
RAILROAD RETIREMENT BOARD



FISCAL YEAR 2017
BUDGET SUBMISSION



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

BOARD MEMBERS:

(VACANT), CHAIRMAN

WALTER A. BARROWS, LABOR MEMBER

STEVEN J. ANTHONY, MANAGEMENT MEMBER

SEP - 9 2015

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 2017. 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.

This year's submission includes a new limitation account entitled Program Integrity Administrative Expenses which reflects a request for almost \$8.8 million in Program Integrity initiatives. This mandatory funding request, if received, would be dedicated to the implementation of procedures and processes to minimize improper payments.

In addition to our mandatory funding request, the agency's discretionary request level of the enclosed budget reflects the direct funding of \$139.6 million and provides a standard level of funding for 860 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 approximately \$20.5 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-15-11, dated May 1, 2015, our fiscal year 2017 budget submission also includes two OMB guidance levels, a 5 percent reduction level and a 5 percent increase with investment level, respectively.

The OMB guidance 5 percent reduction level of the budget totals \$115.9 million, and provides sufficient funding for 850 FTEs, 1.2 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 with investment level of the budget totals \$122.0 million and provides minimal funding for 850 FTEs, 1.2 percent less than our requested staffing. Again, Budget projections show that the agency could reach this level by relying on attrition. At this level, the agency is able to introduce significant IT investments of almost \$6.1 million which would be dedicated to Systems Modernization of legacy benefit payment systems.

In addition to requests for administrative expenses, this budget submission includes our best actuarial estimate of the expected fiscal year 2017 costs of vested dual benefits, \$25 million, with a 2 percent reserve of \$500,000. The RRB also requests \$790,478,862 for applicable military service credits through December 2013, with interest through September 1, 2015.

Finally, included in the budget submission are five agency legislative proposals. The first would amend the Railroad Retirement Act to provide that, notwithstanding any other law, employees of covered employers shall be issued social security numbers. The second would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies. The third would amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency. The fourth would amend the Social Security Act to provide access for the Railroad Retirement Board to the National Directory of New Hires. The final legislative proposal would be a clarification of Limitation on Administration for Attorney Hiring.

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 2015 consist of valid obligations as defined in Section 1501(a) of that title.



Sincerely,

Original Signed
(Vacant), Chairman
Walter A. Barrows, Labor Member
Steven J. Anthony, Management Member

September 09, 2015

Enclosure



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

BOARD MEMBERS:

(VACANT), CHAIRMAN
WALTER A. BARROWS, LABOR MEMBER
STEVEN J. ANTHONY, MANAGEMENT MEMBER

SEP - 9 2015

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

Dear Mr. President:

Enclosed is our budget request for fiscal year 2017. 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.

This year's submission includes a new limitation account entitled Program Integrity Administrative Expenses which reflects a request for almost \$8.8 million in Program Integrity initiatives. This mandatory funding request, if received, would be dedicated to the implementation of procedures and processes to minimize improper payments.

In addition to our mandatory funding request, the agency's discretionary request level of the enclosed budget reflects the direct funding of \$139.6 million and provides a standard level of funding for 860 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 approximately \$20.5 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-15-11, dated May 1, 2015, our fiscal year 2017 budget submission also includes two OMB guidance levels, a 5 percent reduction level and a 5 percent increase with investment level, respectively.

The OMB guidance 5 percent reduction level of the budget totals \$115.9 million, and provides sufficient funding for 850 FTEs, 1.2 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 with investment level of the budget totals \$122.0 million and provides minimal funding for 850 FTEs, 1.2 percent less than our requested staffing. Again, Budget projections show that the agency could reach this level by relying on attrition. At this level, the agency is able to introduce significant IT investments of almost \$6.1 million which would be dedicated to Systems Modernization of legacy benefit payment systems.

In addition to requests for administrative expenses, this budget submission includes our best actuarial estimate of the expected fiscal year 2017 costs of vested dual benefits, \$25 million, with a 2 percent reserve of \$500,000. The RRB also requests \$790,478,862 for applicable military service credits through December 2013, with interest through September 1, 2015.

Finally, included in the budget submission are five agency legislative proposals. The first would amend the Railroad Retirement Act to provide that, notwithstanding any other law, employees of covered employers shall be issued social security numbers. The second would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies. The third would amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency. The fourth would amend the Social Security Act to provide access for the Railroad Retirement Board to the National Directory of New Hires. The final legislative proposal would be a clarification of Limitation on Administration for Attorney Hiring.

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 2015 consist of valid obligations as defined in Section 1501(a) of that title.



Sincerely,

Original Signed
(Vacant), Chairman
Walter A. Barrows, Labor Member
Steven J. Anthony, Management Member

September 09, 2015

Enclosure

cc: Honorable Thad Cochran
Chairman, Senate Committee on Appropriations

Honorable Barbara A. Mikulski
Ranking Member, Senate Committee on Appropriations

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

Honorable Richard J. Durbin
Ranking Member, Senate Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies



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

BOARD MEMBERS:

(VACANT), CHAIRMAN
WALTER A. BARROWS, LABOR MEMBER
STEVEN J. ANTHONY, MANAGEMENT MEMBER

SEP - 9 2015

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

Dear Mr. Speaker:

Enclosed is our budget request for fiscal year 2017. 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.

This year's submission includes a new limitation account entitled Program Integrity Administrative Expenses which reflects a request for almost \$8.8 million in Program Integrity initiatives. This mandatory funding request, if received, would be dedicated to the implementation of procedures and processes to minimize improper payments.

In addition to our mandatory funding request, the agency's discretionary request level of the enclosed budget reflects the direct funding of \$139.6 million and provides a standard level of funding for 860 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 approximately \$20.5 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-15-11, dated May 1, 2015, our fiscal year 2017 budget submission also includes two OMB guidance levels, a 5 percent reduction level and a 5 percent increase with investment level, respectively.

The OMB guidance 5 percent reduction level of the budget totals \$115.9 million, and provides sufficient funding for 850 FTEs, 1.2 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 with investment level of the budget totals \$122.0 million and provides minimal funding for 850 FTEs, 1.2 percent less than our requested staffing. Again, Budget projections show that the agency could reach this level by relying on attrition. At this level, the agency is able to introduce significant IT investments of almost \$6.1 million which would be dedicated to Systems Modernization of legacy benefit payment systems.

In addition to requests for administrative expenses, this budget submission includes our best actuarial estimate of the expected fiscal year 2017 costs of vested dual benefits, \$25 million, with a 2 percent reserve of \$500,000. The RRB also requests \$790,478,862 for applicable military service credits through December 2013, with interest through September 1, 2015.

Finally, included in the budget submission are five agency legislative proposals. The first would amend the Railroad Retirement Act to provide that, notwithstanding any other law, employees of covered employers shall be issued social security numbers. The second would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies. The third would amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency. The fourth would amend the Social Security Act to provide access for the Railroad Retirement Board to the National Directory of New Hires. The final legislative proposal would be a clarification of Limitation on Administration for Attorney Hiring.

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 2015 consist of valid obligations as defined in Section 1501(a) of that title.



Sincerely,

Original Signed
(Vacant), Chairman
Walter A. Barrows, Labor Member
Steven J. Anthony, Management Member

September 09, 2015

Enclosure

cc: Honorable Harold Rogers
Chairman, House Committee on Appropriations

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

Honorable Tom Cole
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 2017 BUDGET SUBMISSION**

Table of Contents

	<u>Page</u>
APPROPRIATION REQUESTS	
Social Security Equivalent Benefit Account.....	1
Railroad Retirement Account	4
Federal Payments to the Railroad Retirement Accounts.....	7
Dual Benefits Payments Account.....	11
Limitation on Administration	
Retirement/Survivor Benefit Program	15
Unemployment/Sickness Insurance Program.....	17
Administrative Appropriation Request for Fiscal Year 2017	20
Budget by Appropriation and Object Class	21
Explanation of Changes Between the Estimated Budget for Fiscal Year 2016, and Budget Levels for Fiscal Year 2017.....	22
Summary of Full-Time Equivalent Employment by Series	26
Full-Time Equivalent Employees by Organization.....	27
Narrative Description of Strategic Goals	28
Appropriation Request by Strategic Goal	30
PERFORMANCE PLAN	
RRB Performance Plan, Fiscal Year 2017.....	34

**RAILROAD RETIREMENT BOARD
FISCAL YEAR 2017 BUDGET SUBMISSION**

Table of Contents

OMB EXHIBITS	<u>Page</u>
Information Technology	
Information Technology Initiatives for Fiscal Year 2017	59
Information Technology Capital Plan, Fiscal Years 2015 – 2020	64
Agency IT Portfolio Summary, (Formerly Exhibit 53A)	103
Agency Cloud Spending Summary (Formerly Exhibit 53C)	105
Proposed Legislative Program	106
Program Integrity Initiatives	
Program Integrity Administrative Expenses Account Proposal	108
Other	
Relationship of Programs to Account Structure	112
Program Evaluation and Data Analysis	114
Financial Management	118
Electronic Funds Transfer/Vendor Express	127
Exhibit 54, Space Budget Justification	130
Employee Relocation Costs	131
Wellness Initiatives	132
Open Data	139

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 2025, based on the Office of Management and Budget's (OMB) June 2015 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>Current Services</u>	
Budget authority.....	7,320,000	7,217,000	7,377,000		
Outlays.....	7,139,000	7,202,000	7,356,000		
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Budget authority:					
Current services.....	7,582,000	7,800,000	8,009,000	8,202,000	8,379,000
Outlays:					
Current services.....	7,560,000	7,780,000	7,991,000	8,188,000	8,367,000

Note: In March 2015, the RRB paid social security equivalent benefits to 447,000 beneficiaries. The RRB estimates that in March 2016 and 2017, the agency will pay these benefits to 445,000 and 443,000 beneficiaries, respectively.

RAILROAD RETIREMENT BOARD

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

Analysis of Resources
(in thousands of dollars)

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Budget authority:			
Current services.....	8,558,000	8,718,000	8,870,000
Outlays:			
Current services.....	8,543,000	8,706,000	8,859,000

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 2025. The estimates are based on OMB's June 2015 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>2015</u>	<u>2016</u>	<u>2017</u>		
			<u>Current</u>		
			<u>services</u>		
Budget authority.....	4,973,000	5,278,000	5,387,000		
Outlays.....	4,983,000	5,269,000	5,377,000		
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Budget authority:					
Current services.....	5,484,000	5,559,000	5,626,000	5,684,000	5,722,000
Outlays:					
Current services.....	5,474,000	5,550,000	5,618,000	5,676,000	5,714,000

Notes: The RRB paid tier II benefits to 506,000 beneficiaries in March 2015. The agency expects to pay these benefits to 504,000 beneficiaries in March 2016 and 502,000 beneficiaries in March 2017. The RRB also paid supplemental annuities to 122,000 beneficiaries in March 2015. The agency expects to pay supplemental annuities to 122,000 beneficiaries in March 2016 and 121,000 beneficiaries in March 2017.

RAILROAD RETIREMENT BOARD

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

Analysis of Resources
(in thousands of dollars)

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Budget authority:			
Current services.....	5,750,000	5,797,000	5,855,000
Outlays:			
Current services.....	5,741,000	5,787,000	5,845,000

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 2017, which shall remain available through September 30, 2018.

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 2017 appropriation request includes \$790,478,862 for applicable military service credits through December 2013, with interest through September 1, 2015. 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 2017 that do not require appropriation action include \$296 million in income taxes on the social security equivalent portion of tier I benefits, and \$403 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 2015 through 2025. The estimates are based on OMB's June 2015 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>2015</u>	<u>2016</u>	<u>2017</u> ^{1/}		
Budget authority.....	718,150	669,150	1,489,629	<u>Current services</u>	
Outlays.....	718,150	669,150	1,489,629		
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Budget authority:					
Current services.....	725,150	751,150	777,150	803,150	828,150
Outlays:					
Current services.....	725,150	751,150	777,150	803,150	828,150

^{1/} Fiscal year 2017 budget authority and outlay amounts for current services include \$790,478,862 for military service credits through December 2013 with interest through September 1, 2015.

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>2023</u>	<u>2024</u>	<u>2025</u>
Budget authority:			
Current services.....	850,150	874,150	901,150
Outlays:			
Current services.....	850,150	874,150	901,150

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 2015 through 2025.

The fiscal year 2015 appropriation (P.L. 113-235) provided \$34,000,000 for the payment of vested dual benefits.

The estimate for fiscal year 2016 includes \$29,000,000 for the payment of vested dual benefits, as shown in the table on the following page, plus a 2 percent reserve (\$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 to pay benefits.

For fiscal year 2017, the RRB requests an appropriation of \$25,000,000 to pay vested dual benefits, plus a 2 percent reserve of \$500,000 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
			<u>Current services</u>			
Budget authority.....	34,000	29,000	25,000			
Outlays.....	34,000	29,000	25,000			
	<u>2018</u>	<u>2019</u>				
Budget authority:						
Current services.....	22,000	18,000	16,000	13,000	11,000	
Outlays:						
Current services.....	22,000	18,000	16,000	13,000	11,000	

Note: The budget estimates for this account include its share of interest on unnegotiated checks through fiscal year 2016.

The RRB paid vested dual benefits to 17,000 beneficiaries in March 2015. The agency expects to pay these benefits to 15,000 beneficiaries in March 2016 and 13,000 beneficiaries in March 2017.

RAILROAD RETIREMENT BOARD

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

Analysis of Resources
(in thousands of dollars)

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Budget authority:			
Current services.....	9,000	8,000	6,000
Outlays:			
Current services.....	9,000	8,000	6,000

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 2017: \$12.2 billion to 558,000 persons in fiscal year 2015, \$12.4 billion to 556,000 persons in fiscal year 2016, and \$12.6 billion to 554,000 persons in fiscal year 2017.

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, 2015, the RRB paid \$33,859,000 in unemployment insurance benefits from the Railroad Unemployment Insurance (RUI) Account, and recovered \$2,780,000, resulting in net payments of \$31,079,000 to a total of 7,568 unemployment insurance claimants. During the same period, the RRB paid \$66,950,000 in sickness insurance benefits from the RUI Account, and recovered \$18,522,000, resulting in net payments of \$48,428,000 to a total of 15,516 sickness insurance claimants. The RRB also recovered a total of \$7,000 under provisions of the American Recovery and Reinvestment Act of 2009, and recovered \$320,000 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 7.2% under sequestration for days of unemployment and sickness after September 30, 2013 and a reduction of 7.3% for days after September 30, 2014.

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 2017

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

<u>Budget Level</u>	<u>FTEs</u>	<u>Amount</u> ^{1/} <u>(\$ thousands)</u>
OMB guidance 5% reduction	850	\$115,900,000
OMB guidance 5% increase with investment	850	122,000,000
Agency request level	860	139,649,040

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

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

	FY 2015	AMOUNT OF CHANGE	FY 2016 ADMIN. PROPOSED	AMOUNT OF CHANGE	FY 2017 OMB GUIDANCE 5% REDUCTION	AMOUNT OF CHANGE	FY 2017 OMB GUIDANCE WITH 5% INVESTMENT	AMOUNT OF CHANGE	FY 2017 AGENCY REQUEST
TOTAL FTEs (INCLUDING REIMBURSABLE)	840	20	860	(10)	850	0	850	10	860
TOTAL RRB DIRECT PROGRAM OBLIGATIONS									
11.1 FULL-TIME PERMANENT	63,312	4,891	68,204	(2,115)	66,089	0	66,089	880	66,968
11.3 OTHER THAN FULL-TIME PERMANENT	778	26	804	(95)	710	0	710	10	720
11.5 OTHER PERSONNEL COMPENSATION	1,483	(507)	976	43	1,019	0	1,019	0	1,019
11.9 TOTAL PERSONNEL COMPENSATION	65,574	4,410	69,984	(2,167)	67,818	0	67,818	890	68,707
12.0 PERSONNEL BENEFITS: CIVILIAN	20,013	166	20,179	1,206	21,384	0	21,384	266	21,650
13.0 BENEFITS FOR FORMER PERSONNEL	186	14	200	80	280	0	280	0	280
21.0 TRAVEL AND TRANSPORTATION	774	(73)	701	(82)	619	0	619	0	619
22.0 TRANSPORTATION OF THINGS	84	(55)	29	11	40	0	40	0	40
23.1 RENTAL PAYMENTS TO GSA	3,300	0	3,300	350	3,650	0	3,650	48	3,698
23.3 COMMUNICATIONS, UTILITIES, & MISCELLANEOUS CHARGES	4,136	532	4,668	533	5,200	0	5,200	0	5,200
24.0 PRINTING AND REPRODUCTION	252	27	279	(22)	257	0	257	0	257
25.0 OTHER SERVICES	16,111	3,870	19,980	(4,025)	15,955	6,100	22,055	16,446	38,501
26.0 SUPPLIES AND MATERIALS	571	(107)	465	24	488	0	488	0	488
31.0 EQUIPMENT	225	(91)	134	75	209	0	209	0	209
TOTAL RRB DIRECT OBLIGATIONS	111,225	8,693	119,918	(4,018)	115,900	6,100	122,000	17,649	139,649
REIMBURSABLE OBLIGATIONS	36,322	(6,185)	30,138	0	30,138	0	30,138	0	30,138
TOTAL RRB OBLIGATIONS	147,547	2,508	150,056	(4,018)	146,038	6,100	152,138	17,649	169,787
LIMITATION ON ADMINISTRATION	111,225	8,693	119,918	(4,018)	115,900	6,100	122,000	17,649	139,649

NOTES:

Salary and benefit estimates reflect a 1.3 percent pay increase in January 2016 and 1 percent in January 2017.

At the 5 percent increase level, the investment amount of \$6,100,000 dedicated to Systems Modernization.

The agency request level contains an additional \$14,418,840 to be dedicated to Systems Modernization, for a total of \$20,518,840.

The reimbursables in FY 2015 include \$3,000,000 for the removal of Social Security numbers from Medicare cards, and approximately \$2,800,000 for CMS modernization.

Details may not add to totals due to rounding.

**Explanation of Changes Between the Estimated Budget for Fiscal year 2016,
and Budget Levels for Fiscal Year 2017**

Limitation on Administration, Direct Obligations (Dollars in thousands)

<i>Category</i>	<i>FY 2016 Proposed to FY 2017 5% Reduction</i>	<i>FY 2017 5% Reduction Level to 5% Investment Level</i>	<i>FY 2017 5% Investment Level to Agency Request</i>
	<i>(\$4,018)</i>	<i>\$6,100</i>	<i>\$17,649</i>
1. Personnel compensation	(2,168)	0	890
<p>Changes reflect variations in RRB staffing at each of the budget levels. The 5% reduction and 5% investment levels reflect total staffing of 850 FTEs, a difference of 10 FTE's than projected for fiscal year 2016. The agency would rely on payroll projections and attrition for both funding request levels. At the agency request level, the RRB would be able to fund 860 FTEs.</p> <p>Projected compensation costs reflect an estimated pay increase of 1.3% in January 2016 and 1% in January 2017. Funding for overtime is estimated at \$251,133 for all budget levels.</p>			
2. Civilian personnel benefits	1,206	0	265
<p>Employee benefits are estimated to total approximately 24% of salary costs in 2017, an increase of approximately 1.6%. Changes between the fiscal year 2017 budget levels also reflect variations in RRB staffing as noted above.</p> <p>At all budget levels, the cost for change-of-station is \$180,000. In addition, all levels reflect \$500,000 transit benefits for all RRB employees, a program that was previously suspended in prior years due to budget constraints.</p>			
3. Benefits for former personnel	80	0	0
<p>A total of \$280,000 is included at each of the three budget levels for fiscal year 2017 for workers' compensation benefits to be billed by the Department of Labor in fiscal year 2017.</p>			

**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 2016 Proposed to FY 2017 5% Reduction</i>	<i>FY 2017 5% Reduction Level to 5% Investment Level</i>	<i>FY 2017 5% Investment Level to Agency Request</i>
	(\$4,018)	\$6,100	\$17,649
4. Travel and transportation of persons	(82)	0	0
All budget levels include \$619,000 in travel for fiscal year 2017, a decrease of approximately \$82,000 from fiscal year 2016. The agency should be able to accomplish training, development, and customer out-reach programs at this amount.			
5. Transportation of things	11	0	0
All budget levels include \$40,000 is requested for change-of-station costs.			
6. Rental payments to the General Services Administration (GSA)	350	0	48
A total of \$3.365 million is requested for this category in fiscal year 2017. An additional \$47,500 is added in the agency request level for an anticipated cost of renting a GSA location for COOP purposes. The requested amounts reflects charges on an actual cost basis that RRB will continue to pay for rent, consistent with RRB's memorandum of understanding with GSA. The total is approximately \$350,000 higher than the planned amount for fiscal year 2016.			
7. Communications, utilities, and miscellaneous charges	533	0	0
All budget levels include \$5,200,100 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 5% reduction Budget Level</u>			
Rent of equipment - \$950	55	0	0
Postage -\$1,566	134	0	0
Utilities - \$590	55	0	0
Communications - \$2,094	289	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 2016 Proposed to FY 2017 5% Reduction</i>	<i>FY 2017 5% Reduction Level to 5% Investment Level</i>	<i>FY 2017 5% Investment Level to Agency Request</i>
	(\$4,018)	\$6,100	\$17,649
8. Printing and reproduction	(22)	0	0
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.			
9. Other services	(4,025)	6,100	16,446
At the 5% reduction level, the planned spending is 35,455,107, a 10% reduction from fiscal year 2016. At the 5% investment level, the planned spending is \$41,555,107 and includes \$6,100,000 for Systems Modernization initiatives. The agency request includes an additional \$16,446,340 for the following items not funded at the lower budget levels: \$14,418,840 additional Systems Modernization initiatives, \$2,000,000 for outside services to conduct the audit of the RRB's financial statements, and \$27,500 for government contracts. Specific amounts compare with fiscal year 2016 as shown below. (Amounts have been rounded to thousands.)			
<u>FY 2017 Funding at 5% reduction Budget Level</u>			
Consulting services - \$591	84	0	0
Government contracts - \$1,871	243	0	28
Other services - \$387	0	0	0
Repairs and maintenance - \$3,795	110	0	0
Storage of household goods - \$15	0	0	0
Medical fees - \$2,874	1,619	0	0
Training - \$519	98	0	0
Maintenance of facilities - \$2,641	528	0	0
Contractual services - \$22,762	(6,707)	6,100	16,418
<i>Note 1:</i> The increase in medical fees is due to change in agency policy for increased individual medical exams in the disability program.			
<i>Note 2:</i> At all budget levels, funding for contractual services will be offset by the SMAC reimbursement contract in the amount of \$19.5 million.			
<i>Note 3:</i> Funding for maintenance of facilities in fiscal year 2017 will be partly offset by "no-year" money brought forward from fiscal year 2015 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 2016 Proposed to FY 2017 5% Reduction</i>	<i>FY 2017 5% Reduction Level to 5% Investment Level</i>	<i>FY 2017 5% Investment Level to Agency Request</i>
	<i>(\$4,018)</i>	<i>\$6,100</i>	<i>\$17,649</i>
10. Supplies and materials	24	0	0
A total of \$488,230 is included at each of the three budget levels for fiscal year 2017 for this category. The amount represents an increase of \$23,605 or 5.1% from fiscal year 2016. Estimated costs include \$150,600 for special order supplies, \$158,130 for subscriptions and publications, and \$179,500 for direct orders from the GSA contractor.			
11. Equipment	75	0	0
A total of \$208,700 is included at each of the three budget levels for fiscal year 2017 for this category. The amount represents an increase of \$74,800, or 44.1%, from fiscal year 2016. The agency request level includes an additional \$250,000 for miscellaneous other equipment items needed by the bureaus and offices.			
Total Increase/Decrease	(4,018)	6,100	17,649

RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment a/

Series	Rank	FY 2015 actual	FY 2016 b/ estimate	FY 2017 OMB Guidance 5% Reduction Level	FY 2017 OMB Guidance with 5% Investment Level	FY 2017 Agency Request Level
Executive	Level III	1	1	1	1	1
	Level IV	2	2	2	2	2
	Subtotal	3	3	3	3	3
Senior Executive Service	ES-00	7	7	7	7	7
	Subtotal	7	7	7	7	7
General Schedule/Management	GS/GM-15	33	32	32	32	32
	GS/GM-14	57	59	57	57	59
	GS/GM-13	109	108	109	109	108
	GS-12	198	209	197	197	209
	GS-11	119	121	120	120	121
	GS-10	118	128	121	121	128
	GS-9	55	58	55	55	58
	GS-8	33	33	35	35	33
	GS-7	52	49	55	55	49
	GS-6	7	6	7	7	6
	GS-5	30	28	34	34	28
	GS-4	19	19	18	18	19
	GS-3	0	0	0	0	0
	GS-2	0	0	0	0	0
	Subtotal	830	850	840	840	850
Combined	Total	840	860	850	850	860

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 2016.

RAILROAD RETIREMENT BOARD

Full-Time Equivalent Employees by Organization

Organization	FY 2015 ^{1/}	FY 2016 President's Budget ^{2/}	FY 2017 OMB Guidance 5% Reduction Level	FY 2017 OMB Guidance with 5% Investment Level	FY 2017 Agency Request Level
Chairman	3.72	--	--	--	--
Labor	6.62	--	--	--	--
Management	4.73	--	--	--	--
Subtotal, Board	15.07	--	--	--	--
General Counsel/Law	13.44	--	--	--	--
Hearings and Appeals	10.85	--	--	--	--
Legislative Affairs	3.25	--	--	--	--
Secretary to the Board	2.00	--	--	--	--
Subtotal, General Counsel	29.54	--	--	--	--
Office of Programs	294.53	--	--	--	--
CFO/Fiscal Operations	56.02	--	--	--	--
Actuary	17.57	--	--	--	--
Office of Administration	56.32	--	--	--	--
Field Service	233.68	--	--	--	--
Information Services	132.34	--	--	--	--
Total	835.07	860.00	850.00	850.00	860.00

^{1/} Amounts reflect projected use as of August 17, 2015. The RRB's fiscal year 2015 budget includes funding for 860 FTEs.

^{2/} Reflects projected total staffing at the President's proposed level of \$119.9 million. FTEs reflect estimates in the President's proposed budget for fiscal year 2016.

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 2017. 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 2017 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 2017 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 2017 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 2017 budget reflect three funding levels, as follows:

- The 5 percent reduction level of the budget provides \$115,900,000 for fiscal year 2017, and represents an increase of \$4,675,000 from the RRB's enacted level of funding in fiscal year 2015. This level would fund 850 FTEs to administer the benefit programs and provides no funding for information technology initiatives. To get to the 850 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 \$122,000,000 for fiscal year 2017 and includes funds for FTE level of 850 and \$6,100,000 for Systems Modernization.
- The agency request level totals \$139,649,040 for fiscal year 2017. This amount would be sufficient to fund 860 FTEs and provide \$20,518,840 for Systems Modernization.

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>2015</u>	<u>2016</u>	2017			
			OMB Guidance 5% Reduction Level	OMB Guidance with 5% Investment Level	Agency Request Level	
Budget authority.....	111,225	119,918	115,900	122,000	139,649	
Outlays.....	111,225	119,918	115,900	122,000	139,649	
Full-time equivalent employment.....	840	860	850	850	860	
<u>Fiscal Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Budget authority:						
OMB Guidance Reduction level (5%).....	115,900	115,900	115,900	115,900	115,900	115,900
OMB Guidance w/Investment level (5%)....	122,000	122,000	122,000	122,000	122,000	122,000
Request level.....	139,649	*	*	*	*	*
Outlays:						
OMB Guidance Reduction level (5%).....	115,900	115,900	115,900	115,900	115,900	115,900
OMB Guidance w/Investment level (5%)....	122,000	122,000	122,000	122,000	122,000	122,000
Request level.....	139,649	*	*	*	*	*

* 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>2015</u>	<u>2016</u>	<u>2017</u>			
			OMB Guidance 5% Reduction Level	OMB Guidance with 5% Investment Level	Agency Request Level	
Budget authority.....	86,932	89,053	91,487	91,487	101,672	
Outlays.....	86,932	89,053	91,487	91,487	101,672	
Full-time equivalent employment.....	651	651	650	650	657	
<u>Fiscal Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Budget authority:						
OMB Guidance Reduction level (5%).....	91,487	91,487	91,487	91,487	91,487	91,487
OMB Guidance w/Investment level (5%)....	91,487	91,487	91,487	91,487	91,487	91,487
Request level.....	101,672	*	*	*	*	*
Outlays:						
OMB Guidance Reduction level (5%).....	91,487	91,487	91,487	91,487	91,487	91,487
OMB Guidance w/Investment level (5%)....	91,487	91,487	91,487	91,487	91,487	91,487
Request level.....	101,672	*	*	*	*	*

* Amounts for these years are to be determined.

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

Analysis of Resources
(in thousands of dollars)

<u>Fiscal Year/Level</u>	<u>2015</u>	<u>2016</u>	2017			
			OMB Guidance 5% Reduction Level	OMB Guidance with 5% Investment Level	Agency Request Level	
Budget authority.....	24,293	30,865	24,413	30,513	37,977	
Outlays.....	24,293	30,865	24,413	30,513	37,977	
Full-time equivalent employment.....	209	209	200	200	203	
<u>Fiscal Year</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Budget authority:						
OMB Guidance Reduction level (5%).....	24,413	24,413	24,413	24,413	24,413	24,413
OMB Guidance w/Investment level (5%)....	30,513	30,513	30,513	30,513	30,513	30,513
Request level.....	37,977	*	*	*	*	*
Outlays:						
OMB Guidance Reduction level (5%).....	24,413	24,413	24,413	24,413	24,413	24,413
OMB Guidance w/Investment level (5%)....	30,513	30,513	30,513	30,513	30,513	30,513
Request level.....	37,977	*	*	*	*	*

* Amounts for these years are to be determined.

PERFORMANCE PLAN



Fiscal Year 2017

Railroad Retirement Board

TABLE OF CONTENTS

Introduction 36

Mission Statement 37

Strategic Goal I: Provide Excellent Customer Service..... 38

 Strategic Objective: Pay benefits timely..... 38

 Strategic Objective: Provide a range of choices in service delivery methods 39

Strategic Goal II: Serve as Responsible Stewards for Our Customers’ Trust Funds
and Agency Resources..... 40

 Strategic Objective: Ensure that trust fund assets are protected, collected,
 recorded, and reported appropriately 40

 Strategic Objective: Ensure the accuracy and integrity of benefit programs..... 41

 Strategic Objective: Ensure effectiveness, efficiency, and security of operations 41

 Strategic Objective: Effectively carry out responsibilities with respect to the
 National Railroad Retirement Investment Trust..... 46

 Information Security Program 46

Exhibit 1: Initial Performance Plan - FY 2017..... 49

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2017 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 2017. 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 2017 for each performance goal is provided at the 5% reduction level of \$115,900,000, the 5% investment level of \$122,000,000 and the agency request level of \$139,649,040. 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 2017, 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 5% reduction level of the fiscal year 2017 budget, we plan to allocate \$91,487,000 and 650 full-time equivalent employees (FTEs) to this strategic goal; at the 5% investment level, we would dedicate \$91,487,000 and 650 FTEs to customer service; and at the agency request level, we would be able to dedicate \$101,672,000 and 657 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, 2015, the overall actual performance was 98.7 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for nearly 99 percent of the 125,189 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 2015 (through 3/31/2015)**

- Retirement applications: 95.2%
(target: 95.0%)
- Survivor applications: 95.0%
(target: 94.5%)
- Disability applications/payments: 68.2%
(target: 83.2%)
- RUIA applications/claims: 99.9%
(target: 98.6%)

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 26 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 2014, we added five services by completing Form G-88p, which requests pension information from employers; ID-30B, Notice of Lien; ID-3S, Request for Lien Information; ID-3U, Request for Section 2(F) Information; and SI-5f, Report on Status of Personal Injury. We also developed a new navigation feature which provides the user with the ability to view a larger amount of data on-screen.

We currently are developing Form BA-9, Report of Separation Allowance or Severance Pay, which will convert the final employer reporting form into another on-line service. We will also implement several enhancements to the ERSNet system to integrate additional edits; add file upload capacity to existing forms; develop a knowledge based authentication process; and create a single sign-on system for users with multiple accounts.

In the next Phase of the ERSNet project, we plan to develop additional notifications for employers that provide information about benefit payment and eligibility with Form G-73a.1, Notice of Death and Form RL-13g, Notice of Relinquishment of Rights of Disability Annuitant Who Attained Age 65. We will also add the G-251a/b, Job Information Form which requests information from employers about the duties performed by employees who file for disability annuities. This phase will add three additional services to the system.

We also want to pursue enhancements to the current system through the following processes:

- Provide on-screen instructions for the current forms and services available in ERSNet.
- Replace file transfer protocol (FTP) for the current forms by using DB2 stored procedure to populate mainframe tables.

In fiscal year 2017, the RRB will continue to use contractor services to develop additional notifications to employers about benefit entitlement; allow them to correct suspended cases on-line; and to make corrections to their own contact information. We will work to develop on-line processes for AESOP (Employee Retirement Estimate File); the Suspense and Error Tracking System (SETS); and the Form G-117a, Designation of Contact Officials.

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 5% reduction level of the fiscal year 2017 budget, we plan to allocate \$24,413,000 and 200 FTEs to this strategic goal; at the 5% investment level, we would dedicate \$30,513,000 and 200 FTEs to stewardship; and at the agency request level, we would be able to dedicate \$37,977,000 and 203 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 November 2014, we released our Performance and Accountability Report for fiscal year 2014. The RRB's OIG did not express an opinion (disclaimer) on the RRB's 2014 financial

statements, which were included in that report. The OIG reported material weaknesses in the RRB's financial reporting. Significant efforts are underway to strengthen controls in this area.

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 2014, the RRB invested the equivalent of about 28 full-time employees, at a cost of approximately \$2.7 million, in program integrity efforts. This resulted in over \$13.2 million in recoverables, \$818,760 in benefits saved, and the referral of 38 cases to the OIG for investigation. This is approximately \$5.20 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 57 percent of our employees have 20 or more years of service and over 29 percent of the current workforce will be eligible for retirement by fiscal year 2016. 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 2016, 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.

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, *RRB Vision*, 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.

The Federal Employee Viewpoint Survey (FEVS) provides our employees the opportunity to influence change by submitting feedback about their work environment, leadership, and many other aspects of our organization. We were pleased that of the 874 employees invited to participate in the 2014 FEVS, 526 completed the survey, for a response rate of 60% (compared to a government-wide response rate of 46.8%). Employee engagement is a leading indicator of performance and is a key objective of the People and Culture goal of the President’s Management Agenda. Overall, our Employee Engagement Index was 68% in 2014, compared to a government-wide Employee Engagement Index of 63%. The RRB ranked 12 out of 37 departments/large agencies in the area of Employee Engagement.

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.

Systems Modernization – 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.

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.

In addition to modernizing the agency’s mainframe based computer programs, there are 28 old LAN-based computer programs in need of modernization. Although functioning, these

Railroad Retirement Board - Fiscal Year 2017 Initial Performance Plan

outdated systems are becoming more difficult to maintain under the newer server platforms and operating systems.

In fiscal year 2017, the RRB will begin the second of two phases to re-engineer critical legacy applications to sustain agency operations and enable a “future ready” RRB workforce.

Phase 2 success criteria:

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 control costs.

RRB staff will be 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.

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 added measurements based on the PorfolioStat categories Deliver, Innovate and Protect. The measurements ensure that the agency engages in proactive performance management of its IT.

Fiscal Year 2017 Information Technology (IT) Capital Plan Investments

Investment	FY 2017 Budget Level		
	OMB Guidance 5% Reduction	OMB Guidance With 5% Investment Level	Agency Request Level
Contractual services			
Workstation Equipment Replacement	0	0	90,000
Imaging System Replacement	0	0	97,000
Records Management Assessment	0	0	300,000
Information Technology Staff Augmentation	0	0	7,760,000
Content Management Services	0	0	300,000
Beneficiary & Employer Systems Strong Authentication	0	0	174,000
Employer Reporting System	0	0	137,000
Risk Management & Privacy	0	0	15,000
Microsoft Dynamics CRM	0	0	360,000
User Community - COOP	0	0	36,000
Subtotal, Contractual services	\$0	\$0	\$9,269,000
Equipment			
Mainframe Applications Re-engineering	\$0	\$6,100,000	\$7,430,900
Workstation Equipment Replacement	0	0	725,000
Microsoft Dynamics CRM	0	0	16,000
Office 365	0	0	184,000
Risk Management & Privacy	0	0	220,000
User Community - COOP	0	0	295,540
Secure Wireless Office	0	0	473,400
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
Enterprise Mobile Management	0	0	50,000
Electronic Freedom of Information Act	0	0	50,000
Secure Pull Printing	0	0	50,000
Records Management Assessment	0	0	840,000
Subtotal, Equipment	\$0	\$0	\$11,249,840
Total, IT Capital Plan requests	\$0	\$6,100,000	\$20,518,840

Railroad Retirement Board - Fiscal Year 2017 Performance Plan

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 disruption of services 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

Railroad Retirement Board - Fiscal Year 2017 Performance Plan

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 2015 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, with the increase of cyber-attacks impacting the RRB network, including phishing attacks, social engineering, and introduction of malware, it is imperative that all RRB employees with significant security responsibilities receive annual role base training. For 2015, the RRB put in place a Learning Management System (LMS) that will make sure those staff with increased security responsibilities will receive the required training for their respective roles and responsibilities later in the year by completing course modules from SkillSoft designed specifically for information security role based training.

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 Security Operations Center (SOC), 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 and respond to all network threats that impact the agency. 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 and employs a continuous monitoring strategy to increase the effectiveness of our current information security program, performing annual risk

Railroad Retirement Board - Fiscal Year 2017 Performance Plan

assessments, as well as testing all security controls applicable to the information system. To further supplement the agency's continuous monitoring strategy, we recently formed a partnership with the Department of Homeland Security and enrolled in the Continuous Diagnostic Mitigation (CDM) program. The CDM program increases the agency's visibility of potential threats continuously.

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
<i>STRATEGIC GOAL I: Provide Excellent Customer Service</i>								
<i>Strategic Objective: Pay benefits timely.</i> Leader for performance goals I-A-1 through I-A-5; I-A-7 and I-A-8: Michael Tyllas, 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)	96.3%	95.6%	95.2%	95.0%	95.0%	94.5%	95.0%	95.2%
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%	97.0%	95.3%	95.8%	95.0%	94.5%	95.0%	95.2%
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)	94.8%	96.1%	96.1%	92.2%	94.0%	93.5%	94.0%	94.5%

Exhibit 1

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
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)	95.6%	95.4%	95.5%	94.3%	94.5%	94.0%	94.5%	94.8%
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)	98.4%	98.8%	98.4%	98.2%	98.0%	97.5%	98.0%	98.3%
I-A-6. RRB certifies a payment or releases a letter of denial of UI or SI benefits within 10 days of the date RRB receives the claim. (Measure: % ≤ 10 days)	99.9%	99.9%	99.9%	99.9%	99.4%	99.2%	99.5%	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)	74.9%	72.5%	42.8%	34.2%	70.0%	Due to ongoing process improvements, RRB will re-baseline this metric for 2017.	Due to ongoing process improvements, RRB will re-baseline this metric for 2017.	Due to ongoing process improvements, RRB will re-baseline this metric for 2017.
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)	96.8%	95.1%	95.6%	96.0%	94.5%	94.0%	94.5%	95.0%

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
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)	336	316	270	248	300	240	235	230
Strategic Objective: Provide a range of choices in service delivery methods. Goal leader: Michael Tyllas, 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:	85.0%	87.0%	98.30%	99.4%	99.0%	99.0%	99.0%
	b) Internet services:	19 Internet services available	21 Internet services available	26 Internet services available	27 Internet services available	30 Internet services available	33 Internet services available	33 Internet services available

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
<p>STRATEGIC GOAL II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</p>								
<p>Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately. Goal leader: George V. Govan, Chief Financial Officer</p>								
<p>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.)</p>	<p>97.7%</p>	<p>97.7%</p>	<p>95.1%</p>	<p>93.3%</p>	<p>85.0%</p>	<p>85.0%</p>	<p>85.0%</p>	<p>85.0%</p>
<p>Strategic Objective: Ensure the accuracy and integrity of benefit programs. Goal leader II-B-1 (a)(b) and II-B 3 and 4: Michael Tyllas, Director of Programs Goal leader II-B-2 (a)(b): Dan Fadden, Director of Field Service</p>								
<p>II-B-1. Achieve a railroad retirement benefit payment accuracy rate ^{3/} of at least 99%. (Measure: percent accuracy rate)</p>	<p>99.75%</p>	<p>99.84%</p>	<p>99.52%</p>	<p>N/A</p>	<p>99.60%</p>	<p>99.50%</p>	<p>99.60%</p>	<p>99.75%</p>
<p>a) Initial payments:</p>	<p>99.97%</p>	<p>99.70%</p>	<p>100.00%</p>	<p>N/A</p>	<p>99.60%</p>	<p>99.50%</p>	<p>99.60%</p>	<p>99.75%</p>
<p>b) Sample post recurring payments:</p>								

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
II-B-2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate ^{3/} of at least 99%. (Measure: percent accuracy rate)	a) Unemployment 99.83%	98.99%	99.83%	99.67%	99.50%	99.30%	99.60%	99.70%
	b) Sickness 99.37%	99.42%	99.52%	99.89%	99.40%	99.20%	99.50%	99.60%
II-B-3. Overall Initial Disability Determination Accuracy (Measure: % of Case Accuracy)	New Indicator for FY 2015	New Indicator for FY 2015	New Indicator for FY 2015	Performance will be measured in FY 2015 to establish a baseline	Performance will be measured in FY 2015 to establish a baseline	Performance will be measured in FY 2015 to establish a baseline	Performance will be measured in FY 2015 to establish a baseline	Performance will be measured in FY 2015 to establish a baseline
II-B-4. 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%)	0.59%	0.54%	0.70%	N/A	0.90%	1.00%	1.00%	0.90%

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
II-B-5. 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.)	\$4.55: \$1.00	\$4.90: \$1.00	\$5.20: \$1.00	N/A	\$4.50: \$1.00	\$4.25: \$1.00	\$4.25: \$1.00	\$4.50: \$1.00
<p>Strategic Objective: Ensure effectiveness, efficiency, and security of operations. Goal leader: Ram Murthy, Chief Information Officer</p>								
II-C-1. Complete modernization of RRB processing systems in accordance with long-range planning goals. (Measure: Meet target dates for the project. Yes/No)	Yes. The 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) mandated by US Treasury. New target: April 30, 2015.	Yes. The new target date for the conversion of the PREH database is September 30, 2015.	Yes. The target date for the conversion of the Tax Database is to be completed by December 2016.	Project complete.	Project complete.	Project complete.

Exhibit 1

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
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	85%	85%	85%	85%
II-C-3. Deliver – Meet Customer Expectations. WWW.RRB.GOV 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	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	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

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
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	Implement automatic failover of email system to alternate facility.	Continue working on application of HTTPS – only standard to www.rrb.gov	Continue working on application of HTTPS – only standard to www.rrb.gov	Continue working on application of HTTPS – only standard to www.rrb.gov
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	98.5%	98.5%	98.5%	98.5%

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
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	99%	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	100%	100%	100%	100%

Railroad Retirement Board FY 2017 Initial Performance Plan	2012 Actual (\$108.6m)	2013 Actual (\$108.7m)	2014 Actual (\$110.3m)	2015 Actual ^{1/} (\$111.225m)	2016 ^{2/} President's Proposed (\$119.9m)	2017 OMB Guidance 5% Reduction (\$115.9m)	2017 OMB Guidance With 5% Investment (\$122.0m)	2017 Agency Request Level (\$139.6m)
<p><i>Strategic objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.</i> Goal leader: Karl T. Blank, General Counsel</p>								
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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Footnotes are following:

^{1/} Actual results represent status as of March 31, 2015, unless otherwise noted. N/A indicates fiscal year 2015 data was not available.

^{2/} Planned amounts reflect the fiscal year 2016 performance targets shown in the RRB's Congressional Justification of Budget Estimates, released February 2, 2015.

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

RAILROAD RETIREMENT BOARD

Information Technology Initiatives for Fiscal Year 2017

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.

The fiscal year 2017 information technology investments build on fiscal year 2016 investments in support of the RRB's Office in the Cloud plan to enable a "future ready" RRB workforce. The plan provides staff 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. The strategy for Office in the Cloud incorporates the President's Management Agenda to improve the way that Government works and delivers for citizens by four pillars: efficiency, effectiveness, economic growth, and people and culture.¹ Office in the Cloud enables self-service solutions for the community, and a mobile workforce that leverages information securely using the right applications. 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. 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 RRB 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 have a positive impact in the community for several years to come.

Descriptions of key capital initiatives for fiscal year 2017 are below. These address mission delivery area, presidential direction, innovation, return on investment, and cybersecurity.

¹ Office of Management and Budget, Fiscal Year 2017 Budget Guidance (OMB Memorandum M -15-11) (May 1, 2015).

RAILROAD RETIREMENT BOARD

Information Technology Initiatives for Fiscal Year 2017

Mission Delivery Area

Mainframe Applications Re-engineering (\$7,430,900)

In fiscal year 2017, the RRB will begin year 2 of the 3 year effort to re-engineer critical legacy mainframe applications to sustain agency operations and enable a “future ready” RRB workforce. RRB staff will be 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.

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

In fiscal year 2017, 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 (\$137,000)

In fiscal year 2017, the RRB will use contractor services to assist agency staff in developing automated solutions for the Employer Reporting System (ERSNet). The RRB will develop additional notifications to employers about benefit entitlement; allow them correct suspended cases on-line; and to make corrections to their own contact information.

Imaging System Replacement (\$572,000)

In fiscal year 2017, 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.

Information Technology Staff Augmentation (\$7,760,000)

In fiscal year 2017, the RRB will use temporary contractor staff to maintain IT operations during the agency’s agile modernization of legacy applications. Emerging technologies have prompted businesses to be increasingly agile in adopting new strategies and shifting business focus rapidly. The flexibility to bring in resources on-demand, with skills in

RAILROAD RETIREMENT BOARD

Information Technology Initiatives for Fiscal Year 2017

emerging areas, helps the organization rapidly meet its business needs and any shifts in business focus.²

Workstation Equipment Replacement (\$815,000)

In fiscal year 2017, the RRB will invest in the replacement of the agency's information technology workstation equipment according to the RRB's IT Equipment Replacement Policy. The workstation equipment provides a critical foundation for the RRB's mission and business processes.

Presidential Direction

Records Management System (\$1,140,000)

In fiscal year 2017, the RRB will implement a Records Management System (RMS). The RMS will address the challenges associated with preserving the vast and rapidly growing volume of agency electronic records and respond to OMB memorandum M-12-18³, legal, statutory and regulatory federal requirements of holding and transferring those records.

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

In fiscal year 2017, 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 (\$174,000)

In fiscal year 2017, 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

Secure Wireless Office (\$473,400)

In fiscal year 2017, 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

² Gartner, Ten Best Practices When Using External Staff Augmentation, Contractor or Temporary IT Resources (October 16, 2013).

³ 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 2017

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.

Secure Pull Printing (\$50,000)

In fiscal year 2017, 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 2017, 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 2017, 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.

Office 365 (\$184,000)

In fiscal year 2017, the RRB will implement Microsoft's Office 365 software to the agency's enterprise community. Office 365 is a cloud-based application productivity service that is designed to help meet enterprise needs for robust security, reliability, and user productivity.

Microsoft Dynamics CRM (\$376,000)

In fiscal year 2017, the RRB will implement a customer relationship management solution utilizing the Microsoft Dynamics CRM software package. Microsoft Dynamics CRM is designed to help enterprise organizations get a 360-degree view of their customers and improve employee productivity by giving information to users in a more efficient way.

RAILROAD RETIREMENT BOARD

Information Technology Initiatives for Fiscal Year 2017

Return on Investment

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

In fiscal year 2017, 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 2017, 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-serve their time-off and schedule changes.

Firewall (\$140,000)

In fiscal year 2017, 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.

Cybersecurity

Risk Management and Privacy (\$235,000)

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Capital Element	FY 2015	FY 2016 ^{a/}	FY 2017 ^{b/}	FY 2018	FY 2019	FY 2020	TOTAL
1. Network operations	0	1,484,410	523,400	500,000	500,000	500,000	\$3,507,810
2. Infrastructure replacement	0	0	1,527,000	300,000	300,000	300,000	\$2,427,000
3. IT tools and systems	0	0	884,000	350,000	350,000	350,000	\$1,934,000
4. E-Government	0	0	1,451,000	200,000	200,000	200,000	\$2,051,000
5. Risk management and privacy	0	0	235,000	200,000	200,000	200,000	\$835,000
6. System modernization	0	6,495,590	15,566,900	833,600	800,000	800,000	\$24,496,090
7. Financial Management Integrated System	2,500,000	0	0	0	0	0	\$2,500,000
8. Continuity of operations improvements	0	0	331,540	0	0	0	\$331,540
TOTAL	\$2,500,000	\$7,980,000	\$20,518,840	\$2,383,600	\$2,350,000	\$2,350,000	\$38,082,440

^{a/} Amounts reflect funding as stated in the Congressional Justification of Budget Estimates for Fiscal Year 2016.

^{b/} Amounts reflect funding at the agency request level, and does not include Data Warehouse – Fraud Prevention and Analysis, \$3,210,000, part of the RRB’s Program Integrity Proposal (see pages 108-111). The chart on the following page shows amounts available for IT investments at the reduced and OMB guidance levels of the fiscal year 2017 budget.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

IT INVESTMENTS, FISCAL YEAR 2017

Capital Element	OMB Guidance 5% Reduction Level	Increase	OMB Guidance with 5% Investment Level	Increase	Agency Request Level
1. Network operations	0	0	0	523,400	523,400
2. Infrastructure replacement	0	0	0	1,527,000	1,527,000
3. IT tools and systems	0	0	0	884,000	884,000
4. E-Government	0	0	0	1,451,000	1,451,000
5. Risk management and privacy	0	0	0	235,000	235,000
6. Systems modernization	0	6,100,000	6,100,000	9,466,900	15,566,900
7. Financial Management Integrated System	0	0	0	0	0
8. Continuity of operations improvements	0	0	0	331,540	331,540
TOTAL	0	6,100,000	6,100,000	14,418,840	20,518,840

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Quick Summary: Definitions	
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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

1. Capital Element: Network Operations

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
\$0	\$1,484,410	\$523,400	\$500,000	\$500,000	\$500,000	\$3,507,810

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 2011¹ 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.

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Fiscal year 2017

Secure Wireless Office

In fiscal year 2017, the RRB will use contractor services to establish a secure wireless infrastructure that will provide wireless access points for every RRB Field Service office. 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 introduction of the wireless in the Field Service Offices will enable any work left midstream at one location to 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	
Remote Offices	\$473,400
Total	\$473,400

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Secure Pull Printing

In fiscal year 2017, 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"> • Costs savings by reducing uncollected paper and toner ink consumption • Provides user flexibility by printing first and choosing the printer afterward • Reduces potential for Personally Identifiable Information (PII) breach by unattended printed documents • Reduces need for personal printers and the associated maintenance (ink) and replacement costs. 	<ul style="list-style-type: none"> • Less secure printing methods • Potential for PII breach • Continues need for personal printers for printing PII

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

2. Capital Element: Infrastructure Replacement

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
\$0	\$0	\$1,527,000	\$300,000	\$300,000	\$300,000	\$2,427,000

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Fiscal year 2017

Imaging System Replacement

In fiscal year 2017, 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 paper scans, 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	\$97,000
Total	\$572,000

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Workstation Equipment Replacement

In fiscal year 2017, the RRB will invest in the replacement of the agency's information technology workstation equipment according to the RRB's IT Equipment Replacement Policy. The workstation equipment provides a critical foundation for the RRB's mission and business processes. The role of computers, printers, and scanners increases each year to support programmatic and administrative efforts. In fiscal year 2017, the RRB will replace PCs, printers, monitors, and tablets that have reached its end of life.

IT Asset Cost Breakdown

	QTY	Cost / Item	Install Services	Total
Laptop PCs	400	\$1200	\$80,000	\$560,000
Printers	25	\$1600	\$10,000	\$50,000
Monitors	400	\$250	-	\$100,000
Tablets	50	\$2100	-	\$105,000

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	
Return on Investment	
Cybersecurity	

Cost	
Hardware	\$725,000
Services	\$90,000
Total	\$815,000

Benefits	Risks of delay
<ul style="list-style-type: none"> • Purchasing larger quantities decreases the average cost per asset • Simplifies security patching • Reduces hardware variability 	<ul style="list-style-type: none"> • Use beyond end-of-service life • Equipment failure • Productivity disruption

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
 FY 2015 - 2020

Firewall

In fiscal year 2017, 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"> • Maximize efficiency while maintaining security, visibility, and regulatory compliance • Increase employee productivity and operational efficiency by securely connecting users 	<ul style="list-style-type: none"> • Warranty period expiration • Use beyond end-of-service life • Equipment failure • Productivity disruption

Future fiscal years

The RRB will continue to replace IT equipment in agreement with the replacement cycle as funding is available.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

3. Capital Element: IT Tools and Systems

FY 2015	FY 2016	FY2017	FY2018	FY2019	FY2020	TOTAL
\$0	\$0	\$884,000	\$350,000	\$350,000	\$350,000	\$1,934,000

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Fiscal year 2017

Enterprise Test Lab

In fiscal year 2017, 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"> • Improved quality assurance processes • Minimize user disruptions with untested systems and applications • Verification of operational readiness of purchased IT components 	<ul style="list-style-type: none"> • User disruptions with untested systems and applications • Insufficient practices to plan, design, test, bug fix, maintain change control, and complete documentation.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Enterprise Mobile Management

In fiscal year 2017, 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.²

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

² CIO Council, Government Mobile and Wireless Security Baseline (May 23, 2013).

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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 2017, 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	<input checked="" type="checkbox"/>
Cybersecurity	

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Employee Time Entry System

In fiscal year 2017, 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	<input checked="" type="checkbox"/>
Cybersecurity	

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

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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.³

In fiscal year 2017, 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"> • Reduces manual operations • Improves efficiency 	<ul style="list-style-type: none"> • Less efficient business practices • Less timely response times

³ U.S. Department of Justice, [FOIA.gov Glossary](http://FOIA.gov) (July 2011).

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Office 365

In fiscal year 2017, the RRB will implement Microsoft's Office 365 software to the agency's enterprise community. Office 365 is a cloud-based service that is designed to help meet enterprise needs for robust security, reliability, and user productivity. The subscription plan includes access to Office applications (Word, Excel, PowerPoint, and Outlook) and other productivity services that are enabled over the Internet (cloud services).

With Office 365 information storage, computation, and software are located and managed remotely on servers owned by Microsoft. The infrastructure's cloud location provides access virtually anywhere, from a PC, tablet, smartphone, or other device with an Internet connection.⁴

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	\$184,000
Total	\$184,000

Benefits	Risks of delay
<ul style="list-style-type: none"> • Enhance access to information • Flexible subscription plans • Support a mobile workforce 	<ul style="list-style-type: none"> • Less efficient use of productivity applications • Continued dependence for on premise solutions

⁴ Microsoft, [Office 365 for business FAQ](#), Web.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
 FY 2015 - 2020

4. Capital Element: E-Government

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
\$0	\$0	\$9,211,000	\$200,000	\$200,000	\$200,000	\$9,811,000

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Fiscal year 2017

Records Management System

In fiscal year 2017, the RRB will implement a Records Management System (RMS).

OMB memorandum M-12-18, Managing Government Records Directive⁵, 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 RMS.

The RMS 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 2015, the RRB acquired contractor services to perform an assessment of its records management program to meet the requirements of OMB M-12-18. Deliverables included 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. The contract assessment included a recommendation that the RRB implement an RMS based on the action plan.

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	<input checked="" type="checkbox"/>
Cybersecurity	

Cost	
Hardware/Software	\$840,000
Services	\$300,000
Total	\$1,140,000

⁵ Office of Management and Budget, Managing Government Records Directive (OMB Memorandum M-12-18) (Aug. 24, 2012).

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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

- 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 RMS 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 RMS will identify, maintain, classify and dispose of RRB electronic records including disability related records and e-mail, according to specified records disposition policies.

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Employer Reporting System (ERSNet)

In fiscal year 2017, the RRB will use contractor services to assist agency staff in developing automated solutions for the Employer Reporting System (ERSNet). ERSNet is a web-based system for employers covered under the Railroad Retirement and Railroad Unemployment Insurance Acts (the Acts). Prior to ERSNet's 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 ERSNet is accomplished through Employer Reporting System project.

The goals of the ERSNet 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 ERSNet is divided into phases over multiple years. When ERSNet is complete, the Internet-based service will provide employers with a secure and efficient way to provide information to the RRB for their employees.

In fiscal year 2017, the RRB will continue to use contractor services to develop additional notifications to employers about benefit entitlement; allow them correct suspended cases on-line; and to make corrections to their own contact information. We will work to develop on-line processes for the AESOP (Employee retirement estimate file); a Suspense and Error Tracking System (SETS); and the Form G-117a, Designation of Contact Officials.

In fiscal year 2018, we will work to add Internet-based functionality for the GL-99, Deemed Service Questionnaire process that allows employers to provide on-line information for service month entitlement; and the GL-132, Notice of Service After ABD which will reduce overpayments when annuitants return to work.

The development of these processes and services continues to provide employers with secure access to the information needed to maintain their own benefit payments.

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	\$137,000
Total	\$137,000

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Beneficiary & Employer Systems Strong Authentication

In fiscal year 2017, 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	\$174,000
Total \$174,000	

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Future fiscal years

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

5. Capital Element: Risk Management and Privacy

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
\$0	\$0	\$235,000	\$200,000	\$200,000	\$200,000	\$835,000

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 continuous monitoring. 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. To supplement the agency's continuous monitoring strategy, we recently formed a partnership with the Department of Homeland Security (DHS) and enrolled in the Continuous Diagnostic Mitigation (CDM) program. The CDM program increases the agency's visibility of potential threats continuously.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Fiscal year 2017

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 continuously 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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

6. Capital Element: System Modernization

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
\$0	\$6,495,590	\$15,566,900	\$833,600	\$800,000	\$800,000	\$24,496,090

Agency Strategy and Benefits: Technology is ever evolving. IT systems are being replaced with newer and smarter solutions. Systems put in place a decade ago need to be re-evaluated, comparing the cost of maintenance against the value achieved. Legacy systems do not offer the same return compared to newer solutions in the Virtual and Cloud Computing space. Users today demand faster response times, more functionality and ease of use. With the Systems Modernization leading to Re-engineering of Applications, we can empower the user with information anywhere, anytime on any device in a secure environment.

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. 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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Fiscal year 2017

Mainframe Applications Re-engineering

In fiscal year 2017, the RRB will begin year 2 of 3 to re-engineer critical legacy mainframe applications to sustain agency operations and enable a “future ready” RRB workforce. RRB staff will be 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.

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	\$7,430,900
Total	\$7,430,900

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Information Technology Staff Augmentation

In fiscal year 2017, the RRB will use temporary contractor staff to maintain IT operations during the agency's agile modernization of legacy applications.

Emerging technologies have prompted businesses to be increasingly agile in adopting new strategies and shifting business focus rapidly. The flexibility to bring in resources on-demand, with skills in emerging areas, helps the organization rapidly meet its business needs and any shifts in business focus.⁶

Annual Contractual Cost

Title	Qty.	Total / YR
Data Communications Specialist	2	\$ 600,000
Release /Deployment Specialist	1	\$ 300,000
SysAdmin, Desktop Operations	2	\$ 600,000
SysAdmin, Messaging Operations	1	\$ 300,000
SysAdmin, ServerOS Operations	2	\$ 600,000
Systems Engineer, Desktop VDI	1	\$ 300,000
Systems Engineer, Msg,Storage	1	\$ 300,000
Senior Data Communications Engr	1	\$ 300,000
Technical Writer	1	\$ 160,000
IT Applications Analyst	1	\$ 300,000
IT Enterprise Analyst	6	\$ 1,800,000
QA Specialist	6	\$ 1,200,000
Software Developer	2	\$ 400,000
Web Designer	2	\$ 400,000
Release Manager	1	\$ 200,000

Quick Summary

Cloud / Shared Services

Mission delivery area

Presidential Direction

- Effectiveness
- Efficiency
- Economic Growth
- People and Culture

Innovation

Return on Investment

Cybersecurity

Cost

Services	\$7,760,000
Total	\$7,760,000

⁶ Gartner, Ten Best Practices When Using External Staff Augmentation, Contractor or Temporary IT Resources (October 16, 2013).

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

Microsoft Dynamics CRM

In fiscal year 2017, the RRB will implement a customer relationship management solution utilizing the Microsoft Dynamics CRM software package. Microsoft Dynamics CRM is designed to help enterprise organizations get a 360-degree view of their customers and improve employee productivity by giving information to users in a more efficient way. CRM helps provide data anywhere and across a wide array of devices, ranging from phones and tablets to PCs, and through a wide array of client types, such as smartphone apps, tablet apps, and Microsoft Dynamics CRM for Outlook. CRM matches the way that users do business, and runs on a platform that provides enterprise levels of scalability and performance.⁷

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	

Cost	
Software	\$16,000
Services	\$360,000
Total	\$376,000

Benefits	Risks of delay
<ul style="list-style-type: none"> • Enables confident decision making • Increases business productivity • Integrates with enterprise productivity applications such as Microsoft Office and .NET 	<ul style="list-style-type: none"> • Disparate systems that lack integration capabilities • Less defined IT architecture

⁷ Microsoft, Microsoft Dynamics CRM 2013 Performance and Scalability (March 5, 2014).

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
 FY 2015 - 2020

7. Capital Element: Financial Management Integrated System

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
\$2,500,000	\$0	\$0	\$0	\$0	\$1,500,000	\$4,000,000

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 Appendix D to Circular A123.

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 18,000 new debts and 55,000 cash receipts annually.

Future fiscal years

By fiscal year 2018, the FMIS will be 5 years in operation and due for system upgrade to latest Momentum version thereafter. FMIS was implemented at Momentum version 7.0 and the SSP is planning to deploy Momentum 7.4 in 2016. Although, the current version provides the capability to achieve the agency's mission in the short term, the FMIS runs the risk in the long term, without appropriate upgrade after FY2018, of not being in sync with needed platform changes that impact security, software operations, and financial updates. Current plans are for upgrade in FY2020.

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
 FY 2015 - 2020

8. Capital Element: Continuity of Operations Improvements

FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
\$0	\$0	\$331,540	\$0	\$0	\$0	\$331,540

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 2015 - 2020

Fiscal year 2017

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 2017, 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

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

RAILROAD RETIREMENT BOARD
Information Technology (IT) Capital Plan
FY 2015 - 2020

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.

Small Agency FY 2017 Budget IT Portfolio Summary (formerly Ex. 53A)

Agency:	Railroad Retirement Board
Date of submission:	8/24/2015
Prepared by:	Robert LaBerry, Chief Enterprise Architect

NOTE: All cells marked "CALC" should derive from appropriate sums of agency details.

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

AGENCY GRAND TOTALS

Prior Year	Current Year	Budget Year
PY	CY	BY

Amounts are in millions of dollars

Current UJI	Investment Category	Part 1-6 of IT Portfolio Summary	Type of Investment	Investment Title/Account Title	Investment Description	DME Agency Funding (\$M) 2015	DME Agency Funding (\$M) 2016	DME Agency Funding (\$M) 2017	O&M Agency Funding (\$M) 2015	O&M Agency Funding (\$M) 2016	O&M Agency Funding (\$M) 2017	Total Agency Funding (\$M) 2015	Total Agency Funding (\$M) 2016	Total Agency Funding (\$M) 2017	Cloud Computing Alternatives Evaluation	DME Provisioned IT Services Spending (PY)	O&M Provisioned IT Services Spending (PY)	DME Provisioned IT Services Spending (CY)	O&M Provisioned IT Services Spending (CY)	DME Provisioned IT Services Spending (BY)	O&M Provisioned IT Services Spending (BY)
						CALC	CALC	CALC	CALC	CALC	CALC	CALC	CALC	CALC		CALC	CALC	CALC	CALC	CALC	CALC
xxxxxxx (Investment id comprised of 3-digit MAX code for agency, plus a unique 9-digit agency id for each investment)	0, 24, or 48	01, 02, 03, 04, 05, or 06	01, 02, 03, or 04	Investment #1	Text explaining investment.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	01-07	0.00	0.00	0.00	0.00	0.00	0.00
446-00000001	0.00	2.00	2.00	Network operations	Secure Wireless Office, Secure Full Printing	0.00	1.48	0.52	0.00	0.00	0.00	0.00	1.48	0.52	7.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000002	0.00	2.00	2.00	Infrastructure replacement	Imaging System Replacement, Workstation Equipment Replacement, Firewall	0.00	0.00	0.00	0.00	0.00	1.53	0.00	0.00	1.53	7.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000003	0.00	1.00	2.00	IT tools and systems	Enterprise Test Lab, Enterprise Mobile Management, Content Management Services, Employee Time Entry System, e-FOIA Management System, Office 365	0.00	0.00	4.09	0.00	0.00	0.00	0.00	0.00	4.09	7.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000004	24.00	1.00	2.00	E-Government	Records Management System, Employer Reporting System, Beneficiary & Employer Systems Strong Authentication	0.00	0.00	1.45	0.00	0.00	0.00	0.00	0.00	1.45	7.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000005	0.00	2.00	2.00	Risk management and privacy	Information security and privacy program activities	0.00	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.24	7.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000006	0.00	1.00	1.00	System Modernization	Mainframe Applications Re-engineering, Information Technology Staff Augmentation, Microsoft Dynamics CRM	0.00	6.50	15.57	0.00	0.00	0.00	0.00	6.50	15.57	2.00	n.a.	n.a.	6.50	n.a.	7.43	n.a.
446-00000007	0.00	1.00	1.00	Financial Management Integrated System	No initiatives planned for FY2017	2.50	0.00	0.00	1.60	1.70	1.82	4.10	1.70	1.82	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000008	0.00	2.00	2.00	Continuity of operations improvements	COOP - User Community	0.00	0.00	0.33	0.00	0.00	0.00	0.00	0.00	0.33	6.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000009	0.00	1.00	0.00	BOC 111-Salary	Full-Time Salaries	0.00	0.00	0.00	13.09	13.81	14.02	13.09	13.81	14.02	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000010	0.00	1.00	0.00	BOC 113-Other Than Full-Time Salary	Part-Time and Temporary Salaries	0.00	0.00	0.00	0.07	0.00	0.07	0.07	0.00	0.07	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000011	0.00	1.00	0.00	BOC 115-Other Compensation	Awards, Holiday Pay, and Night Work Differential	0.00	0.00	0.00	0.13	0.16	0.12	0.13	0.16	0.12	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000012	0.00	1.00	0.00	BOC 118-Overtime	Overtime Pay	0.00	0.00	0.00	0.15	0.20	0.09	0.15	0.20	0.09	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000013	0.00	1.00	0.00	BOC 121-Benefits	Personnel benefit costs for life insurance, retirement, health insurance, and Medicare	0.00	0.00	0.00	3.91	4.13	4.17	3.91	4.13	4.17	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000014	0.00	1.00	0.00	BOC 211-Travel	Travel and transportation expenses	0.00	0.00	0.00	0.04	0.05	0.04	0.04	0.05	0.04	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000015	0.00	2.00	0.00	BOC 233-Rent of equipment	Rental of equipment owned by another, includes rental of IT equipment and hardware or software	0.00	0.00	0.00	0.78	0.89	0.95	0.78	0.89	0.95	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000016	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.
446-00000017	0.00	2.00	0.00	BOC 236-Communications	Communication services	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.
446-00000018	0.00	2.00	0.00	BOC 252-Government Contracts	Services or Contracts provided by the government	0.00	0.00	0.00	0.45	0.47	0.47	0.45	0.47	0.47	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000019	0.00	2.00	0.00	BOC 253-Other Services	Services provided by the private sector <\$25,000 not classified in another BOC	0.02	0.02	0.02	0.04	0.03	0.03	0.06	0.05	0.05	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000020	0.00	2.00	0.00	BOC 254-Repairs and Maintenance	Repairs and maintenance to equipment; includes IT software maintenance	0.18	0.04	0.04	1.65	1.98	1.92	1.83	2.02	1.96	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000021	0.00	2.00	0.00	BOC 257-Training	Training and IT certifications	0.00	0.00	0.00	0.15	0.15	0.10	0.15	0.15	0.10	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000022	0.00	2.00	0.00	BOC 259-Other Contracts	Contracts services of \$25,000 or more not covered in another BOC	3.57	2.60	1.50	1.55	2.28	1.29	5.12	4.88	2.79	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000023	0.00	1.00	0.00	BOC 261-Supplies	Supplies not covered in other categories	0.00	0.00	0.00	0.02	0.05	0.03	0.02	0.05	0.03	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000024	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	0.01	0.01	0.01	0.01	0.01	0.01	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000025	0.00	2.00	0.00	BOC 311-Equipment <\$50,000	Equipment purchases of <\$50,000	0.18	0.18	0.18	0.04	0.02	0.09	0.22	0.20	0.27	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-00000026	0.00	2.00	0.00	BOC 312-Equipment \$50,000 & more	Equipment purchases of \$50,000 or more	1.70	1.00	1.00	0.00	0.00	0.00	1.70	1.00	1.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Small Agency FY 2017 Budget IT Portfolio Summary (formerly Ex. 53A)

NOTE: All cells marked "CALC" should derive from appropriate sums of agency details.

Amounts are in millions of dollars

Current IUI	Investment Category	Part 1-6 of IT Portfolio Summary	Type of Investment	Investment Title/Account Title	Investment Description	Number of Government FTEs (PY)	Percentage of Investment Cost for Government FTE (PY)	Government FTE Costs (PY-\$M)	Number of Government FTEs (CY)	Percentage of Investment Cost for Government FTE (CY)	Government FTE Costs (CY-\$M)	Number of Government FTEs (BY)	Percentage of Investment Cost for Government FTE (BY)	Government FTE Costs (BY-\$M)
						CALC	CALC	CALC	CALC	CALC	CALC	CALC	CALC	CALC
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	01, 02, 03, 04, 05, or 06	01, 02, 03, 04	Investment #1	Text explaining investment.	0.00	0%	0	0.00	0%	0	0.00	0%	0
446-000000001	0.00	2.00	2.00	Network operations	Secure Wireless Office, Secure Full Printing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000002	0.00	2.00	2.00	Infrastructure replacement	Imaging System Replacement, Workstation Equipment Replacement, Firewall	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000003	0.00	1.00	2.00	IT tools and systems	Enterprise Test Lab, Enterprise Mobile Management, Content Management Services, Employee Time Entry System, e-FOIA Management System, Office 365	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000004	24.00	1.00	2.00	E-Government	Records Management System, Employer Reporting System, Beneficiary & Employer Systems Strong Authentication	n.a.	n.a.	n.a.	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	n.a.	n.a.	n.a.	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, Information Technology Staff Augmentation, Microsoft Dynamics CRM	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000007	0.00	1.00	1.00	Financial Management Integrated System	No initiatives planned for FY2017	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000008	0.00	2.00	2.00	Continuity of operations improvements	COOP - User Community	n.a.	n.a.	n.a.	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	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000010	0.00	1.00	0.00	BOC 113-Other Than Full-Time Salary	Part-Time and Temporary Salaries	n.a.	n.a.	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	n.a.	n.a.	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	n.a.	n.a.	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 Medicare	n.a.	n.a.	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	n.a.	n.a.	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 hardware or software	n.a.	n.a.	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	n.a.	n.a.	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	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000018	0.00	2.00	0.00	BOC 252-Government Contracts	Services or Contracts provided by the government	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000019	0.00	2.00	0.00	BOC 253-Other Services	Services provided by the private sector <\$25,000 not classified in another BOC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000020	0.00	2.00	0.00	BOC 254-Repairs and Maintenance	Repairs and maintenance to equipment; includes IT software maintenance	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000021	0.00	2.00	0.00	BOC 257-Training	Training and IT certifications	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000022	0.00	2.00	0.00	BOC 259-Other Contracts	Contracts services of \$25,000 or more not covered in another BOC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000023	0.00	1.00	0.00	BOC 261-Supplies	Supplies not covered in other categories	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000024	0.00	1.00	0.00	BOC 264-Direct Order Supplies	Contracted office supplies ordered directly from contracted vendor	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000025	0.00	2.00	0.00	BOC 311-Equipment <\$50,000	Equipment purchases of <\$50,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
446-000000026	0.00	2.00	0.00	BOC 312-Equipment \$50,000 & more	Equipment purchases of \$50,000 or more	n.a.	n.a.	n.a.	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 2017 guidance of June, 2015)

Guidance document is at: https://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy17_it_budget_guidance_6_3_2015.pdf

Other helpful information-- see the June 2015 training slides used for the training provided for IT Dashboard agencies: <https://community.max.gov/x/pYKRMQ>

Section starting p. 10 of the FY 2017 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 in the FY 2017 IDC Common Definitions:

<https://community.max.gov/plugins/servlet/wdredirect?webdavhref=%2FGlobal%2FFgov%2F%24831619749%2FFY17+IDC+Common+Definitions.xlsx&progid=Excel.Sheet>

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://community.max.gov/x/JoORMQ>

(see the Data Dictionary - Enumerations file's "Budget Accounts" tab -- this data will be updated for FY17 at the end of July)

FY 2017 IT Budget Submission (Sept. 2015) - 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 2015)	CY (FY 2016)	BY (FY 2017)
Public Cloud			
Private Cloud		6.495	7.431
Community Cloud	3.1	0.5	0.5
Hybrid Cloud			
Other Provisioned Services (non-cloud)			

Table B	PY (FY 2015)	CY (FY 2016)	BY (FY 2017)
Software as a Service			
Platform as a Service		6.495	7.431
Infrastructure as a Service	3.6	1.1	1.0
Other Provisioned Services (non-cloud)			

Note: The sum of each column in Table (a) should equal the sum of its respective column in Table (b) and should be consistent with Agency IT Portfolio Summary reporting.

RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2017

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 contains language requiring that all employees of the Railroad Retirement Board, except for one assistant for each Board Member, must be hired under the competitive civil service.

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

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.

RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2017

4. Amend the Social Security Act to provide access for the Railroad Retirement Board to the National Directory of New Hires.

The Social Security Act provides for a National Directory of New Hires. The Directory is used to enhance child support payments and in enforcement of the tax laws of the United States. In addition, the Commissioner of Social Security is granted access to the Directory.

The Railroad Retirement Board pays benefits under both the Railroad Retirement and Railroad Unemployment Insurance Acts that are based in part on a claimant's earnings. The RRB currently conducts wage matches with all 50 States to detect improper payments. This proposal was included in the Board's legislative program in order to permit the RRB to obtain information regarding wages being paid to claimants earlier than is now possible.

5. Clarification of Limitation on Administration for Attorney Hiring

As noted in proposal 2 above, current 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 pursuant to RRA section 7(b)(9) will remain under the competitive service. RRB began hiring new attorneys in Fiscal Year 2014 under the excepted service. The suggested language would continue the proviso to appropriations for Fiscal Year 2016, and for subsequent Fiscal Years without further reenactment.

RAILROAD RETIREMENT BOARD (DRAFT for FY 2017)

Program Integrity Administrative Expenses Account Proposal

The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which would reflect \$8.7M in mandatory funding for RRB's program integrity activities for fiscal year 2017 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, and implement initiatives to target groups of annuitants most likely to commit medical and/or earnings fraud.

The proposed \$8.7M 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:

<u>Cost Item</u>	<u>FTEs</u>	<u>Amount</u>
Staffing:		
Process and Documentation Enhancements	13	\$1,430,000
Program Quality Evaluation	6	660,000
Continuing Disability Review/Certification	10	1,100,000
Chief Medical Officer	1	244,245
Contractual:		
Fraud Training		32,000
Independent Specialist Medical Exams		1,240,000
Functional Capacity Evaluations (FCE's)	TBD (pending input from DAC)*	
Advisory Committee/Consultant Services		398,000
Printing/Mailing Contracts		60,000
Enhanced Earnings Monitoring		405,000
Data Warehouse		3,210,000
Total	30	\$8,779,245

Staffing Costs: Augmented staff includes 6 people dedicated to quality assurance and 13 people dedicated to program evaluation through such activities as oversight of fraud prevention initiatives, special studies, and the development/implementation of enhanced procedures critical to program integrity. An additional 10 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 Chief Medical Officer will be hired providing assistance and guidance to agency staff in the adjudication of disability claims, work with our medical

*DAC = Disability Advisory Committee

RAILROAD RETIREMENT BOARD (DRAFT for FY 2017)

contractors and being a part of the future contracting teams that evaluate bids from outside medical contractors, develop a process to ensure that examiners and others in the disability application and determination process have updated training on development and interpretation of medical evidence, and collaborate with the Board to ensure the administration of our disability program is carried out effectively.

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 mental and orthopedic conditions, enhanced earnings monitoring with the use of The Work Number, consulting services for evaluations and guidance to ensure our enhancements are beneficial, and the increased cost for printing and mailing annual certifications of continued eligibility, annual earnings reminder notices and other enhanced communications with beneficiaries.

Data Warehouse Costs: Data Warehouse costs include hardware, data warehouse software, fraud analytics software, and implementation services. This solution 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. (See attachment).

The Railroad Retirement Board has proven that we are a good investment over the 80 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 \$5.20 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.

In fiscal year 2017, 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 happening, what if these trends continue, what will happen next (predict), what is the best that can happen

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	<input checked="" type="checkbox"/>
Cybersecurity	

Cost	
Hardware/Storage	\$500,000
Data Warehouse SW	\$500,000
Fraud Analytics SW	\$1,340,000
Services	\$870,000
Total	\$3,210,000

(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.

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

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

	2017 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.....	1,489,629	1,489,629
60-8010-0-7-601 Social Security Equivalent Benefit Account.....	7,377,000	7,356,000
60-8011-0-7-601 Railroad Retirement Account.....	5,387,000	5,377,000
60-8118-0-7-601 National Railroad Retirement Investment Trust.....	1,676,000	1,676,000
60-8237-0-7-601 Limitation on Administration		
OMB Reduced level (10%).....	115,900	115,900
OMB Reduced level (5%).....	122,000	122,000
Agency Request level.....	139,649	139,649

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

Summary	2017 Estimates	
	Budget Authority	Outlays
Federal funds (see previous page) ^{1/}	1,518,629	1,518,629
Trust funds (see previous page) ^{2/}	14,440,000	14,409,000
Deductions for offsetting receipts:		
Intrafund transactions (OASDI transfer) ^{3/}	(3,790,500)	(3,790,500)
Intrafund transactions (NRRIT transfers) ^{3/}	(1,598,000)	(1,598,000)
Proprietary receipts from the public ^{4/}	(326,000)	(326,000)
Interfund transactions ^{5/}	<u>(1,489,629)</u>	<u>(1,489,629)</u>
TOTAL	<u>8,754,500</u>	<u>8,723,500</u>

^{1/} Represents budget authority and outlays for the Dual Benefits Payments Account and the Federal Payments to the Railroad Retirement Accounts.

^{2/} 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.

^{3/} Represents the financial interchange transfer amount of \$3,790,500,000 expected from the Social Security Administration's Old Age and Survivors Insurance and Disability Insurance (OASDI) Funds and a transfer of \$1,598,000,000 from the NRRIT to the Railroad Retirement Account.

^{4/} Estimate of interest and dividends on non-Federal securities earned by the NRRIT.

^{5/} 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 2015**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 2015

- *Occupational Advisory Committee review*
Advisory doctors, representing the rail industry (labor and management) are authorized by law to review agency medical decisions.
Frequency: Periodic
- *Disability quality assurance review*
PEMS conducts a statistically valid random sample of all initial disability decisions. Cases included in the review are Occupational, Total and Permanent, Widow, and Child. We also have a medical contractor that participates in the review of these cases. Results from this performance review will be reported in RRB's Performance and Accountability Report (P&AR).
Frequency: Annual (beginning FY 2015)
- *Occupational disability quality assurance reviews of consultative exams and opinions*
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 BOARD

Program Evaluation and Data Analysis as of August 2015

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.
 - 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)

RAILROAD RETIREMENT BOARD**Program Evaluation and Data Analysis**
as of August 2015

- *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

- *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 upgraded 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. The cloud hosts the RRB's financial management system – FMIS (Financial Management Integrated System) which uses CGI's proprietary Momentum Financials software. The cloud service supports 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 currently uses 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.

In February, 2015 the RRB contracted with CGI to fund Debt Collection system implementation services and provide PAR migration services to FMIS. Implementation of this migration is scheduled for May, 2016.

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 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.

RAILROAD RETIREMENT BOARD

Financial Management Systems

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.

In December, 2014 the RRB signed an Agency Participation Agreement with Treasury's Fiscal Service to utilize the Invoice Processing Platform (IPP). IPP will enable the RRB's commercial vendors to receive purchase orders and submit invoices electronically through IPP which will interface with the RRB's financial system (FMIS).

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.

Continue to leverage the core financial system (FMIS) to include program accounts receivable component and electronically interface with as many external applications as possible. 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.

RAILROAD RETIREMENT BOARD

Financial Management Systems

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

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).

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 has given 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 2014. 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 2014 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, 2014 and 2013; and the financial condition of the Railroad Retirement program as of January 1, 2014, 2013 and 2012 and changes in the financial condition of the program for the two year period ended December 31, 2013. 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 a 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. As a result, the financial statements of the NRRIT were audited by other auditors whose reports have been furnished to us. Pursuant to the group financial statement audit requirements promulgated by the American Institute of Certified Public Accountants (AICPA) in AICPA Professional Standards in AU-C section 600, *Special Considerations - Audits of Group Financial Statements*, we made an inquiry requesting communication with and cooperation from the NRRIT's auditors. We were informed that contact between the RRB-OIG auditors and the NRRIT's auditors is inconsistent with the independent status of the NRRIT under section 15(j) of the Railroad Retirement Act. As a result, the NRRIT's auditors have not complied with the group financial statement audit requirements. Consequently, we were 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.¹

The net assets of the NRRIT represent \$26.0 billion and \$25.0 billion or approximately 80% and 79% of the total assets reported for the RRB for fiscal year (FY) 2014 and 2013, respectively. NRRIT assets also represent approximately 95% and 94% of the Treasury securities and assets held by the Railroad Retirement program as of January 1, 2014 and 2013, 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 \$1.1 billion during FY 2014 and a net gain of \$1.4 billion during FY 2013.

Management Comments

RRB management also believes the IG is not required to issue a disclaimer of opinion on the RRB financial statements. Although the IG is required by law to audit the RRB financial statement, the standards of the American Institute of Certified Public Accounts (AICPA) allow auditors to express a qualified opinion, rather than a disclaimer of opinion, where possible effects of undetected misstatements do not have pervasive effect on the financial statement. The RRB does not believe the IG has established that any undetected misstatements in the context of the NRRIT audit are pervasive within the meaning of the AICPA standards. Accordingly, RRB does not

¹ Misstatements in the NRRIT net assets could be both material and pervasive. AICPA AU-C 705.06 defines pervasive as, "[a] term used in the context of misstatements to describe the effects on the financial statements of misstatements or the possible effects on the financial statements of misstatements, if any, that are undetected due to an inability to obtain sufficient appropriate audit evidence." In context to the RRB's financial statements, the "[p]ervasive effects on the financial statements are those that, in the auditor's judgment" are confined to specific elements, accounts, or items of the financial statements, and "represent or could represent a substantial proportion of the financial statements."

RAILROAD RETIREMENT BOARD**Financial Management Systems**

believe the situation warrants a disclaimer of opinion on the RRB financial statements. RRB will continue to work with the IG to identify solutions for preventing future audit disclaimers.

The *Auditor's Report – Emphasis of Matter* on page 99 of RRB's Financial Statements for Fiscal Year 2014 states:

Emphasis of Matter

The RRB discloses transactions with related parties in Note 2 to the financial statements. The RRB, Social Security Administration, and Centers for Medicare and Medicaid Services are parties to a 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 33% of the financing sources reported on the RRB's statement of changes in net position for FY 2014 before considering the change in the reported value of NRRIT net assets. For FY 2013, financial interchange transfers of \$4.0 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 103 of RRB's Financial Statements for Fiscal Year 2014 states as follows:

Our tests of the RRB's compliance with selected provisions of laws and regulations for FY 2014 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.

RAILROAD RETIREMENT BOARD

Financial Management Systems

Material Weaknesses

Information Technology Security – Risk Management Framework

This material weakness has been resolved.

Information Technology Security – Configuration Management

This material weakness has been resolved.

Financial Reporting

During fiscal 2014, the OIG identified a material weakness in Financial Reporting, which includes the Budgetary Reporting significant deficiency. OIG auditors found weaknesses regarding the effectiveness of FMIS process controls. 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.

The RRB is working to address the Financial Reporting weakness.

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[®] Debit MasterCard[®] 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[®] prepaid card account; and for recipients whose Direct Express[®] 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[®] to Railroad Retirement Act (RRA) beneficiaries in March 2011. As of June 30, 2015, there were 2,097 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 June 30, 2015, there were 1,688 beneficiaries enrolled in the IDD program.

RRB completed program changes that would allow child support payments to be withheld from daily RRA benefits, and paid to State agencies, to be made by EFT. The changes were completed in October 2014. 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 2015 (through June).

Electronic Funds Transfer/Vendor Express

June 2015

Payment Type	Direct Deposit	Treasury Check
<u>RRA</u> ^{1/}		
Number of payments	5,076,110	55,190
Percent of payments	98.92%	1.08%
Amount of payments	\$9,499,307,336.67	\$76,902,891.50
Percent of RRA payment amount	99.19%	0.81%
<u>RUIA</u> ^{2/}		
Number of payments	113,208	4,470
Percent of payments	95.96%	4.0%
Amount of payments	\$70,298,900.03	\$2,229,647.48
Percent of RUIA payment amount	96.93	3.1%

^{1/} In July 2014, 97.4 percent of RRA payments were through EFT; in June 2015, 99.19 percent of RRA payments were through EFT. The number of payments and amounts compared to last year statistics varies based on the date of information request, from July to June.

^{2/} In July 2014, 94.4 percent of RUIA payments were through EFT; in June 2015, 96.93 percent of RUIA payments were through EFT. The number of payments and amounts compared to last year statistics varies based on the date of information request, from July to June.

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 2015 (through May) compare with payments made by Treasury check as follows:

	<u>Vendor Express</u>	<u>Treasury Check</u>
Number of payments (invoices)	3,723	175
Percent of payments	95.5%	4.5%

Space Budget Justification

I. Agency: Railroad Retirement Board
 Bureau: Railroad Retirement Board
 GSA Bureau Code: 6000
 Date: August 27, 2015

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%		1.02%		1.80%		1.80%
PART 1.A: RENTAL PAYMENTS TO GSA									
GSA rent estimate		394,540	\$3,123	394,541	\$3,025	394,541	\$2,916	394,541	\$2,969
Agency adjustments to the bill:									
From Worksheet TAB	Chargebacks:	0	\$0	0	\$0	0	\$0	0	\$0
Corrections PY	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	4,132	\$25	4,132	\$37	4,132	\$38	4,132	\$38
CY	CY			(16)	\$2	(16)	\$2	(16)	\$2
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
V. Total Workplace FIT (Furniture & Information Technology)					\$50		\$50		\$50
Total, net rental payments to GSA		398,672	\$3,148	398,657	\$3,114	398,657	\$3,006	398,657	\$3,059
PART 1.B: FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA									
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 FIT			\$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			-\$3,148		-\$3,114		-\$3,006		-\$3,059
PART 2: RENTAL PAYMENTS TO OTHERS									
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

NOTE: The GSA Rent Estimate calculations, the GSA Anticipated Inventory Changes file and the modified Exhibit 54 template are provided to assist you in completing your Space Budget Justification report. However, the user of this information is ultimately responsible for the accuracy of their Agency Budget Request. Therefore, we strongly recommend that you thoroughly review all of the data in these files and to make all necessary adjustments for any errors or omissions on our part that may have occurred in the compilation of this data.

All spreadsheets have been password protected to avoid accidental overwriting of formulas. To unlock password protection got to TOOLS - PROTECTION - UNPROTECT SPREADSHEET. The password is "password".

RAILROAD RETIREMENT BOARD

Employee Relocation Costs

Budget Object Code	2015 Budgeted	2016 Planned	2017 OMB Guidance 5% Reduction	2017 OMB Guidance with 5% Investment	2017 Agency Request
126. Change-of-station	\$400,000	\$120,000	\$180,000	180,000	\$180,000
211. Travel	8,200	2,000	3,000	3,000	3,000
221. Transportation of things	84,000	29,200	40,000	40,000	40,000
252. Government contracts	0	0	0	0	0
255. Storage of household goods	35,700	15,000	15,000	15,000	15,000
Total	\$617,900	\$166,200	\$238,000	\$238,000	\$238,000

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 Occupational Health Nurse. Throughout the year, opportunities are provided for health promotion activities and preventative health services to all headquarter employees. 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 and OIG 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.

A summary of the programs and services available to employees is listed on the following pages. Also addressed are the areas that have been identified that need improvement and ideas for implementing these changes.

Alzheimer's Awareness and Education

Goal: To educate employees about the different types of dementia, including Alzheimer's disease.

Due to the aging workforce as well as the large number in the workforce who are becoming caregivers to aging parents, this topic is very important. Information session discussing early identification, signs and symptoms, referrals, medications, and help for caregivers was presented. Sources are the Alzheimer's Association and All Trust Home Care. Listings of eldercare resources is also available to employees. On November 14, 2014, an educational program was presented to interested employees about recognition, signs/symptoms, recommended course of treatment and also provided referral resources.

Breast Cancer Awareness and Education

Goal: Helping decrease the incidence of women dying from breast cancer by promoting early detection.

By educating of employees about early detection and providing guidelines for screening from the American Cancer Society. EHS has a video that demonstrates the proper method of breast self-examination that employees can view. Representatives from various organizations have provided a speaker to talk about this important topic with employees.

RAILROAD RETIREMENT BOARD

Wellness Initiatives

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). Employees who participate are also provided with information about heart attack, stroke and bloodborne pathogens. 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 Railroad Retirement Board maintains an in-house Medical Emergency Response Program with an established Emergency Response Team (MERT). 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.

Cardiovascular Disease, Risks and Prevention Program.

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

A comprehensive Cardiac Risk Screening and Prevention Program is done in conjunction with American Heart Month (February). The program is offered to employees at no cost. The laboratory screening portion of the program consists of a Lipoprotein Profile, which provides the results of the various significant components such as total cholesterol, LDL, HDL, triglycerides, non-HDL cholesterol, as well as the risk ratio of developing coronary artery disease. Each individual receives a hard copy of their specific results to give to their PCP. 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. The employee 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. Other clinical biometric data 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.

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: Mindful Eating, which was presented by a Registered Nutritionist on April 23, 2014; Developing a

RAILROAD RETIREMENT BOARD

Wellness Initiatives

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 have also been 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.

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.

As part of the Cardiac Disease Risk screening and education program, a Fasting Blood Glucose, the screening test for Diabetes is offered to interested employees. 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.

Tracking of the percentage of those newly identified with high glucose is done to assist in evaluating the effectiveness of the prevention programs.

Employee Assistance Program. (EAP).

Goal: To provide all employees with the opportunity to obtain assistance with work related, personal and/or family issues.

RAILROAD RETIREMENT BOARD

Wellness Initiatives

The RRB has an established Employee Assistance Program. The program provides short-term counseling and referrals to RRB employees and their family members at no cost. 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/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:

Exercise and Fitness Program

Goal: To help employees improve their health and fitness.

In conjunction with National Federal Employee Health and Fitness Day each year, Employee Health Service offers fitness topics. Topics have included: Walking for Fitness, Yoga, Strength and Stretching Techniques and Fitness at the Terminal. In December, 2010, the RRB established and 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 over a specific time frame.

A Fitness Facility Advisory Team was established and is active 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. The goal of the group is to monitor the needs of the employees and the facility, then make appropriate recommendations for new equipment and/or educational programs.

In June, 2014, interested employees were provided an information and instructional/hands on program utilizing the equipment available in the RRB's Fitness Facility. The sessions were conducted by a Certified Personal Trainer.

RAILROAD RETIREMENT BOARD

Wellness Initiatives

First Aid Education

First Aid training has been offered to employees on a regular basis, taught by RRB employees certified in First Aid. The comprehensive 4 hour course is conducted on agency time and is free to encourage participation.

HIV/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.

National Nutrition Month

In order to promote better nutrition and educate employees about proper diet, programs have been offered on low fat intake, 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.

Seasonal influenza immunizations

Flu immunizations are provided free of charge to all interested employees every year in the fall. In 2014, 370, employees were immunized for seasonal flu which included the H1N1 influenza in the vaccine as well.

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. The program is 100% reimbursable to the employee who completes the required sessions. The reimbursement is available for any agency employee, including field employees who want to participate in a smoking cessation program on their own (with proper documentation of completion) and for the various aids to help them quit.

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

RAILROAD RETIREMENT BOARD

Wellness Initiatives

Stroke Awareness Program

Educational programs have been offered in conjunction with Stroke Awareness month in May. In addition to the Blood Pressure screening portion of the Cardiac Risk Screening and Prevention Program, 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, and symptoms and are encouraged to have their blood pressures monitored by the agency nurse. Follow-up recommendations and referrals are also part of the services provided to employees. Posters with the "FAST" (face drooping, arm weakness, speech difficulty and time to call 911), reminders have been posted throughout the building.

Yoga Exercise Classes

To promote physical and mental health and fitness, the RRB has been providing a yoga exercise class once a week, at no charge to employees who participate 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.

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

In conjunction with national or other significant recognitions months, the Occupational Health Nurse sends pertinent health information bulletins such as Colorectal Cancer, Alzheimer's Awareness, Diabetes, High Blood Pressure, Stroke Awareness, Breast and Prostate cancer Awareness months. Information about Health and Human Services "Small Steps for Better Health" was provided to all agency employees. In addition, Safety bulletins regarding excessive heat/cold warning and tips for prevention of heat and cold induced illness. Information about healthy Vision Month with screening recommendations have also been provided.

In the past year, Employee Health Service has seen an increase in participation in the CPR/AED Training program and participation in some of the health promotion programs by the newer employees. Some additional healthier food options have been provided in the vending machines in the building.

RAILROAD RETIREMENT BOARD

Wellness Initiatives

In the coming FY, EHS will again address the issue of increasing the participation of the in-house programs by employees by at least 10%, increasing the number of field employees who view the Intranet RRB Vision programs, by obtaining approval for viewing these on agency time. The Fitness Facility Advisory Committee will provide some additional classes to train employees in the proper usage of the resistance exercise equipment. In addition, the local Farmer's Market will be advertised more and some small, short term "challenges" will be coordinated for interested employees. Examples are: 5 a Day Fruit and Vegetable Challenge, Conscious Relaxation Challenge, Meatless Monday Challenge, and Water Drinking Challenge. The goal of these challenges is to help employees become more mindful of making simple changes to improve health and wellbeing. Information will also be provided to employees regarding the now documented dangers of too much sitting.

Approval will also be requested to expand the nutritional program to provide healthy cooking classes for employees. 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 and found on data.gov include:

- Total Number of Railroad Employees by State, Class of Employer, and Last Railroad Employer, 2012 & 2013
- Active Employees and Railroad Retirement Act Beneficiaries by State, 2013 & 2014
- Total Railroad Employment by State and County, 2012 & 2013
- Total Railroad Employment by State and County and Zip Code, 2013
- 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.