Imaging Administration Websites
- Imaging SQL Database
- ROBOT – custom coded process to parse mainframe electronic files
- WorkDesk Version 10
- Imaging System Report Generator
- Imaging System Form Builder
- Kodak Scanners – Kodak Capture Software

The Imaging System has a total of 27 classes and index forms consisting of over 13 million documents.

The document repository currently grows at an average rate of 1.3 million documents per year. This number will increase when we begin scanning all disability related documents. Input sources include scanning paper to .TIF images, electronic text files, electronic .PDF files, and electronic Word files. Fifty-three (53) Field Offices across the United States also scan documents directly into our Imaging System.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	
Return on Investment	
Cybersecurity	<input checked="" type="checkbox"/>

Cost	
Hardware/Software	\$475,000
Services	\$96,680
Total	\$571,680

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Possible increase in work productivity with new functionality of a newer Imaging software product.</li> <li>• Longer time span of product support with newer system.</li> </ul>	<ul style="list-style-type: none"> <li>• Use beyond end-of-service life</li> <li>• Equipment failure</li> <li>• Productivity disruption</li> </ul>

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**Firewall**

In fiscal year 2016, the RRB will replace two data center firewalls. The firewall is an appliance that controls access to the network and monitors the flow of network traffic. Firewalls protect networks against many types of malware, including web-based threats, vulnerabilities, and advanced persistent threats. This security appliance also allows for sophisticated policy management and comprehensive analysis and reporting.

Firewalls provide secure remote access for mobile and computer devices in response to the growing user requirements for support on new endpoints and applications, including support for the Apple's iOS devices (iPhone/iPad/iPod Touch); Google Android devices; and Windows 7 devices.

Firewalls support the agency's mission critical business processes by screening and keeping out unwanted network traffic and warding off outside intrusion into the network. The role and need for network operations technology such as the firewall is critical as the agency continues to automate activities and services to leverage efficiency opportunities and address budget limitations each fiscal year.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	
Return on Investment	
Cybersecurity	<input checked="" type="checkbox"/>
Cost	
Hardware	\$140,000
Total	\$140,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Maximize efficiency while maintaining security, visibility, and regulatory compliance</li> <li>• Increase employee productivity and operational efficiency by securely connecting users</li> </ul>	<ul style="list-style-type: none"> <li>• Warranty period expiration</li> <li>• Use beyond end-of-service life</li> <li>• Equipment failure</li> <li>• Productivity disruption</li> </ul>

**RAILROAD RETIREMENT BOARD**  
***Information Technology (IT) Capital Plan***  
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***Future fiscal years***

The RRB will continue to replace IT equipment in agreement with the replacement cycle as funding is available. If the above-mentioned equipment is replaced in its entirety, then the next major infrastructure replacement will take place in fiscal year 2019. Any deferral of funding will affect the out years.



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**3. Capital Element: IT Tools and Systems**

FY 2014	FY 2015	FY 2016	FY2017	FY2018	FY2019	TOTAL
\$0	\$0	\$1,920,000	\$350,000	\$350,000	\$350,000	\$2,970,000

**Agency Strategy and Benefits:** Technology can be used to collect, analyze, and package information so that it becomes a useful tool for the agency's information technology and business professionals. These technology tools create knowledge about how to improve service to our customers, develop innovative ideas, and speed implementation of new hardware and software systems.

This capital element includes technology tools to provide programmers, system engineers, technicians and system support staff with the ability to move development forward, improves the efficiency and effectiveness of the system development life cycle, and help business processes throughout the agency operate more effectively and efficiently. Projected costs for new or upgraded software tools and systems can include customization, if necessary, staff training and knowledge transfer about the software tool or system.

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*Fiscal year 2016*

**Enterprise Test Lab**

In fiscal year 2016, the RRB will develop an Enterprise Test Lab. The implementation will enhance the agency's current IT test lab and further develop Quality Assurance (QA) processes to accommodate various systems and applications tests including tests for certifications, and component interoperability.

The purpose of the lab is to minimize user disruptions with untested systems and applications. It also allows for the verification of the operational readiness of purchased IT components in a production-like environment. The lab processes will be automated largely using server and desktop virtualization technology, and be able to be stood up to the required specifications in less than two hours. Likewise, snapshots of the environments after testing completes will be archived so that they can be easily recalled for a follow on test. When the test lab performs to the specifications, then realistic schedules for can be developed to allow adequate time for planning, design, testing, bugs fixing, re-testing, change control, and documentation.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	
Cost	
Hardware/Software	\$200,000
Total	\$200,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Improved quality assurance processes</li> <li>• Minimize user disruptions with untested systems and applications</li> <li>• Verification of operational readiness of purchased IT components</li> </ul>	<ul style="list-style-type: none"> <li>• User disruptions with untested systems and applications</li> <li>• Insufficient practices to plan, design, test, bug fix, maintain change control, and complete documentation.</li> </ul>

**RAILROAD RETIREMENT BOARD**  
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**Records Management Assessment**

OMB memorandum M-12-18, Managing Government Records Directive<sup>2</sup>, marked the beginning of an Executive Branch-wide effort to reform records management policies and practices and to develop a 21st-century framework for the management of Government records. This Directive requires that to the fullest extent possible, agencies eliminate paper and use electronic recordkeeping. It is applicable to all executive agencies and to all records, without regard to security classification or any other restriction.

A key contributor to an enterprise's efficiency and effectiveness is how quickly and accurately its information workers can find and use content and data. Without properly designed and governed information architecture, an enterprise's effectiveness can be diminished. To address the challenges associated with preserving the vast and rapidly growing volume of agency electronic records and respond to OMB memorandum M-12-18, legal, statutory and regulatory federal requirements of holding and transferring those records, the RRB plans to develop and implement an ERCM system.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	<input checked="" type="checkbox"/>
Cybersecurity	

Cost	
Services	\$120,000
Total	\$120,000

The RRB does not have an automated Electronic Records and Content Management (ERCM) System. The ERCM system implementation will be based on agency records management program guidance required by M-12-18 of the National Archives and Records Administration (NARA), Office of Management and Budget (OMB), and Office of Personnel Management (OPM).

In fiscal year 2016, the RRB will acquire contractor services to perform an assessment of its records management program to meet the requirements of OMB M-12-18. Deliverables will include an evaluation of current records management processes with a focus on identification of areas where improvement is necessary, and the development of a tactical action plan to meet the requirements of OMB M-12-18 going forward in future fiscal years.

An ERCM system applies established record management policies to paper-based and electronic records to achieve legal compliance and ensure governance of the information assets such as:

<sup>2</sup> Office of Management and Budget, Managing Government Records Directive (OMB Memorandum M-12-18) (Aug. 24, 2012).

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- Compatibility with DOD Electronic Records Management Software Application Design Criteria Version 2 (DOD 5015.2-STD)
- Federal Enterprise Architecture (FEA) Records Management Profile version 1.0
- OMB guidance (including minimizing legal and electronic discovery risks)

An ERCM system also ensures compliance with E-discovery requests related to the Federal Rules of Civil Procedure leaving the agency vulnerable to significant legal vulnerability including sanctions, fines, and costs related to the use of court-mandated private search firms.

When complete, the ERCM system will identify, maintain, classify and dispose of RRB electronic records, including e-mail, according to specified records disposition policies.

<b>Benefits</b>	<b>Risks of delay</b>
<ul style="list-style-type: none"><li>• Allows for consistent management of electronic records and policies</li><li>• Meets requirements of the Managing Government Records Directive and other related records management regulatory and compliance standards</li><li>• Protects vital records</li></ul>	<ul style="list-style-type: none"><li>• Currently not in compliance with NARA records management regulation</li><li>• Currently not in compliance with E-discovery requests related to the Federal Rules of Civil Procedure</li></ul>

**RAILROAD RETIREMENT BOARD**  
**Information Technology (IT) Capital Plan**  
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**Enterprise Mobile Management**

In fiscal year 2016, the RRB will purchase enterprise mobile device management (MDM) software to enhance current security and policy configuration management practices for agency tablets and smartphones. The solution will segregate agency data from personal data by use of container technology.

Because most commercially available mobile devices do not enforce security requirements to the extent required by an enterprise, MDM products have been developed to mitigate threats to mobile devices by enabling enterprise-controlled device configuration, security policy enforcement, compliance monitoring, and response (e.g., remotely lock and/or wipe a mobile device that has been reported as lost or stolen). MDM solutions typically include an enterprise server(s) component and an application installed on the mobile device to manage device configuration and security and report device status to the MDM.<sup>3</sup>

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	
Cost	
Hardware/Software	\$50,000
Total	\$50,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Improves ability to deliver services</li> <li>• Improves access to information</li> </ul>	<ul style="list-style-type: none"> <li>• Less prepared for transition to a more complex future state of mobile communications</li> </ul>

<sup>3</sup> CIO Council, Government Mobile and Wireless Security Baseline (May 23, 2013).

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**Data Warehouse - Fraud Prevention and Analysis**

In fiscal year 2016, the RRB will transition data to a Data Warehouse to increase transactional system performance, reduce backup down time, improve recovery time, and enhance fraud prevention processes. The agency captures and stores a high volume of operational data across all its lines of business. Preliminary analysis has shown that it is possible to archive and/or purge significant amounts of operational data, resulting in many benefits. The agency successfully implemented an archiving system for Payment Rate and Entitlement History data. We will build on that success by archiving data from other systems, e.g. Taxation and Employment Data Maintenance.

The next phase of the project is to enable the data mining and business intelligence capabilities. During this phase, three aspects of the data warehouse (Dimensions, Transactions and Facts) will be identified. Examples of dimensions for manipulating data are by railroad beneficiary, or organizational structure (Employers, Regions, Communities); or by time (year, quarter, month). Examples of transactional data for snapshot and historical archiving include the beneficiary payments, disability claims, and taxation data.

As part of the Business Intelligence (BI) requirements, the data warehouse will be able to provide meaningful response to search queries. In addition, outcome measures along with short and long-term impacts that are qualitative in nature can be visualized to measure past performance, guide business planning, drive business decisions and actions. For example, using this fact-based management of current data we can detect fraud or determine the accuracy of data.

Business Analytics (BA) allows the RRB to build predictive data models and simulations, perform statistical and operations analysis, and use data to predict future states. An example of this would include identifying our key business processes, the methods for decision-making within them, and the business decisions that could improve the customer experience. We could also use this data to estimate future workloads by type or location of claims, differences in processing times by location, or determine where potential problems may arise.

By implementing the data warehouse, we leverage BI for querying, reporting, and alert tools to answer questions about what happened, how many, how often, where the problem is, and what actions are needed. By using BA we can answer questions about why is something

Quick Summary	
Cloud / Shared Services	
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	

Cost	
Hardware/Software	\$1,000,000
Total	\$1,000,000

**RAILROAD RETIREMENT BOARD**  
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happening, what if these trends continue, what will happen next (predict), what is the best that can happen (optimize). This effort will enhance current fraud prevention and analysis efforts using business intelligence, diagnostics, and analytics tools. The tools determine common characteristics and meaningful patterns of fraud for use when reviewing existing data for potential fraud or other suspicious behavior. The fraud prevention and analysis solution utilizes a data repository of both structured content databases and unstructured content in shared folders, SharePoint, email archives, web portals, social media feeds, etc. Enterprise search tools will then guide users to perform a query without prior knowledge of the resultant information (context based information access). In addition, business intelligence tools will detect abnormal patterns to alert agency employees.

<b>Benefits</b>	<b>Risks of delay</b>
<ul style="list-style-type: none"><li>• Improves access to information</li><li>• Business analytics tools to better understand business processes and make better decisions</li><li>• Flexible designs and alternative information delivery strategies</li></ul>	<ul style="list-style-type: none"><li>• Incomplete use of business data</li><li>• Less efficient business practices</li></ul>



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**Centralized Correspondence System**

In fiscal year 2016, the RRB will use contractor services to provide an automated solution within its Microsoft SharePoint environment for the development, installation and maintenance of a centralized correspondence solution that scans, logs, routes, tracks and stores incoming and outgoing Agency correspondence from and to members of the public, private, and governmental sector.

The system will capture, store, index, and archive incoming correspondence and associated documents to allow users to find and retrieve correspondence and associated history quickly. The system will efficiently capture and track incoming and outgoing correspondence and associated communications electronically from initial receipt to final approval.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	
Cost	
Services	\$100,000
Total	\$100,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Allows users to route correspondence sequentially or simultaneously to the appropriate office or division with subject matter expertise for approval or edit as appropriate</li> <li>• Provides reports that shows the status, background information and location of the pending or finalized responses</li> </ul>	<ul style="list-style-type: none"> <li>• Less efficient agency correspondence processes from and to members of the public, private, and governmental sector</li> <li>• Dependence on previous paper based processes for older records and files</li> </ul>



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**Office of Secretary to the Board Content Management Services**

The Office of Secretary to the Board maintains the official record of proceedings and actions by the three-member Board, also issuing correspondences, notices and reports on its behalf. The Office of Secretary to the Board currently uses two RRB internally developed content management tools to achieve these tasks: a workflow management system (Board Member Docket System) and a document imaging system (Board Imaging Database).

The Board Member Docket System allows Board Members and staff to document information, share positions, and vote on issues. The BDS (Board Docket System) Report system allows BDS users to create various data reports. The Board Imaging Database stores final versions of Docket System workflow content and maintains over 11,000 documents since its inception in 1997.

In fiscal year 2016, the RRB will use contractor services to modernize the workflow management system and document imaging system into the SharePoint enterprise content management system. The Microsoft SharePoint enterprise content management system provides the current workflow and document management functionality while offering new technological features to provide efficiencies to current business processes and practices.

Currently records and files are stored in disparate locations, various electronic formats, and in paper format for information developed prior to 1997. The size and scope of migrating the workflows, records, and files requires a phased, iterative approach. Contactor services include the development of a project plan, rollout strategy plan, quality assurance plan, in preparation for their services to complete the migration. Migration services incorporate content analysis, taxonomy building, development and test of the architecture, and training of RRB employees on the use of the content management solution. This initiative will allow the Office of Secretary to the Board to leverage efficiencies through better access to content, further embrace content management standards, and reduce administrative costs by allowing people access to content with automated and advanced search capabilities.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	

Cost	
Services	\$300,000
Total	\$300,000

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<b>Benefits</b>	<b>Risks of delay</b>
<ul style="list-style-type: none"><li>• Simplified enterprise-wide access to information across disparate systems</li><li>• Utilization of more advanced technology</li><li>• Reduction in duplicate business practices</li></ul>	<ul style="list-style-type: none"><li>• Productivity inefficiencies</li><li>• Dependence on previous paper based processes for older records and files</li></ul>

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**Employee Time Entry System**

In fiscal year 2016, the RRB will obtain a time and attendance solution that will eliminate the need for paper timesheets. It is envisioned that such a solution will allow employees to self-service their time-off and schedule changes.

Agency employee attendance is currently tracked as a paper-based process. Many administrative hours are spent ensuring the paper timesheets are turned in on time, employees complete the sheets correctly, proper amounts of time earned and/or used is calculated. Exception information is then manually entered into the agency's payroll system. In addition to the amount of paper created, there is also the manual storage of and the retention coordination of the paper timesheets.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	

Cost	
Software	\$100,000
Total	\$100,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Improves workforce productivity</li> <li>• Create a culture of compliance</li> <li>• Ensures labor and pay policies are applied consistently</li> <li>• Gains confidence between supervisors and employees</li> <li>• Let employees self-service their time-off and schedule changes</li> <li>• Frees supervisors from collecting, calculating and approving employee's time</li> </ul>	<ul style="list-style-type: none"> <li>• Diminishes employee productivity</li> <li>• Manual process leads to mistakes</li> <li>• Dependence on previous paper based processes for older records and files</li> </ul>

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**Electronic Freedom of Information Act (e-FOIA) Management System**

The Freedom of Information Act (FOIA) was signed into law in 1966. The FOIA provides individuals with a statutory right of access to certain federal agency records. The FOIA requires agencies to disclose requested records unless they are protected from public disclosure by the FOIA. Congress included in the FOIA nine exemptions and three law enforcement exclusions to protect important interests such as national security, personal privacy, privileged communications, and law enforcement.<sup>4</sup>

In fiscal year 2016, the RRB will add a web-based FOIA and Privacy Act (PA) request processing system specifically designed to automate FOIA and PA case processing. The user-friendly system will be utilized to track requests and requester information, generate correspondence letters, provide secure redaction capability, and run reports, including the Department of Justice Annual FOIA Report. The FOIA processing system will transform traditionally cumbersome and labor intensive FOIA compliance into an automated, efficient electronic process.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	<input checked="" type="checkbox"/>
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	
Cost	
Software	\$50,000
Total	\$50,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Reduces manual operations</li> <li>• Improves efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Less efficient business practices</li> <li>• Less timely response times</li> </ul>

<sup>4</sup> U.S. Department of Justice, [FOIA.gov](http://www.foia.gov) Glossary (July 2011).

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***Future fiscal years***

Computer Telephony Integration

Customer service will be enhanced by a computer telephony integration (CTI) application. A CTI application retrieves data from automated systems and displays it to facilitate the work of customer representatives. The CTI-resulting display is commonly called a “screen pop” because of the way caller information automatically appears or “pops up” on the computers of customer service representatives as calls are connected. “Screen pop” technology would work with the RRB’s toll free telephone service to eliminate manual searches for records of previous calls or benefit information.

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**4. Capital Element: E-Government**

FY 2014	FY 2015	FY 2016	FY2017	FY2018	FY2019	TOTAL
\$260,500	\$0	\$300,000	\$200,000	\$200,000	\$200,000	\$1,160,500

**Agency Strategy and Benefits:** The E-Government Act and the Paperwork Reduction Act encourage agencies to find ways to make government more responsive to citizens in the reduction of burden through the collection of information. To reduce collecting information from citizens and businesses, agencies are encouraged to collect data once and reuse it as necessary; buy IT once and take advantage of economies of scale; and simplify business processes by reusing technology that is interoperable to promote easier access for the customer.

The E-Government capital element focuses on alternative delivery of services beyond traditional means. Specifically, E-Government offers the RRB an opportunity to examine its current operations and procedures, identify business processes and practices that can be streamlined, streamline identified business processes, and implement new technologies that enhance improvements. A properly implemented E-Government solution allows the agency to focus its resources on other service delivery efforts.

Cloud computing is an important IT service delivery model for reducing costs and driving operational efficiency. The National Institute of Standards and Technology (NIST) released several documents on cloud security, including NIST Special Publication SP 800-144 “Guidelines on Security and Privacy in Public Cloud Computing.” The Federal Risk and Authorization Management Program is also enabling cloud adoption by helping agencies identify security requirements and support the continuous monitoring cloud service providers.

We plan to use contractor services to augment existing agency staff to expand the electronic services available to the railroad public via the RRB’s website. This goal is consistent with the agency’s overall goal to address our customers’ needs and expectations, providing them with a range of choices for conducting business with us, including more Internet options that are private and secure. The benefits of these initiatives will be realized in increased efficiency and accuracy of business transactions between rail employees/employers and the RRB.

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*Fiscal year 2016*

**Beneficiary & Employer Systems Strong Authentication**

In fiscal year 2016, the RRB will attain services to replace the authentication process used for RRB online accounts and systems. A modernized authentication system will allow users to access their accounts with enhanced security, eliminate costs associated with mailing physical letters and reduce the inquiry workload currently handled by system administrators.

The current process issues temporary passwords to users through USPS mail in order to gain initial access to the account or regain access if the password is forgotten. The result is an unnecessary delay for users attempting to use their account that can create further problems given the time-sensitive nature for filing unemployment and sickness claims. The solution will provide strong initial identity and ongoing validation, as well as strong multi-factor authentication.

Quick Summary	
Cloud / Shared Services	
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	<input checked="" type="checkbox"/>
Cost	
Services	\$100,000
Total	\$100,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Improves security in terms of fraud prevention and protection of confidential information.</li> <li>• Strong initial and ongoing identity validation</li> </ul>	<ul style="list-style-type: none"> <li>• Continued use of paper based processes</li> <li>• Less timely password reset services to beneficiaries</li> </ul>

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**Employer Reporting System**

In December 2003, we initiated the Internet-based Employer Reporting System (ERS) for rail and labor employers to file reports of service and compensation needed to determine eligibility under the Railroad Retirement and Railroad Unemployment Insurance Acts. Prior to ERS' start in 2003, the only option for employers to provide service and compensation information about their employees to determine eligibility was by mail or fax. The continued expansion and enhancement of ERS is accomplished through Employer Reporting System project. The goals of the ERS project are to:

- provide employers with electronic-based alternatives to the 74 paper-based forms exchanged between rail employers and the RRB,
- increase efficiency by reducing manual handling, and
- enhance security and protection of personally identifiable information (PII).

Because of the large number of paper-based forms and processes needing conversion, the build of ERS is divided into phases over multiple years. Through 2013, 21 Internet-based services are now available and being used by 85 percent of rail and labor employers. When ERS is complete, the Internet-based service will provide employers with a secure and efficient way to provide information to the RRB for their employees. Since 2003, contractor support has been successfully used for this project to provide technical programming expertise and assist agency staff to ensure that work is completed on schedule.

In fiscal year 2016, the RRB will continue to use contractor services to assist agency staff in developing additional notifications to employers that provide information about benefit payment and annuitant status. We will develop Form G-73a.1, Notice of Death, Form RL-5a, Notice of Annuity Award and Form RL-13g, Notice of Relinquishment of Rights of Disability Annuitant Who attained Age 65. By making these notices available on-line, employers will have secure access to the information needed to maintain their own benefit payments. This phase will add 3 additional services to the system.

Quick Summary	
Cloud / Shared Services	<input checked="" type="checkbox"/>
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	
Innovation	<input checked="" type="checkbox"/>
Return on Investment	<input checked="" type="checkbox"/>
Cybersecurity	

Cost	
Services	\$200,000
Total	\$200,000



**RAILROAD RETIREMENT BOARD**  
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<b>Benefits</b>	<b>Risks of delay</b>
<ul style="list-style-type: none"><li>• Automates the notification process between rail employers and the agency</li><li>• Adds additional services over paper-based process</li><li>• Improves customer service</li><li>• Secures and protects personally identifiable information</li></ul>	<ul style="list-style-type: none"><li>• Continued use of paper-based processes</li><li>• Slower employment verification</li><li>• Places personally identifiable information at risk with manual steps and changing of 'hands'</li><li>• Mailing delay or loss</li></ul>

**RAILROAD RETIREMENT BOARD**  
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***Future fiscal years***

Employer Reporting System

There are still many other opportunities to further enhance the Employer Reporting System and add functionality to streamline the business interactions with rail employers and improve timeliness and accuracy of benefit payments. In FY2017, we plan to add Internet-based functionality to replace the use of the AESOP (Employee retirement estimate file) program, the Form G-117a (Designation of Contact Officials), and the PC based GL-4, Suspense and Error Tracking Program (SETS).

IVR-WEB Identity and Access Management System

The RRB's ability to serve its customers would be enhanced by technology that enables a rail industry employee or RRB beneficiary to access the RRB's Interactive Voice Response (IVR) HelpLine and the RRB's website services using a single PIN/Password. Currently, users must establish and maintain separate and distinct passwords on each system. The system will make access to RRB systems more user-friendly by allowing the use of single password across systems and allowing users to change their password through either system.

Voice Recognition

We plan to evaluate the feasibility and costs of enhancing the agency's Interactive Voice Response (IVR) system to include speech recognition. Speech recognition software would allow the IVR system to recognize words in addition to touchtone signals. The advantages to using speech recognition are a flattening of the IVR menu structure for a better caller experience and the ability to take advantage of more advanced system capabilities, such as speaker verification.

Retirement Applications Online

We will improve customer service by making Railroad Retirement Act Forms AA-1 (Application For Employee Annuity), AA-3 (Application For Spouse/Divorced Spouse Annuity) and AA-17(Application for Widow(er)'s Annuity) available to customers for completion online at the RRBs website, [rrb.gov](http://rrb.gov).

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***FY 2014 - 2019***

**5. Capital Element: Risk Management and Privacy**

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
\$0	\$0	\$851,000	\$200,000	\$200,000	\$200,000	\$1,451,000

**Agency Strategy and Benefits:** The agency relies on a complex and constantly evolving information technology infrastructure to deliver its mission. This infrastructure, however, is under perpetual attack by a variety of sources, from novice hackers to sophisticated groups that seek to gain or deny access to, disrupt, degrade, or destroy the systems and the data contained therein. These threats continue to expand over time as more of our critical infrastructure is connected to the Internet, and malicious cyber activity grows in volume and becomes more sophisticated and targeted, creating ever greater potential for more severe consequences.

The agency retains primary responsibility for securing and defending its own network and critical information infrastructure from cyber attacks. The agency's risk management and privacy strategy is to make attacks ineffective through prevention and detect successful attacks by enabling surveillance. This strategy is accomplished through the complementary use of technology, such as firewalls, integrity checkers, virus scanners, intrusion detection systems, anti-virus software and other special security devices, and well-trained personnel. The agency strategy is complimented by following various information security best practice federal laws and mandates, e.g. FISMA, HSPD-12, FDCC, etc. While executing this strategy, the RRB also takes the protection of privacy and civil liberties seriously.

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***Fiscal year 2016***

Faced with an increasingly dangerous threat environment, the RRB relies on a sophisticated hardware and software defense that utilizes carefully monitored and maintained firewall technology, anti-virus and anti-malware software, and intrusion detection systems to prevent viruses, worms, spam and malicious content from infiltrating the agency's network, as well as to ensure that critical data and sensitive information are not compromised. This hardware and software tends to reach end-of life at a much faster pace than traditional hardware and software due to the evolving nature of security threats.

Funding of the risk management capital plan element will provide for a variety of information security and privacy program activities. Because of the sensitivities related to security and privacy program activities, specifics for this element are intentionally omitted and available internally only.

***Future fiscal years***

The cyber threat is constantly evolving, requiring the agency to continually evaluate its capabilities and supporting technology. In line with its mission, the RRB will continue to upgrade its cyber security capabilities, using both proven and emerging technologies, to secure and defend against threats from cyberspace. We will continue with projects that ensure that our systems and policies comply with the law and RRB policies related to security and privacy.

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**6. Capital Element: System Modernization**

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
\$2,100,000	\$0	\$6,495,590	\$5,605,000	\$800,000	\$800,000	\$15,800,590

**Agency Strategy and Benefits:** The RRB has taken significant strategic steps to improve its computer processes, first by moving to a relational database environment, and next by optimizing the data that resides in its databases. The next strategic step is to take advantage of the optimized relational database structure to modernize the agency's computer systems and automate manual processes that support such systems.

Many of the RRB's existing systems are old and complex and require a large investment in maintenance from both a technical and business perspective. The data optimization process and the agency's own analysis have pointed out opportunities for modernization. Because of the complexity and size of this project, we are taking a multi-year / multi-phased approach. The underlying principle is that modernization is not re-engineering a particular application or system; it involves a holistic approach to building an information infrastructure to support the RRB's critical business processes. By modernizing its systems, the RRB will ultimately decrease the time and cost to develop and operate the systems, allowing us to focus on new initiatives that will improve business practices and save or control costs.

We plan to use contractor services to supplement agency resources assigned to this initiative because these services have proven essential to its success. Contractor services have ensured that the project does not stall due to staffing constraints or legislative changes and they have provided a knowledge transfer to the agency's staff that will be used long after the contractors have completed their tasks.

In addition to modernizing the agency's mainframe based computer programs, there are 22 LAN-based computer programs remaining that need to be modernized. These LAN-based systems are based on an outdated database management system and use an old mainframe screen scraping technology. Commercial support for these technologies has since ceased. When written, these programs eliminated some of the manual benefit processing not addressed by the main benefit payment and recovery systems. Although functioning, these outdated systems are becoming more difficult to maintain under the newer server platforms. Following a risk assessment in fiscal year 2011, contractual services were engaged in fiscal year 2012 to modernize the most critical legacy LAN-based computer programs into one of the agency's enterprise programming platforms, for example, Microsoft .Net.

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**FY 2014 - 2019**

**Fiscal year 2016**

**Mainframe Applications Re-engineering**

In fiscal year 2016, the RRB will re-engineer critical legacy mainframe applications to sustain agency operations and enable a “future ready” RRB workforce equipped with modern tools and technologies to do their jobs in the most efficient and effective manner that leads to sustained customer satisfaction in the railroad community we serve.

Many of the RRB’s existing systems are old, complex and require a large investment in maintenance from both a technical and business perspective. The mainframe environment includes 200 major distinct applications systems consisting of more than 4,200 custom programs and approximately 7 million lines of code in COBOL. The reengineering effort is a gradual transition to a distributed architecture with open standards. There is also a cultural shift from batch oriented processing to interactive transactional processing. A desired outcome of this strategy is that applications run more efficiently, with simplified logic that is easy to understand, and are better documented.

A large number of agency’s information technology employees are at or nearing retirement age. As years go by, the skills required to enhance and maintain the legacy skills, especially developers with COBOL skills, will be few and hard to find. By re-engineering the applications, we mitigate the inherent risks of aging workforce of which 40% can retire today, each taking with them the institutional knowledge of 40+ years. Given that technology advances rapidly, it is essential that the bureau have the ability to modernize business applications to support the agency’s strategic goals and objectives. This means there needs to be a renewed focus to revolutionize the current applications development environment to make it flexible to accommodate change, and embrace new technologies.

The program will be executed in phases as follows:

- Phase 1 Proof of concept to determine strategy, design and operations
- Phase 2 Implementation with contractor assistance as SMEs, and using existing staff for quality assurance
- Phase 3 Migration and decommission of legacy applications

Quick Summary	
Cloud / Shared Services	<input checked="" type="checkbox"/>
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	<input checked="" type="checkbox"/>
Cybersecurity	

Cost	
Re-engineering	\$6,485,590
Total	\$ 6,485,590

**RAILROAD RETIREMENT BOARD**  
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<b>Benefits</b>	<b>Risks of delay</b>
<ul style="list-style-type: none"><li>• Increased efficiency of application portfolios</li><li>• Growth in enterprise system agility</li><li>• Adoption of modern programming languages</li></ul>	<ul style="list-style-type: none"><li>• Legacy computing limitations</li><li>• Continued investment on legacy application maintenance</li><li>• Less defined technology architecture and system process documentation</li></ul>

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**Logical Access Controls - Enterprise Applications**

In fiscal year 2016, the RRB will attain contractor services and software necessary for PIV Single Sign-on (SSO) of enterprise applications. The solution is necessary for target state of all RRB enterprise applications and web portals PIV enabled and SSO ready.

Enterprise Single Sign-On provides services to store and transmit encrypted user credentials across local and network boundaries, including domain boundaries. SSO stores the credentials in the Credential database. Because SSO provides a generic single sign-on solution, middleware applications and custom adapters can take advantage of SSO to securely store and transmit user credentials across the environment. End users do not have to remember different credentials for different applications.<sup>5</sup>

Quick Summary	
Cloud / Shared Services	
Mission delivery area	
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	<input checked="" type="checkbox"/>
Cost	
Services	\$10,000
Total	\$10,000

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>Improves security in terms of fraud prevention and protection of confidential information.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in productivity due to use and maintenance of multiple passwords by employees</li> </ul>

<sup>5</sup> Microsoft, Understanding Enterprise Single Sign-On (2014).



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***FY 2014 - 2019***

***Future fiscal years***

The RRB will continue modernizing high value/high risk applications using knowledge gained from the redesign efforts and subsequent application modernizations, and in the elimination of redundant databases. Contractor services to supplement agency resources may be needed to ensure that the project does not stall in the event of staffing constraints. Examples of some initiatives include:

IP version 6 Implementation for Internal Network Applications

Contractor services will be necessary to assist RRB employees with the conversion of network applications for compatibility to IP version 6.

Contact Log Reports

The objective of this project is to provide management the means to generate reports from the Contact Log application. In any given day, the Contact Log application is accessed by over 300 Field Service and Headquarters' personnel with over 5 million entries since 2007. The report capability will produce standardized on-demand reports by date ranges, viewable by User ID, Count, Office, and Network with the ability to query word phrase entries and ad hoc specific tasks such as inserting special alert messages upon demand. Presently, management has no means of accessing real-time reports in the Contact Log application.

Disability Briefing Document Program (D-Brief) Re-write

The objective is to re-write the entire DBrief application in a modern .Net programming language and to move data storage from Microsoft Access data tables to more secure SQL Server data tables. DBrief is a documentation and decision support tool. It creates a final output (G-325B), full sentence, narrative document using a standard structure that addresses all the considerations required to support a decision to allow or deny initial applications for disability.

**RAILROAD RETIREMENT BOARD**  
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***FY 2014 - 2019***

**7. Capital Element: Financial Management Integrated System**

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
\$0	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000

**Agency Strategy and Benefits:** Federal Management Line of Business (FMLOB) guidance mandated that agencies, which are seeking to significantly upgrade or modernize to a different core financial management system, migrate to an approved Federal or commercial shared service provider. Further, OMB anticipated that within 10 years of the most recent FMLOB guidance, agencies would have decided to migrate their technology hosting and administration and application management to a shared service provider.

The RRB's legacy financial management system, Federal Financial System (FFS), reached its end of life cycle in fiscal year 2003. Based on an analysis of the RRB's financial management system in 2010, agency management selected migration to a designated shared service provider (SSP) as the best strategy to close current and potential performance gaps, optimize future staff resources, and follow OMB Circular A-127.

In fiscal year 2013, the agency completed the conversion of the legacy FFS to a shared service financial management system. The hosting SSP has the responsibility for the administration and application management of the core financial system from their data center, and maintaining and updating its technology. In fiscal year 2015, the RRB plans to next convert the legacy Program Accounts Receivable (PAR) system to an accounts receivable "module" of the agency's shared service financial management system. The PAR system is used for recording and managing approximately 40,000 new debts and 80,000 cash receipts annually.

***Future fiscal years***

The implementation and migration to a new core financial system brings opportunity to modernize and automate other agency financial processes that can be added as modules to the base shared service financial management system. Analysis continues on what those opportunities will be in future years.

**RAILROAD RETIREMENT BOARD**  
***Information Technology (IT) Capital Plan***  
***FY 2014 - 2019***

**8. Capital Element: Continuity of Operations Improvements**

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	TOTAL
\$0	\$0	\$1,628,690	\$0	\$0	\$0	\$1,628,690

**Agency Strategy and Benefits:** Federal Emergency Management Agency and Homeland Security Department directives (Federal Continuity Directive 1 and 2) require Federal agencies to create and maintain a Continuity of Operations (COOP) plan. COOP planning is a good business practice and part of the fundamental mission of agencies as responsible and reliable public institutions. Today's changing threat environment and recent emergencies, including localized acts of nature, accidents, technological emergencies, and military or terrorist attack-related incidents, have increased the need for COOP capabilities that enable agencies to continue their essential functions across a broad spectrum of emergencies and when normal, standard operations become overwhelmed. This environment, coupled with the potential for terrorist use of weapons of mass destruction, has emphasized the importance of COOP programs that ensure continuity of essential government functions across the Federal government.

Information technology plays a key role in the continuation of the agency's operations by assisting in the quick recovery of critical and essential government operations during any major disruption to operations. For example, short-term disruption such as a power outage or failure can be quickly resolved by employing a backup capability for systems, personnel, processes and other needs. It can also be longer term, such as in the case of a major weather or earthquake type of event where services are impacted for several days or, in some cases, weeks. For this long-term disruption of services, the agency may require the ability to relocate and operate at an alternative facility. Investments in this capital item will ensure that the agency would be able to respond quickly with minimal interruption to services and resume normal operations no matter what the emergency or disruption.

**RAILROAD RETIREMENT BOARD**  
**Information Technology (IT) Capital Plan**  
**FY 2014 - 2019**

*Fiscal year 2016*

**COOP - Failsafe Operations**

In fiscal year 2014, the RRB transitioned its Information Technology (IT) disaster recovery alternate site location to the US Department of Agriculture – National Information Technology Center (NITC) Kansas City, Missouri facility. The transition was the first phase of a multi-year plan to move the RRB's IT disaster recovery operations away from a cold-site model to that of a warm-site and, eventually, a hot-site model to enable high availability, failsafe operations of its IT operations.

The NITC site was chosen for its secure, highly available environment that also provides for an Infrastructure as a Service (processing, storage, networks, and other fundamental computing resources) provisioning model that the RRB can leverage in the event of a disaster.

In fiscal year 2016, the RRB plans to obtain and install at NITC facility the hardware and software needed to enable the immediate failover recovery of its Microsoft SharePoint system, network files, and customer applications available through [www.rrb.gov](http://www.rrb.gov).

Quick Summary	
Cloud / Shared Services	<input checked="" type="checkbox"/>
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	<input checked="" type="checkbox"/>
Cost	
Hardware/Software	\$1,297,150
Total	\$1,297,150

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Reduces the potential for data loss from ten days to one 24-hour period</li> <li>• Meets or exceeds recovery time objectives and recovery point objectives in a more cost-effective way</li> <li>• Mitigates data center downtime and data loss in the event of a system outage</li> </ul>	<ul style="list-style-type: none"> <li>• Recovery time remains as current</li> <li>• Because of weekly backup cycle, continued risk of loss for one week of data in the recovery process.</li> <li>• Transportation costs continue</li> <li>• Weaken recovery point objectives (RPOs) that require low data loss</li> </ul>

**RAILROAD RETIREMENT BOARD**  
**Information Technology (IT) Capital Plan**  
**FY 2014 - 2019**

**COOP - User Community**

Depending on the disaster scenario, it may be necessary for agency employees to leave the area for several months at a moment's notice. The purpose of this initiative is to give all agency staff the tools and training to be able to telework, either at home or from another location, in the event those employees are unable to work at their designated office due to a natural or human-made disruption. Currently, only designated staff has government issued devices that allows them to telework under the agency's work-at-home program. In the event of a disaster scenario, many more employees are impacted. These same non-telework designated employees have significant roles in the recovery and continuation of agency business during the disruption.

The tools listed below will eliminate the need for having government issued devices to be able to work remotely from the office. In fiscal year 2016, the RRB plans to acquire:

- Portable PIV Card Reader
- Windows 2 GO - USB Boot Device
- PhoneFactor MultiFactorAuthentication

Quick Summary	
Cloud / Shared Services	
Mission delivery area	<input checked="" type="checkbox"/>
Presidential Direction	
• Effectiveness	<input checked="" type="checkbox"/>
• Efficiency	<input checked="" type="checkbox"/>
• Economic Growth	
• People and Culture	<input checked="" type="checkbox"/>
Innovation	<input checked="" type="checkbox"/>
Return on Investment	
Cybersecurity	<input checked="" type="checkbox"/>

Cost	
Hardware / Software	\$295,540
Services	\$36,000
Total	\$331,540

In addition to the tools, agency staff will need training on how to use these tools at any time and from any location. In addition, everyone has a role in a COOP event; it is imperative for RRB employees to know what their role is. This initiative also trains on continuity capabilities and helps everyone to be more prepared. For 2016, the types of training envisioned are:

- Admin Training
- End User Support Training
- Maintenance

Benefits	Risks of delay
<ul style="list-style-type: none"> <li>• Quicker transition from the office environment to the telework site.</li> <li>• Eliminate the need for having government issued computers to be able to work remotely from the office</li> </ul>	<ul style="list-style-type: none"> <li>• Lower percentage of staff in ready state to perform remote functions in the event of a disaster</li> </ul>

**RAILROAD RETIREMENT BOARD**  
***Information Technology (IT) Capital Plan***  
***FY 2014 - 2019***

***Future fiscal years***

The target goal of Continuity of Operations is for IT staff to routinely switch critical services between the RRB data center and the alternate site. The RRB plans to further expand its utilization of virtualization, standardization and automation to ensure its IT services are cloud-ready and provide a fail-safe approach to all critical systems. Some examples include:

Website hosting

The agency plans to switch its current website hosting to a more functional NITC-based hosting.

Reconfiguration of server-based critical applications

We may use contractor services to assist agency staff to reconfigure the server-based critical applications for ease of backup and restoration. The reconfiguration will also provide metrics for storage space required for the backup. Risk reviews, testing, and expansion of telework, are also critical elements of continuity of operations planning that may be considered.

Small Agency FY 2016 Budget IT Portfolio Summary (formerly Ex. 53A)

Agency:	Railroad Retirement Board	
Date of submission:	8/21/2014	
Prepared by:	Robert LaBerry, Chief Enterprise Architect	

(All funding levels in Millions of Dollars -- \$x.xxx million)

CALCULATED

STAFF COSTS (BY only -- i.e., FY 2016)

Amounts are in millions of dollars													2012			2013	2014	CALCULATED						
Current Ull	Investment Category	Part 1-6 of IT Portfolio Summary	Type of Investment	Investment Title/Account Title	Investment Description	DME Agency Funding (\$M) 2014	DME Agency Funding (\$M) 2015	DME Agency Funding (\$M) 2016	O&M Agency Funding (\$M) 2014	O&M Agency Funding (\$M) 2015	O&M Agency Funding (\$M) 2016	Total Agency Funding (\$M) 2014	Total Agency Funding (\$M) 2015	Total Agency Funding (\$M) 2016	Cloud Computing Alternatives Evaluation	Cloud Computing Spending 2014	Cloud Computing Spending 2015	Cloud Computing Spending 2016	Number of Government FTEs (BY) Column 35:	Percentage of Investment Cost for Government FTE (BY)	Government FTE Costs (BY- \$M)			
xxx- xxxxxxxx (investment id- comprised of 3-digit MAX code for agency, plus a unique 9-digit agency id for each investment)	0, 24, or 48	1, 2, 3, 4, 5, or 6	1,2,3 or 4	Investment #1	Text explaining investment.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1-7	0.00	0.00	0.00	0.00	0%	0			
446-000000001	0.00	2.00	1.00	Network operations	Secure Wireless Office, Virtual Desktop Infrastructure, Network Management Tools, and Secure Pull Printing	0.50	0.00	2.44	0.00	0.00	0.00	0.50	0.00	2.44	6.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000002	0.00	2.00	2.00	Infrastructure replacement	Replace existing Imaging System and Firewalls	0.00	0.00	0.00	0.00	0.00	0.71	0.00	0.00	0.71	7.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000003	0.00	1.00	1.00	IT tools and systems	Enterprise Test Lab , Records Management Assessment, Enterprise Mobile Management , Data Warehouse for Fraud Prevention and Analysis, Centralized Correspondence System, Content Management Services, Employee Time Entry System, e-FOIA Management System	0.00	0.00	1.92	0.00	0.00	0.00	0.00	0.00	1.92	6.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000004	24.00	1.00	2.00	E-Government	Beneficiary & Employer Systems Strong Authentication, and subsequent phase of ERS project for on-line forms for employers	0.27	0.00	0.30	0.00	0.00	0.00	0.27	0.00	0.30	7.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000005	0.00	2.00	2.00	Risk management and privacy	Information security and privacy program activities	0.00	0.00	0.63	0.00	0.00	0.22	0.00	0.00	0.85	6.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000006	0.00	1.00	1.00	System Modernization	Mainframe Applications Re-engineering, and Logical Access Controls for Enterprise Applications	2.10	0.00	6.50	0.00	0.00	0.00	2.10	0.00	6.50	2.00	n.a.	n.a.	6.50	n.a.	n.a.	n.a.			
446-000000007	0.00	1.00	1.00	Financial Management Integrated System	No initiatives planned for FY2016	0.00	0.50	0.00	1.21	1.13	1.08	1.21	3.63	1.08	3.00	0.60	0.57	0.54	n.a.	n.a.	n.a.			
446-000000008	0.00	2.00	1.00	Continuity of operations Improvements	COOP - Fallsafe Operations, and COOP - User Community	0.00	0.00	1.63	0.00	0.00	0.00	0.00	0.00	1.63	6.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000009	0.00	1.00	0.00	BOC 111-Salary	Full-Time Salaries	0.00	0.00	0.00	13.54	14.21	13.81	13.54	14.21	13.81	n.a.	n.a.	n.a.	n.a.	138.00	n.a.	n.a.			
446-000000010	0.00	1.00	0.00	BOC 113-Other Than Full-Time Salary	Part-Time and Temporary Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000011	0.00	1.00	0.00	BOC 115-Other Compensation	Awards, Holiday Pay, and Night Work Differential	0.00	0.00	0.00	0.17	0.16	0.16	0.17	0.16	0.16	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000012	0.00	1.00	0.00	BOC 118-Overtime	Overtime Pay	0.00	0.00	0.00	0.20	0.20	0.20	0.20	0.20	0.20	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000013	0.00	1.00	0.00	BOC 121-Benefits	Personnel benefit costs for life insurance, retirement, health insurance, and	0.00	0.00	0.00	3.85	4.02	4.13	3.85	4.02	4.13	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000014	0.00	1.00	0.00	BOC 211-Travel	Travel and transportation expenses	0.00	0.00	0.00	0.10	0.09	0.11	0.10	0.09	0.11	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000015	0.00	2.00	0.00	BOC 233-Rent of equipment	Rental of equipment owned by another, includes rental of IT equipment and	0.00	0.00	0.00	0.84	0.83	0.94	0.84	0.83	0.94	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000016	0.00	2.00	0.00	BOC 234-Postal Services and Rentals	Contractual mail or messenger services, and rental of message-related equipment	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000017	0.00	2.00	0.00	BOC 236-Communications	Communication services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000018	0.00	2.00	0.00	BOC 253-Other Services	Services provided by the private sector <\$10,000 not classified in another BOC	0.01	0.01	0.00	0.01	0.01	0.00	0.02	0.02	0.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000019	0.00	2.00	0.00	BOC 254-Repairs and Maintenance	Repairs and maintenance to equipment; includes IT software maintenance	0.04	0.04	0.00	1.67	1.84	2.11	1.71	1.88	2.11	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000020	0.00	2.00	0.00	BOC 257-Training	Training and IT certifications	0.00	0.00	0.00	0.30	0.34	0.33	0.30	0.34	0.33	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			



Small Agency FY 2016 Budget IT Portfolio Summary (formerly Ex. 53A)

Agency:	Railroad Retirement Board	
Date of submission:	8/21/2014	
Prepared by:	Robert LaBerry, Chief Enterprise Architect	

(All funding levels in Millions of Dollars -- \$x.xxx million)

Amounts are in millions of dollars

(All funding levels in Millions of Dollars -- \$x.xxx million)												Prior Year	Current Year	Budget Year	STAFF COSTS (BY only -- i.e., FY 2016)									
Amounts are in millions of dollars															2012	2013	2014	CALCULATED						
Current UII	Investment Category	Part 1-6 of IT Portfolio Summary	Type of Investment	Investment Title/Account Title	Investment Description	DME Agency Funding (\$M) 2014	DME Agency Funding (\$M) 2015	DME Agency Funding (\$M) 2016	O&M Agency Funding (\$M) 2014	O&M Agency Funding (\$M) 2015	O&M Agency Funding (\$M) 2016	Total Agency Funding (\$M) 2014	Total Agency Funding (\$M) 2015	Total Agency Funding (\$M) 2016	Cloud Computing Alternatives Evaluation	Cloud Computing Spending 2014	Cloud Computing Spending 2015	Cloud Computing Spending 2016	Number of Government FTEs (BY) Column 35:	Percentage of Investment Cost for Government FTE (BY)	Government FTE Costs (BY-\$M)			
446-000000021	0.00	2.00	0.00	BOC 259-Other Contracts	Contracts services of \$10,000 or more not covered in another BOC	0.72	0.76	0.00	1.24	1.86	1.18	1.96	2.62	1.18		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000022	0.00	1.00	0.00	BOC 261-Supplies	Supplies not covered in other categories	0.00	0.00	0.00	0.03	0.03	0.05	0.03	0.03	0.05		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000023	0.00	1.00	0.00	BOC 264-Direct Order Supplies	Contracted office supplies ordered directly from contracted vendor	0.00	0.00	0.00	0.02	0.01	0.01	0.02	0.01	0.01		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000024	0.00	2.00	0.00	BOC 311-Equipment <\$5,000	Equipment purchases of <\$5,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
446-000000025	0.00	2.00	0.00	BOC 312-Equipment \$5,000 & more	Equipment purchases of \$5,000 or more	1.62	1.70	0.07	0.00	0.00	0.00	1.62	1.70	0.07		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			

NOTE: Funding source breakout lines should add to dollars in investment line. Funding amounts should represent "budgetary resources" (i.e., budget authority, fees, other).

(see the FY 2016 guidance of June 27, 2014)

Guidance document is at: [http://www.whitehouse.gov/sites/default/files/omb/assets/egov\\_docs/fy\\_2016\\_guidance\\_06272014.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy_2016_guidance_06272014.pdf)

Other helpful information-- see the June 2014 training slides used for the training provided for IT Dashboard agencies.

Section starting p. 10 of the FY 2016 guidance addresses definitions for columns A, B, C, D, and P (pp. 10-16). Funding totals are categorized as to use for either Development, Modernization, Enhancement (DME) or Operations and Maintenance (O&M), as defined on pp. 13-14, respectively of the FY 2014 guidance.

Agencies should consult with their Budget Office or CFO regarding the correct OMB Budget Account codes (for the MAX A-11 system) for any account; valid accounts for the FY 2015 cycle for agencies' IT budget requests are posted at: <https://max.omb.gov/community/x/6KBnJQ> (see the Data Dictionary - Enumerations file's "Budget Accounts" tab; -- this data will be updated for the FY16 cycle soon)



**FY 2016 Budget Submission (Sept. 8, 2014) - Agency Cloud Spending Summary**

**Agency Name:** Railroad Retirement Board

**Agency MAX Code:** 446

All amounts in Millions of Dollars (\$x.xxx)

Table A	PY (FY 2014)	CY (FY 2015)	BY (FY 2016)
<b>Public Cloud</b>			
<b>Private Cloud</b>			6.495
<b>Community Cloud</b>	0.6	3.1	0.5
<b>Hybrid Cloud</b>			
<b>Other Provisioned Services (non-cloud)</b>			

Table B	PY (FY 2014)	CY (FY 2015)	BY (FY 2016)
<b>SaaS</b>			
<b>PaaS</b>			6.495
<b>IaaS</b>	1.2	3.6	1.1
<b>Other Provisioned Services (non-cloud)</b>			

## RAILROAD RETIREMENT BOARD

### Proposed Legislative Program for Fiscal Year 2016

1. **Amend the Railroad Retirement Act to provide that, notwithstanding any other law, employees of covered employers shall be issued social security numbers.**

Under Immigration and Naturalization Service rules governing when non-resident aliens may be issued a social security number, non-citizens who reside outside the United States do not qualify for social security numbers. However, employers covered under the Railroad Retirement Act are required to report employee earnings to the Railroad Retirement Board using a social security number.

Consequently, the Railroad Retirement Board is unable to readily retrieve an individual record for approximately 300-400 employees annually, primarily railroad employees who reside in Canada and perform some of their railroad work in the United States.

Under this proposal, all railroad employees must be given social security numbers, which would facilitate the processing of earnings records of railroad employees who are not resident in the United States.

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

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

## **RAILROAD RETIREMENT BOARD**

### **Proposed Legislative Program for Fiscal Year 2016**

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

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

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

## **Program Integrity Administrative Expenses Account Proposal**

The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which would reflect \$3.3M in mandatory funding for RRB's program integrity activities for fiscal year 2016 in addition to amounts provided to RRB through the Limitation on Administrative Expenses account. If approved, the funds should be available as no year funds, providing us with the flexibility to aggressively hire and train staff to support the processing of more program integrity work.

In light of recent disability fraud events that have impacted the RRB, like other federal government agencies, the RRB needs to address this challenge through the following objectives: increase staff disability oversight, improve existing program integrity functions, eliminate the backlog in potential overpayment cases and implement initiatives to target groups of annuitants most likely to commit medical and/or earnings fraud.

The proposed \$3.3M was determined based on a review of current operations as well as disability recommendations from the General Accounting Office and the RRB's Office of Inspector General. Below is a breakout of the funding requirement to enhance program integrity objectives:

<b>Cost Item</b>	<b>FTEs</b>	<b>Amount</b>
Staffing:		
Program Evaluation	6	655,092
Disability Review	9	853,094
Backlog Reduction	14	1,250,000
Contractual:		
Fraud Training		32,000
Independent Medical Exams		300,000
Orthopedic & Other Specialist Reviews		156,000
Printing/Mailing Contracts		59,000
Total	29	3,305,186

Staffing Costs: Augmented staff includes 6 people dedicated to program evaluation through such activities as oversight of fraud prevention initiatives, quality assurance reviews, special studies, and the development/implementation of enhanced procedures critical to program integrity. An additional 9 employees will support enhanced emphasis on initial eligibility and continuing entitlement to benefits, such as an expanded Continuing Disability Reviews program, annual certifications and other required reporting. A total of 14 employees will be needed to eliminate a growing backlog (currently 19,000) of possible improper payment referrals to ensure that benefits continue to be paid only in the correct amounts to eligible and entitled beneficiaries.

Contractual Costs: Contractual costs include on-going annual fraud training for employees at all levels of the organization, confirming medical exams for all initial disability applications, with

specialists performing exams on a number of problematic infirmities, such as orthopedic conditions, and increased cost for printing and mailing annual certifications of continued eligibility, annual earnings reminder notices and other enhanced communications with beneficiaries.

The Railroad Retirement Board has proven that we are a good investment over the 79 years the RRB has been in operation. We continue to work smarter and more efficiently. Our program integrity efforts save the Trust Fund from which railroad benefits are paid an estimated \$4.90 for each \$1.00 spent on program integrity activities. With adequate funding, we will ramp up our cost-effective program integrity work, provide enhanced quality service, and invest in initiatives that allow us to offer better and more efficient customer service and to protect the Trust Funds.

## RAILROAD RETIREMENT BOARD

**Relationship of Programs to Account Structure**  
**(in thousands of dollars)**

	2016 Estimates	
	<u>Budget Authority</u>	<u>Outlays</u>
60-0111-0-1-601		
Dual Benefits Payments Account.....	29,000	29,000
60-0113-0-1-601		
Federal Payments to the Railroad Retirement Accounts.....	1,386,049	1,386,049
60-8010-0-7-601		
Social Security Equivalent Benefit Account.....	7,338,000	7,315,000
60-8011-0-7-601		
Railroad Retirement Account.....	5,332,000	5,344,000
60-8118-0-7-601		
National Railroad Retirement Investment Trust.....	1,913,000	1,913,000
60-8237-0-7-601		
Limitation on Administration		
OMB Reduced level (10%).....	111,720	111,720
OMB Reduced level (5%).....	119,700	119,700
Agency Request level.....	141,431	141,431

## RAILROAD RETIREMENT BOARD

**Relationship of Programs to Account Structure**  
**(in thousands of dollars)**

Summary	2016 Estimates	
	Budget Authority	Outlays
Federal funds (see previous page) <sup>1/</sup> .....	1,415,049	1,415,049
Trust funds (see previous page) <sup>2/</sup> .....	14,583,000	14,572,000
Deductions for offsetting receipts:		
Intrafund transactions (OASDI transfer) <sup>3/</sup> .....	(4,013,100)	(4,013,100)
Intrafund transactions (NRRIT transfers) <sup>3/</sup> .....	(1,839,000)	(1,839,000)
Proprietary receipts from the public <sup>4/</sup> .....	(450,000)	(450,000)
Interfund transactions <sup>5/</sup> .....	<u>(1,386,049)</u>	<u>(1,386,049)</u>
<b>TOTAL</b>	<b><u>8,309,900</u></b>	<b><u>8,298,900</u></b>

<sup>1/</sup> Represents budget authority and outlays for the Dual Benefits Payments Account and the Federal Payments to the Railroad Retirement Accounts.

<sup>2/</sup> Represents budget authority and outlays for the Social Security Equivalent Benefit Account, the Railroad Retirement Account, and the National Railroad Retirement Investment Trust (NRRIT). Excludes the Limitation on Administration.

<sup>3/</sup> Represents the financial interchange transfer amount of \$4,013,100,000 expected from the Social Security Administration's Old Age and Survivors Insurance and Disability Insurance (OASDI) Funds and a transfer of \$1,839,000,000 from the NRRIT to the Railroad Retirement Account.

<sup>4/</sup> Estimate of interest and dividends on non-Federal securities earned by the NRRIT.

<sup>5/</sup> Represents budget authority and outlays for the Federal Payments to the Railroad Retirement Accounts.

**RAILROAD RETIREMENT BOARD****Program Evaluation and Data Analysis**  
**as of August 2014****Medicare**

- *Contractor evaluation*  
RRB's Unemployment & Programs Support Division evaluates operations of the Medicare Part B contractor serving RRB annuitants. The evaluations include measuring the contractor's performance against established criteria and standards for the Medicare program.  
Frequency: Series of reviews each year
- *Validation and special studies*  
RRB's Policy and Systems (P&S) and Program Evaluation and Management Services (PEMS) components work together to perform various validation and special reviews to provide management assurance that specific processes are operating as designed, to identify problems, or identify waste, fraud or abuse.  
Frequency: Ad hoc

**Retirement and Survivor Benefits**

- *Quality assurance analysis*  
PEMS develops payment accuracy statistics for application processing and post-adjudication processing operations through reviews of randomly sampled process outputs. These statistics are key indicators of the effectiveness of various processes within the retirement and survivor program and are reported in RRB's Performance and Accountability Report (P&AR).  
Frequency: Series of reviews each year
- *Medical vendor reports*  
PEMS prepares performance reports on the timeliness of consultative medical examinations and medical opinions provided by contractors for disability cases. The reports show vendor performance against standards specified in the contract.  
Frequency: Monthly
- *Occupational disability reports*  
PEMS reports on the volumes of occupational disability decisions completed during the month, and provides breakdowns of the decisions by process, body systems, job types, and costs.  
Frequency: Monthly



## **RAILROAD RETIREMENT BOARD**

### **Program Evaluation and Data Analysis** **as of August 2014**

- *Occupational Advisory Committee review*  
Advisory doctors, representing the rail industry (labor and management) are authorized by law to review agency medical decisions.  
Frequency: Periodic
- *Occupational disability quality assurance reviews*  
Consulting physicians under contract with the agency perform a quality review of documentation of disability determinations to ensure adequate support for the medical decisions.  
Frequency: Quarterly
- *Disability program data analysis*  
PEMS conducts disability data reviews, analyzes trends in the data, and tracks physician patterns to proactively seek out and identify potential vulnerabilities in the disability program.  
Frequency: Ongoing
- *Reconsideration reversal of disability determinations*  
PEMS reports on the number of, and reasons for, reversals of initial disability determinations at the first step of the appeals process and tracks trends over time.  
Frequency: Annual

### **Unemployment and Sickness Insurance Benefits**

- *Review of claims processing*  
PEMS conducts an end-of-line review of randomly selected unemployment and sickness insurance claims to determine whether they were correctly adjudicated. Reports provide statistics of payment accuracy used in RRB's P&AR.  
Frequency: Annual

### **Railroad Retirement/Survivor and Unemployment/Sickness Insurance Benefits**

- *Debt reports*  
PEMS prepares comparisons of Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) entitlement debt from year to year.
  - RRA reports include categories of debt, number of debts established, dollar amounts of debts established, the number of debts related to cases in pay status, and ratios for the number of debts to cases in pay status and the amount of debt to the dollar amount of RRA benefits paid.

## RAILROAD RETIREMENT BOARD

### Program Evaluation and Data Analysis as of August 2014

- RUIA reports include categories of debt, number of debts established, dollar amount of debts established, amount of benefits paid, number of claims received, and ratios for the number of debts to claims and the amount of debt to the dollar amount of RUIA benefits paid.

Frequency: Annual

➤ *Validation and special studies*

PEMS performs various validation and special reviews to provide management assurance that specific processes are operating as designed, to identify problems, or to identify waste, fraud or abuse.

Frequency: Ad hoc

➤ *Program integrity*

PEMS prepares a report of the volumes, dollars, and time spent on all program integrity activities conducted throughout the agency. The report provides a benefit/cost ratio for overall program integrity activities which is included in the P&AR.

Frequency: Annual

➤ *Customer service*

PEMS consolidates agency customer service data and reports actual performance in meeting published customer service timeliness standards.

Frequency: Semi-annual

➤ *American Customer Service Index (ACSI)*

PEMS coordinates surveys of various customer segments with the Federal Consultant Group and their affiliates from the University of Michigan. This may include telephone surveys of core benefit groups such as retirement, survivor, disability or unemployment/sickness insurance beneficiaries, rail employers, and year-long, on-line surveys of visitors to the agency website.

Frequency: Periodic (as funding allows)

➤ *Annual Federal Managers' Financial Integrity Act (FMFIA) certifications*

Responsible officials throughout the agency perform annual certifications under the FMFIA of various programs and processes. The purpose of the review is to ensure that there are effective internal controls in place.

Frequency: Series of reviews each year

**RAILROAD RETIREMENT BOARD**

**Program Evaluation and Data Analysis**  
**as of August 2014**

➤ *Improper payments*

PEMS develops estimates of improper benefit payments as required by the Improper Payments Information Act, the Improper Payments Elimination and Recovery Act and defined by OMB guidance. The results of this analysis are included in the agency's P&AR.

Frequency: Annual

## **RAILROAD RETIREMENT BOARD**

### **Financial Management Systems**

#### **Vision Statement**

The Railroad Retirement Board (RRB) is committed to integrated and automated financial management systems that focus on the agency's mission and accountability. RRB strives to maintain an environment in which program and financial managers work in partnership to ensure the integrity of financial information and use that information to make decisions, measure performance, and monitor outcomes. In this environment, we envision integrated financial management systems with appropriate internal review and controls that provide agency managers with timely, accurate, and easily accessible information. We expect managers throughout the agency to use that information to achieve program objectives in a cost-effective manner and to ensure accountability.

#### **RRB's Financial Management System**

Accomplishment of this vision requires an accurate, timely, reliable, and flexible source for all financial and management information within the framework of requirements established by legislative mandates, the Government Accountability Office, the Office of Management and Budget (OMB), and the Department of the Treasury (Treasury).

RRB's strategy is to upgrade its financial system structure by migrating to CGI's cloud hosting service on October 1, 2013. CGI is a commercial shared service provider (SSP) for financial system services. CGI was selected after numerous pre-migration activities which included an assessment and study of the RRB legacy system in 2010, preparation of a Capital Asset Plan and Business Case Summary (OMB Exhibit 300) in 2011 and issuing an Request for Proposal (RFP) which was addressed to both Federal Government and commercial SSP's in 2012. CGI's selection was based on both its cost and functional proposals.

The new cloud service will support the RRB's budget formulation and execution, general ledger and trust fund accounting, procurement, fixed assets and administrative accounts payable and receivable requirements. The RRB will continue to use a separate Program Accounts Receivable (PAR) system originally developed using the accounts receivable component of its legacy financial system which supports management of receivables arising from benefit payment programs and complies with debt collection legislation. Because of the complex nature of the electronic interfaces between PAR and the RRB benefit paying systems, RRB plans to migrate this component to an SSP in the future contingent on the availability of funding.

RRB currently utilizes shared service providers for several other E-Government functions. RRB uses the travel management services of the Bureau of the Public Debt for change-of-station, and contracted with Carlson Wagonlit Government Travel (CWGT) in fiscal year 2005 to host its electronic travel authorization and vouchering functions under the guidance of the General Services Administration (GSA) Program Management Office (PMO) which provides oversight for

## RAILROAD RETIREMENT BOARD

### Financial Management Systems

E-Government travel. RRB implemented an E-Government travel system with CWGT on September 30, 2006, in compliance with PMO's prescribed completion date for all agencies.

RRB payroll and human resources system support was transferred to GSA in June 2004, as part of the initiative to consolidate Federal Government payroll operations. Data files containing payroll expenses, transit benefit deductions and labor distribution costs are telecommunicated from GSA and support RRB's financial accounting, transit benefit, and cost accounting systems, respectively.

RRB enterprise-wide technical architecture is providing ever-increasing inter-connectivity among RRB's headquarters mainframe, networks, and intranet (Boardwalk); improved environmental security; enhanced network reconfiguration capabilities; and scalable bandwidth to support imaging, the intranet, and future needs. This enables RRB staff to operate more efficiently and effectively while performing fiscal administrative tasks, including collection and dissemination of financial management information and guidance.

A virtual private network extends the efficiency and effectiveness of these systems to RRB field staff by providing full access to all RRB internal systems from remote locations through a secure platform.

### Goals and Plans

To guide RRB in continually upgrading and improving its financial systems structure, the Chief Financial Officer has established broad financial management planning goals and implementing plans to fully realize the overall financial management objectives. The goals and the plans, in priority order, are as follows:

- A. COMPLIANCE.** Ensure that financial operations continue to comply with applicable laws, regulations, standards and guidelines, and conform to financial system management controls and information resources management requirements and standards.

Plan: Integrate financial system automation requirements into RRB's *Strategic Information Resources Management Plan* and into the guiding principles, information requirements, and environmental trends of RRB's Enterprise Architecture.

Migrate the current core financial system to a SSP as recommended by the "FFS Assessment and Reporting Study," beginning with fiscal year 2014. Interact with both CGI and its clients to ensure that future versions of the shared service financial software comply with all applicable laws and regulations.

## RAILROAD RETIREMENT BOARD

### Financial Management Systems

Implement recommendations of RRB's Inspector General arising from annual audits of the financial statements and other reviews of the financial operations of RRB.

Provide for ongoing review of financial management controls in conjunction with the Management Control Review Program.

Status: This goal is being met.

**B. PERFORMANCE.** Pursue strategies to increase the use of performance information to generate and support systematic performance measurement.

Plan: Tie management and policy purposes to performance reporting in order to tell how much service is provided, but also how well and efficiently. (Integrate purpose and output.)

Identify operating strengths and weaknesses, target areas for improvement, and recognize improvements when they occur (management activity).

Gauge the quality of services through the extent to which program objectives are being achieved (outcome).

Include performance plan requirements in migration to an SSP to generate information that reveals the program's past performance and reflects performance expectations for the future.

Status: This goal is being met.

**C. EFFICIENCY.** Reduce redundant data entry, storage and processing, and minimize human intervention.

Plan: Analyze additional automated interfaces among the benefit program payment systems and, as recommended by the "FFS Assessment and Reporting Study," determine data conversion requirements for migration to a shared service provider.

Implement paperless dissemination of financial management information and guidance and paperless collection of financial information wherever appropriate and practical.

Implement paperless drafting, editing, reviewing, and finalizing of written products.

## RAILROAD RETIREMENT BOARD

### Financial Management Systems

Keep current with Treasury's "paperless" financial systems initiative by expanding on-line links to Treasury, the Internal Revenue Service and RRB's financial depositories. These links are replacing paper forms and reports and computer tapes as the primary method of exchanging financial information.

Status: Implementation of automated downloads of data to the quarterly financial statements eliminated all manual data entry from trial balance reports to the financial statements.

Limitations of the legacy benefit systems have delayed automated interfaces to the financial system but future state plans include these interfaces following the scheduled migration to a shared service provider (SSP). An extensive system of automated interfaces between the benefit payment systems and PAR records debts arising from payment of railroad retirement and unemployment and sickness benefits along with recoveries.

Paperless collection and dissemination of financial information is progressing well. Financial statements, justification of budget requests, Congressional testimony on budget and management issues, and actuarial reports are available to the public on RRB's website ([www.rrb.gov](http://www.rrb.gov)).

Budget preparation, management control, Prompt Payment Act, and transit benefit program guidance is available to all RRB staff on Boardwalk.

GSA's personnel and payroll systems allow RRB employees to view and update selected information in their records.

Paperless methods of drafting, editing, reviewing, and finalizing written materials are being used for various products.

RRB is current with Treasury's paperless initiatives.

#### **D. ACCESS.** Improve and facilitate user access to financial information.

Plan: Use the extensive query and reporting features of the new SSP cloud service to retrieve information from the financial system in end-user specified formats or office suite formats, with the intent of meeting user requirements.

## RAILROAD RETIREMENT BOARD

### Financial Management Systems

Status: Migration to the new cloud service financial system will give individual clients ability to query and program reports in a wide variety of formats, including text reports, spreadsheets, and database tables without involving technical staff.

Consumable supplies are procured on-line through the Internet website of a competitively selected vendor.

We have performed a full requirements analysis with contractual assistance to determine the complete user access requirements to financial information as recommended by the assessment of RRB's core financial system completed in 2010.

**E. SUPPORT.** Identify requirements for financial systems support to ensure timely and complete accomplishment of current, expanded, and new activities.

Plan: Maintain adequate levels of internal system analyst staffing, and provide training to all staff as appropriate.

Define system and application needs that are essential in performing current, expanded, and new activities.

Integrate new and revised financial system automation requirements into RRB's *Strategic Information Resources Management Plan* and into the guiding principles, information requirements, and environmental trends of RRB's Enterprise Architecture.

Status: This goal is being met.



## RAILROAD RETIREMENT BOARD

### Financial Management Systems

**F. SECURITY, CONTROL AND DISASTER RECOVERY.** Improve security, control and disaster recovery capability for information processed and stored on mainframe, local area network, and PC systems.

Plan: In accordance with agency-wide guidance, develop, test, and maintain a disaster recovery plan for financial systems.

Enhance system controls by providing continuous monitoring of changes to hardware, software, or the operational environment.

Status: This goal is being met within the agency-wide disaster recovery plan. We have made necessary updates to security plans, assessment reports, and the charts of controls.

### Audit of Financial Statements

RRB complies with OMB Circular A-136 regarding the independent audit of financial statements. The RRB's Office of Inspector General (OIG) funded fixed price contracts for fiscal years 1993 through 1996 to audit the financial statements. The OIG audited RRB's financial statements for fiscal years 1997 through 2013. The purpose of the audits is to determine whether the financial statements present fairly the financial position and the results of financial operations in conformity with generally accepted accounting principles.

The *Auditor's Report* of RRB's Financial Statements for Fiscal Year 2013 states:

Due to the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial position of the RRB, its consolidated net cost of operations and changes in net position, and combined budgetary resources as of September 30, 2013 and 2012; and the financial condition of the Railroad Retirement program as of January 1, 2013, 2012 and 2011 and changes in the financial condition of the program for the two year period ended December 31, 2012. Accordingly, we do not express an opinion on these financial statements.

### **Basis for Disclaimer of Opinion**

The National Railroad Retirement Investment Trust (NRRIT) was established pursuant to the Railroad Retirement and Survivors' Improvement Act of 2001 (Public Law 107-90). Under that law, the NRRIT is not department, agency or instrumentality of the Government of the United States. In addition, the law specifically exempts the NRRIT from compliance with Title 31, United States Code which governs the monetary and

## RAILROAD RETIREMENT BOARD

### Financial Management Systems

financial operations of the Federal government. The law also provides that the NRRIT annually engage an independent, qualified public accountant to audit the financial statements of the NRRIT. Accordingly, the Office of Inspector General (OIG) has not audited the books and records of the NRRIT, nor had any input into the selection of the independent accountant retained by the NRRIT, nor provided oversight to that firm in the execution of their responsibilities. As a result, the financial statements of the NRRIT were audit by other auditors whose reports have been furnished to us. On October 22, 2013, we learned that the NRRIT hired a new audit firm to audit its fiscal year (FY) 2013 financial statements, therefore, its financial statements for FY 2013 and FY 2012 were audited by two different audit firms. Pursuant to the group financial statement audit requirements promulgated by the American Institute of Certified Public Accounts (AICPA) in AICPA Professional Standards in AU-C section 600 *Special Considerations – Audits of Group Financial Statements*, we contacted the NRRIT requesting communication with and cooperation from its auditors. The NRRIT did not respond to our request and the RRB management took no action to assist us in this matter. We inquired of agency management whether the required communication and cooperation would be provided by the new auditor. Agency management's response indicated that no change would be made regarding communication with and cooperation from the NRRIT's auditor. As a result, the NRRIT's auditors have not complied with the group financial statement audit requirements. Consequently, we are unable to perform the specified AU-C section 600 group audit procedures and have determined that undetected misstatements, which could be material and pervasive, could exist.

The group financial statement audit requirements are applicable for all audits of group financial statements for periods ending on or after December 15, 2012. Failure by the NRRIT's auditor to comply with these AICPA standards is considered a violation of Rule 201, General Standards, and Rule 202, Compliance with Standards.

The net assets of the NRRIT represent \$25.0 billion and \$23.6 billion or approximately 79% of the total assets reported for the RRB for FYs 2013 and 2012. NRRIT assets also represent approximately 94% and 95% of the Treasury securities and assets held by the Railroad Retirement program as of January 1, 2013 and 2012, respectively. Related changes in the net value of investments held by the NRRIT are reported as a source of financing which contributed a net gain of \$1.4 billion during FY 2013 and a net gain of \$1.5 billion during FY 2012.

## RAILROAD RETIREMENT BOARD

### Financial Management Systems

In addition, we did not express an opinion on the RRB's FY 2012 financial statements in our previous audit report dated November 15, 2012 due to the significance of the NRRIT's net asset amounts in the RRB's financial statements and the NRRIT auditor's peer review rating of *pass with deficiency* for reasons explained in our prior audit report.<sup>1</sup> That audit opinion regarding the RRB's FY 2012 financial statements remains unchanged.

The *Auditor's Report – Emphasis of Matter* on page 99 of RRB's Financial Statements for Fiscal Year 2013 states:

#### **Emphasis of Matter**

The RRB discloses transactions with related parties in Note 2 of the financial statements. The RRB, Social Security Administration and Centers for Medicare and Medicaid Services are parties to the financing arrangement described as a financial interchange. Under this arrangement, transfers-in from the Social Security Administration's Old-Age and Survivors Insurance and Disability Insurance trust funds and transfers-out to the Federal Health Insurance trust fund represented approximately \$4.0 billion (net), or about 35% of the financing sources reported on the RRB's statement of changes in net position for FY 2013 before considering the change in the reported value of NRRIT net assets. For FY 2012, financial interchange transfers of \$4.2 billion (net) represented about 35% of the financing sources reported before considering the reduction in the reported value of NRRIT assets. Our opinion is not modified with respect to this matter.

The *Auditor's Report – Compliance with Laws and Regulations* on page 101 of RRB's Financial Statements for Fiscal Year 2013 states as follows:

Our tests of the RRB's compliance with selected provisions of laws and regulations for FY 2013 disclosed no instances of non-compliance that are reportable under U.S. generally accepted government auditing standards or OMB guidance. However, the objective of our audit was not to provide an opinion on overall compliance with laws and regulations. Accordingly, we do not express such an opinion.

The OIG identified two material weaknesses and one significant deficiency in its *Consideration of Internal Control*, from which excerpts follow.

<sup>1</sup> "Report on the Railroad Retirement Board's Fiscal Year 2012 Financial Statements," OIG Report No.: 13-01, November 15, 2012.

**RAILROAD RETIREMENT BOARD****Financial Management Systems****Material Weaknesses****Information Technology Security – Risk Management Framework**

During FY 2013, the OIG evaluated the RRB's information security program pursuant to the provisions of Federal Information Security Management Act (FISMA). OIG auditors found that weaknesses regarding the review of contractor deliverables associated with the risk management framework continue to be found. Although agency managers are working to strengthen controls, management action had either not been completed as of the end of the current reporting period, or had not been in place long enough to permit evaluation.

**Information Technology Security – Configuration Management**

During FY 2013, the OIG evaluated the RRB's security configuration management program pursuant to the provisions of FISMA. OIG auditors found that weaknesses associated with the configuration management of some agency systems continue to be found. Although agency managers are working to remediate these weaknesses, management action had not been completed as of the end of the current period.

**Significant Deficiency****Budgetary Reporting**

In FY 2011, we reported a material weakness for budgetary reporting and recommended that the Bureau of Fiscal Operations (BFO) provide training for the preparation of the statement of budgetary resources and implement a review process to ensure the accuracy of calculations, consistency in recorded amounts and effectiveness of controls. In an effort to address this material weakness, budgetary training was conducted for various BFO personnel in June 2013. During FY 2013, the OIG identified a significant improvement in the preparation of the statement of budgetary resources. Although errors were found, they did not exceed our materiality threshold. Further corrective action remains to be taken regarding an improved review process to ensure the accuracy of calculations, consistency in recorded amounts and effectiveness of controls.

The RRB is working to address these weaknesses.

## **Electronic Funds Transfer/Vendor Express**

### **Electronic funds transfer (EFT)**

The Debt Collection Improvement Act of 1996 requires that most Federal payments, with the exception of tax refunds, be made by electronic funds transfer (EFT), also known as Direct Deposit. This includes monthly railroad retirement, survivor and disability benefits, as well as biweekly unemployment and sickness insurance benefits.

Treasury regulations required recipients of Federal nontax payments to receive payment by EFT effective May 1, 2011. The effective date was delayed until March 1, 2013, for individuals who were receiving Federal payments by check on May 1, 2011, and for individuals who filed claims for Federal benefits before May 1, 2011, and requested check payments when they filed. Individuals who do not choose Direct Deposit of their payments to an account at a financial institution, would be enrolled in the Direct Express<sup>®</sup> Debit MasterCard<sup>®</sup> card program, a prepaid card program established pursuant to terms and conditions approved by Treasury. The EFT requirement is waived for recipients born prior to May 1, 1921, who were receiving payments by paper check on March 1, 2013; for payments not eligible for deposit to a Direct Express<sup>®</sup> prepaid card account; and for recipients whose Direct Express<sup>®</sup> card has been suspended or cancelled. In addition, this rule establishes the criteria under which a payment recipient may request a waiver if the EFT requirement creates a hardship due to his or her mental impairment or remote geographic location.

RRB has traditionally had strong participation in the Direct Deposit program, and the percentage of payments and dollars made by EFT continues to increase among retirement, survivor and disability beneficiaries.

RRB began offering Direct Express<sup>®</sup> to Railroad Retirement Act (RRA) beneficiaries in March 2011. As of July 28, 2014, there were 2,092 beneficiaries enrolled in the program.

Additionally, RRB began offering International Direct Deposit (IDD) in April 2011 to RRA beneficiaries who reside in foreign countries. As of July 28, 2014, there were 1,680 beneficiaries enrolled in the IDD program.

RRB completed program changes that would allow child support payments, that are withheld from RRB monthly benefits and paid to State agencies, to be made by EFT. The changes were completed in August 2012; effective with payments issued beginning September 1, 2012. Work to convert daily retirement/survivor and unemployment/sickness payments is expected to be completed in FY 2015.

The chart on the following page shows a comparison of EFT payments with non-EFT payments during fiscal year 2014 (through July).

**Electronic Funds Transfer/Vendor Express**

**July 2014**

<b><u>Payment Type</u></b>	<b><u>Direct Deposit</u></b>	<b><u>Treasury Check</u></b>
<b><u>RRA</u></b> <sup>1/</sup>		
Number of payments	5,659,585	66,706
Percent of payments	98.4%	1.6%
Amount of payments	\$10,222,245,891.95	\$89,147,747.89
Percent of RRA payment amount	99.14%	0.86%
<b><u>RUIA</u></b> <sup>2/</sup>		
Number of payments	144,040	6,646
Percent of payments	95.3%	4.7%
Amount of payments	\$81,044,886.51	\$2,913,865.89
Percent of RUIA payment amount	96.5%	3.5%

<sup>1/</sup> In July 2013, 97.4 percent of RRA payments were through EFT; in July 2014, 99.14 percent of RRA payments were through EFT.

<sup>2/</sup> In July 2013, 94.4 percent of RUIA payments were through EFT; in July 2014, 95.3 percent of RUIA payments were through EFT.

## **Electronic Funds Transfer/Vendor Express**

### **Vendor Express**

Vendor Express is the payment system used to make EFT payments to RRB vendors. Vendor Express payments during fiscal year 2013 (through June) compare with payments made by Treasury check as follows:

	<b><u>Vendor Express</u></b>	<b><u>Treasury Check</u></b>
Number of payments (invoices)	8,696	865 <sup>a/</sup>
Percent of payments	91.0%	9.0%
Amount of payments	\$16,852,822	\$1,707,736
Percent of payment amount	91.0%	9.0%

<sup>a/</sup> In some cases, multiple invoices were paid with a single check. The total number of checks prepared was 865.

## Space Budget Justification

I. Agency: Railroad Retirement Board  
 Bureau: Railroad Retirement Board  
 GSA Bureau Code: 6000  
 Date: September 18, 2014

**Railroad Retirement Board**  
 (obligations in thousands of dollars)

		PY		CY		BY		BY + 1	
		SQ	FT	SQ	FT	SQ	FT	SQ	FT
OMB approved inflation factor:		1.60%		1.60%		1.02%		1.02%	
<b>PART 1: RENTAL PAYMENTS TO GSA</b>									
GSA rent estimate		395,573	\$3,186	395,574	\$3,179	395,574	\$3,099	395,574	\$3,131
From Worksheet TAB	Agency adjustments to the bill:								
Corrections PY	Chargebacks:	0	\$0	0	\$0	0	\$0	0	\$0
	Other adjustments	0	\$0	0	\$0	0	\$0	0	\$0
	Statutorily imposed rent caps	0	\$0	0	\$0	0	\$0	0	\$0
Planned changes to inventory:									
PY	PY	(2,172)	(\$15)	(2,172)	(\$60)	(2,172)	(\$60)	(2,172)	(\$60)
CY	CY			3,855	\$3	3,855	\$13	3,855	\$13
BY	BY					0	\$0	0	\$0
BY + 1	BY + 1							0	\$0
Requested program changes:									
PY	PY								
CY	CY			0	\$0				
BY	BY					0	\$0		
BY + 1	BY + 1							0	\$0
Total, net rental payments to GSA		393,401	\$3,171	397,257	\$3,123	397,257	\$3,053	397,257	\$3,084
<b>PART 1.A: FUNDING SOURCES FOR RENTAL PAYMENTS to GSA</b>									
Funded by direct appropriations:									
Account title and ID code:									
Acct. 1			\$0		\$0		\$0		\$0
Acct. 2			\$0		\$0		\$0		\$0
Acct. 3			\$0		\$0		\$0		\$0
Acct. 4			\$0		\$0		\$0		\$0
Acct. 5			\$0		\$0		\$0		\$0
Acct. 6			\$0		\$0		\$0		\$0
Acct. 7			\$0		\$0		\$0		\$0
Acct. 8			\$0		\$0		\$0		\$0
Subtotal, direct appropriations			\$0		\$0		\$0		\$0
Funded by other sources:									
Account title and ID Code:									
Acct. 1			\$0		\$0		\$0		\$0
Acct. 2			\$0		\$0		\$0		\$0
Acct. 3			\$0		\$0		\$0		\$0
Acct. 4			\$0		\$0		\$0		\$0
Acct. 5			\$0		\$0		\$0		\$0
Acct. 6			\$0		\$0		\$0		\$0
Subtotal, other funding sources			\$0		\$0		\$0		\$0
Total funding sources (object class 23.1)			\$0		\$0		\$0		\$0
Control difference			-\$3,171		-\$3,123		-\$3,053		-\$3,084
<b>PART 2: RENTAL PAYMENTS TO OTHERS</b>									
Non-Federal sources (object class 23.2)									
Federal sources (object class 25.3)									
Total rental payments to others		0	\$0	0	\$0	0	\$0	0	\$0



# RAILROAD RETIREMENT BOARD

## Employee Relocation Costs

<b>Budget Object Code</b>	<b>2014 Budgeted</b>	<b>2015 Planned</b>	<b>2016 OMB Guidance 2% Reduction</b>	<b>2016 OMB Guidance 5% Increase</b>	<b>2016 Agency Request</b>
126. Change-of-station	\$166,210	\$240,000	\$120,000	120,000	\$240,000
211. Travel	4,000	4,000	2,000	2,000	4,000
221. Transportation of things	48,000	60,000	24,000	24,000	48,000
252. Government contracts	0	0	0	0	0
255. Storage of household goods	30,000	18,000	15,000	15,000	30,000
<b>Total</b>	<b>\$248,210</b>	<b>\$322,000</b>	<b>\$161,000</b>	<b>\$161,000</b>	<b>\$322,000</b>

## **RAILROAD RETIREMENT BOARD**

### **Wellness Initiatives**

The U. S. Railroad Retirement Board in Chicago, Illinois has an in-house Employee Health Service (EHS), staffed by a Registered Professional Nurse that provides employees with opportunities for health promotion activities and preventative health services. Examples of these are various types of screenings, health education sessions, flu immunizations, yoga/fitness training and exercise classes, a smoking cessation program, and a weight loss (Weight Watchers) program. These programs are offered at the worksite and are open to all interested headquarter employees. Some of these programs are also offered to employees in the agency's field offices. Administrative leave is granted to those headquarter employees who attend. In addition, reimbursements are given to all agency employees for their annual physical examination co-payments and for the cost of a routine eye examination every other year.

Listed below is a summary of the programs and services available to employees. Also addressed are the areas that have been identified that need improvement and ideas for implementing these changes.

Yoga exercise classes are offered on an ongoing basis once a week during lunch time. The RRB has been providing the funding for these classes since March, 2010. The classes focus on stretching, flexibility, proper breathing and relaxation techniques and improving balance. Personal training sessions were also offered this FY to interested employees at no charge. These sessions focused on muscle resistance instruction, muscle strengthening and stretching techniques.

#### **Cardiovascular Disease, Risks and Prevention Program**

Goal: To lower the risk of developing cardiovascular disease by providing educational programs, screenings, fitness opportunities and referral services to employees.

In conjunction with American Heart Month (February), a Cardiac Risk Screening and Prevention Program are offered to employees at no cost. The cholesterol screening consists of a Lipoprotein Profile, which provides information about the various significant components of cholesterol. The agency's Occupational Health Nurse meets with each employee that participates and reviews the results, counsels the individual on diet/lifestyle changes that are necessary, answers their questions and makes appropriate referrals. Each individual receives a hard copy on their specific results to give to their PCP. The individual also has their blood pressure checked with this program. Any individual with abnormal cholesterol and/or blood pressure results is referred to their physician for further evaluation and is encouraged to return to EHS on a regular basis to have their blood pressure checked. Additional screenings included in this program are Body Mass Index and measurement of Central Abdominal Girth, which are other screenings used as predictors of the risk for developing diabetes, metabolic syndrome, heart disease and stroke.

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### **Wellness Initiatives**

In addition, a follow-up informational session is offered. Each time this program has been done, the session has focused on a different topic. Examples are: Developing a Physically Active Life style, presented by an Exercise Physiologist; information on Hypertension and Stroke, presented by a physician as well as a session about Heart Disease also presented by a physician. A program consisting of 2 sessions, presented by a professional chef and psychotherapist was also provided. The first of the two sessions was the information portion and the second was an actual cooking demonstration with shopping tips as well as healthy food substituting in the recipes provided. There was also a discussion about adult and childhood obesity in conjunction with First Lady, Michelle Obama's initiative to end childhood obesity. Each of the follow-up sessions focus on providing information on life style changes i.e. diet, exercise, reducing stress as well as other prevention information.

The Cardiac Risk Program is offered on an annual basis so employees can evaluate the effectiveness of lifestyle changes they have made.

In conjunction with National Nutrition Month, programs have been offered on low fat diets, vitamins, fad dieting and how to incorporate dietary lifestyle changes. These sessions have been presented by licensed dietitians, certified nutritionists and/or a physician specializing in Naturopathic Medicine.

Following along the same theme, a Stroke Awareness Program is offered in conjunction with Stroke Awareness month in May. In addition to the hypertension screening, information sessions presented by a Neurologist and the Director of the Stroke Clinic at Chicago's Mercy Hospital, were offered. Employees are given facts on prevention, risk factors, symptoms and are encouraged to have their blood pressures monitored by the agency nurse.

A Smoking Cessation Program is offered to employees on an annual basis if there is sufficient interest. The program consists of at least 6, 1 hour sessions designed to address all the aspects of quitting and including risks of various cancers, stroke, heart diseases, lung diseases and the dangers of second-hand smoke. In addition, funding is available for any agency employee who wants to participate in a smoking cessation program and for the various aids to help them quit.

Publicity for the Great American Smoke-Out is in November.

## **RAILROAD RETIREMENT BOARD**

### **Wellness Initiatives**

#### **Diabetes Risk Screening and prevention Program**

Goal: To lower the risk of development of diabetes by providing education programs, screenings, fitness opportunities and referral services to employees.

Fasting Blood Glucose, the screening test for Diabetes is offered to interested employees on an annual basis. Diabetes is not only a chronic medical problem that requires monitoring of blood sugar levels; it is frequently accompanied by cardiovascular, kidney, eye and neurological complications. An informational session focusing on diagnosis, symptoms, complications and treatment is provided to employees presented by a physician specializing in Internal Medicine and Diabetes. Appropriate referrals are made to any employee who has an abnormal result. Free blood sugar monitors were provided to employees who attended as well as to some that did not attend, but have a history of diabetes or a family member with the disease.

In May in conjunction with National Federal Employee Health and Fitness Day each year, Employee Health Service (EHS) offers fitness topics. Topics have included: Walking for Fitness, Yoga, Strength and Stretching Techniques and Fitness at the Terminal.

The Railroad Retirement Board has an established in house Employee Assistance Program (EAP). The program provides short-term counseling and referrals to RRB employees and their family members. The EAP provides counseling for a variety of personal problems and job concerns which can adversely affect the employee's work performance and conduct. Problems may include alcoholism, substance abuse, financial, marital and family distress, grief, other mental or emotional illness, job stress and legal matters. As required, the EAP Counselor refers employees to appropriate external sources of treatment, rehabilitation, information or other support. Where necessary, the EAP Counselor monitors the employee's progress through treatment and rehabilitation. Local referrals are also made for any field office employees who need/request EAP services.

The EAP Counselor and the Employee Health Service Nurse have collaborated on programs for employees dealing with Depression, Drug/Alcohol Abuse Awareness, Stress Management, utilizing the expertise of well known facilities such as Hazelden Substance and Alcohol Abuse Treatment Center and The National Depressive and Manic Depressive Association:

AIDS Education- Employees have been provided with a comprehensive AIDS/HIV education session which all agency employees attended. Employee Health Service provides up to date information to employees as needed, as well as numerous confidential referral services. Publicity for the annual "World AIDS Day," December 1st. is distributed throughout the agency.

## **RAILROAD RETIREMENT BOARD**

### **Wellness Initiatives**

Information Programs dealing with Cancer, focusing on early detection, treatment and schedule recommendations for screenings recommended are presented by the American Cancer Society.

First Aid Education has been offered to employees on a regular basis, taught by RRB employees certified in First Aid. The RRB maintains an in-house Cardiopulmonary Resuscitation (CPR) and automated external defibrillator (AED) training program. The Heartsaver AED classes are taught by other agency employees who volunteer their time and have successfully completed the CPR instructor training course taught by an instructor trainer from Rush Presbyterian St. Luke's Community Training Center (CTC). The Rush CTC follows the CPR guidelines of the American Heart Association. The RRB has six AED units which are placed strategically throughout the building.

The Medical Emergency Response Team (MERT) and the CPR/AED program are ongoing with the training classes offered to all employees. Additional skills testing are conducted twice a year for employees who volunteer to be on the MERT to prepare for response if there is a cardiac emergency in the building.

Seasonal influenza immunizations are provided to all interested employees every year in the fall. In 2013, 342 employees were immunized for seasonal flu which included the H1N1 influenza in the vaccine as well.

In December, 2010, the RRB opened up the Employee Fitness Facility in the headquarters building. Employees have access to four different types of cardio machines, a weight/resistance machine, as well as stretching, resistance, strengthening and balance accessories. Employees can use the facility before work, during lunch time or after work. A recognition event has been held annually to acknowledge employees who have attained a consistent number of work-outs in the facility for a certain period of time. During FY 2011, a Fitness Facility Advisory Team was established at headquarters. Members of the team include the Occupational Health Nurse, a representative from Human Resources, Office of the Inspector general, Office of General Counsel, Office of Administration and AFGE.

Most of the mentioned programs are offered to employees on administrative time. In some cases employees attend using 30 minutes of their allowed lunch time along with 30 minutes of administrative leave. Lunch and learn programs were offered to all interested headquarter employees focusing on preventing transmission of germs/disease and proper hand washing techniques. The programs were videotaped and put onto the agency's Intranet RRB Vision so that all field employees could also view these presentations.

The Occupational Health Nurse sends pertinent health information bulletins in conjunction with national recognition months such as Colorectal Cancer, Alzheimer's Awareness, Diabetes, High Blood Pressure, Breast and Prostate Cancer Awareness months. Information about Health and Human Services "Small Steps for Better health"

## **RAILROAD RETIREMENT BOARD**

### **Wellness Initiatives**

was provided to all agency employees. In addition, Safety bulletins regarding excessive heat warning and tips for prevention of heat induced illness. Information about healthy Vision Month with screening recommendations have also been provided.

In the coming FY, EHS will address the issue of increasing the participation of the in-house programs by employees by at least 10 percent, increasing the number of field employees who view the Intranet RRB Vision programs, by obtaining approval for viewing these on agency time.

Approval will also be requested to expand the nutritional program to provide healthy cooking classes to employees and provide healthier choices in the vending machines in the building. EHS will continue to seek full support of health and wellness activities from top management down to all employees.

## **RAILROAD RETIREMENT BOARD**

### **OPEN DATA**

Railroad Retirement Board (RRB) is limited in the amount of data it can make available to the public due to Privacy Act/Personal Identification Information constraints. Further, the RRB does not currently produce or sponsor the distribution of influential scientific information (including highly influential scientific assessments) within the definitions promulgated by the Office of Management and Budget. However, the RRB utilizes a variety of methods to support the release of government data to the public through its participation in government-wide initiatives such as data.gov and the Catalog of Federal Domestic Assistance as well as our agency website. Examples of RRB statistical data released to the public include:

- Total Number of Railroad Employees by State, Class of Employer, and Last Railroad Employer
- Active Employees and Railroad Retirement Act Beneficiaries by State, 2013
- Total Railroad Employment by State and County, 2012
- Longevity of Railroad Retirement Beneficiaries
- Railroad Retirement Act Annuitants and Active Railroad Employees by Congressional District

The RRB continues to examine the data it keeps, to determine what additional information is permissible to make available to the public.